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Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 14, 2005

James L. Collins, Director
Division of Professional Regulation
Cannon Building, Ste 203
861 Silver Lake Blvd.
Dover, DE 19904

Dear Mr. Collins:

Thank you for your June 13, 2005 letter responding to our April 15, 2005 field review letter. We appreciate the Division of Professional Regulation's ("Division") commitment to address our concerns.

We are pleased to learn of the new electronic application tracking procedures and your continuing efforts to seek the statutory authority to use the license history reports from our Web site to expedite processing temporary practice applications. Based on a June 29, 2005 telephone conversation between Administrative Specialist Dana Spruill and Vicki Ledbetter of our staff, we understand that this electronic system will help separate temporary practice applications from other application types and will enable the State to track the application process. You identified this as one reason for delayed application processing.

With respect to investigating and resolving complaints in a timely manner, we are pleased that the Office of the Attorney General will take steps to ensure that the Delaware Council of Real Estate Appraisers' ("Council") hearings and other matters will be scheduled more timely and efficiently. Specifically, you instituted new procedures to reduce hearing continuances due to scheduling conflicts. To further address the delays, two additional Deputy Attorneys General have been assigned to prosecute complaints received by the Division, including those related to real estate appraisers. We anticipate that the Council and the Division no longer will experience unreasonable delays in processing appraiser-related complaints.

Your response letter referenced House Bill 73 which should cure the letter of good standing issue discussed above and other statutory inconsistencies, including incorporating into law the 2003 Appraiser Qualifications Board criteria changes. According to information on the State's Web site, House Bill 73 passed both houses of the State legislature, with the Senate passing it on June 29, 2005. By August 31, 2005, please provide us with the time frame expected for the adoption of rule changes designed to implement the new legislation.

Also, by August 31st, please advise us regarding the Division's actions concerning the improperly credentialed certified residential appraiser. Based on previous conversations between members of your staff and Ms. Ledbetter, we understand that you first notified this appraiser regarding this situation shortly after our January 2005 field review. You received our April 15th field review letter on April 18th. In that letter, we required the Division to ensure that the appraiser takes the certified residential examination within 90 days from April 18th, which is July 17th. If the appraiser has not successfully passed the exam by that date, you need to begin

immediately to take the necessary steps to downgrade the appraiser's credential to the licensed level. You must do this because the appraiser is not legally qualified at the certified level to perform appraisals in connection with federally related transactions; he cannot continue to hold himself out as a certified appraiser.

Again, we thank you for your reply and look forward to learning of your continuing efforts to address the remaining concerns. Our field review letter, your response, and any other previous correspondence between us regarding the field review now will become publicly available on our Web site.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director