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Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 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 August 24, 2005 letter responding to our July 14, 2005 letter regarding our field review of Delaware's appraiser regulatory program. In our July 14th letter, we continued correspondence regarding: (1) processing temporary practice requests within five business days as required by ASC Policy Statement 5; (2) investigating and resolving complaints in a timely manner as required by ASC Policy Statement 10. (As noted in your June 13th letter, this concern has been satisfactorily addressed.); (3) adopting the January 2003 changes to the Appraiser Qualifications Board's ("AQB") certification criteria; and (4) taking appropriate action regarding a certified residential appraiser who was credentialed inappropriately.

We understand that the State legislature passed House Bill 73 on June 29, 2005. The Governor signed that bill into law on July 7, 2005. This new law, among other things, cures the issues regarding the first and third items noted above. In your August 24th letter, you stated that the Delaware Council on Real Estate Appraisers ("Council") had begun drafting implementing regulations and hoped that the rulemaking process will be completed on or before March 2006. You further stated that the Council hopes to complete this process sooner, but cited a number of factors that could delay adoption, *i.e.*, that the Council does not meet in August and December and that it must publish the proposed rules for comment and then must publish them again prior to their effective date. We expect that the Council will explore all avenues to expedite the adoption of the necessary rules to implement HB 73's provisions relating to the two deficiencies noted in our April 15th field review letter. In that regard, the proposed rules relating to these items might need to be split from other rule proposals needed to implement the balance of the new law. Please advise us as soon as possible regarding the status of these curative rule proposals. We stand ready to assist you in any way to ensure their prompt adoption.

In your August 24th letter, you provided further information regarding the status of the improperly credentialed certified residential appraiser. The appraiser took the appropriate examination, but failed the examination. You downgraded his credential to the licensed level as of July 19, 2005. Since that time, he has retaken and passed the examination. You stated that, once you receive confirmation from the testing service of that fact, the appraiser's credential will be returned to certified residential status. Once you receive that confirmation, please submit the appropriate changes on the appraiser's National Registry record and submit it, together with a full National Registry data submission, to us, and we will process that submission promptly.

We appreciate your continuing efforts to address the concerns identified during our field review. Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director