



**MINNESOTA
DEPARTMENT OF
COMMERCE**

85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
651.296.4026 FAX 651.297.1959 TTY 651.297.3067

June 28, 2006

Virginia M. Gibbs
Acting Chairman
Appraisal Subcommittee
2000 K Street NW, Suite 310
Washington, DC 20006

JUL X5, 2006

Dear Chairman Gibbs:

Thank you for your recent correspondence outlining the findings associated with your staffs March 2006 program review.

In your letter, you identified two material findings. First, a continued concern was raised as to our ability to validate continuing education claims of appraisers who apply to renew their certified credentials.

As you know, we completed full audits for years 2003 and 2004, a sample audit of 2005, as well as a random audit of 113 licensees for 2005. Based on the totality of these audits, we have decided to amend the appraiser renewal procedures beginning in August 2006 to require licensees who apply for renewal to submit their required continuing education documentation along with their renewal application. As you noted, the Department previously required the applicant to certify that they had met their continuing education requirements and followed-up with an audit to verify those certifications. We believe that by instituting this policy change, the Department will have addressed this finding and will be able to provide a reliable method of validating continuing education requirements in the future.

Second, the investigative staff has taken positive steps to investigate and resolve complaints in a timely manner. For example, additional staff training and a renewed focus on these files has resulted in the reduction of many aged cases. We understand that continued efforts in this area are necessary in order to conclude complaints over a year. We would like to thank your staff for taking the time to meet with the investigators during their review to answer questions on specific complaints. Their input and guidance on these files was invaluable to the investigators.

Please note that the updated spreadsheets of the 2003, 2004, and 2005 audits have been e-mailed to your staff as requested.

If you have any additional questions or concerns, please contact Bonnie at 651-296-4536 or me at 651-296-2843.

Sincerely,

James Pearson
Licensing Director

Bonnie Polta
Enforcement Supervisor

Market Assurance: 1.800.657.3602
Energy Information: 1.800.657.3710
www.commerce.state.mn.us

Licensing: 1.800.657.3978
Unclaimed Property: 1.800.925.5668
An Equal Opportunity Employer