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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

September 17, 2007

Mr. Daniel Shapiro, First Deputy  
Secretary of State  
Business and Licensing Services  
Division of Licensing Services  
P.O. Box 22001  
Albany, New York 12201-2001

Dear Mr. Shapiro:

Thank you for the cooperation and assistance of the Department of State's Division of Licensing Services ("Department") and the New York Board of Real Estate Appraisal ("Board") in the June 26-28, 2007 Appraisal Subcommittee ("ASC") review of New York's appraiser regulatory program ("Program").

Based on our review, New York needs to address one concern to bring the Program into substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). The State failed to ensure that all complete temporary practice applications were processed within five business days of receipt, as required by Title XI and ASC Policy Statement 5. We appreciate your efforts to resolve past concerns.

- **Temporary practice applications were not processed within five business days as required by Title XI and ASC Policy Statement 5.**

Title XI and ASC Policy Statement 5 require States to act on temporary practice applications within five business days of receipt of a completed application. New York issued 56 temporary practice permits during the review period. ASC staff determined that the State failed to comply with the five-day requirement in 17 instances.

We understand that the Department already knew about these processing delays and had identified their causes. We also understand that the Department will be implementing procedural changes to ensure that all temporary practice permits are issued timely. Please provide ASC staff a written plan describing the actions the Department will take to eliminate the processing delays.

Please respond within 60 days from the date of this letter. Until the expiration of that time period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of Information Act and will be made available on our Web site.

Please contact us if you have any questions.

Sincerely,

Virginia M. Gibbs  
Chairman

cc: Matthew Smith, Chair, Board of Real Estate Appraisal  
Joseph Amello, Director, Department of State  
Kathleen McCoy, Assistant Director, Department of State