



STATE OF NEW YORK
DEPARTMENT OF STATE
DIVISION OF LICENSING SERVICES
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GEORGE E. PATAKI
GOVERNOR

June 30, 2005

RANDY A. DANIELS
SECRETARY OF STATE

Ben Henson, Executive Director
Appraisal Subcommittee
2000 K Street NW, Suite 310
Washington, DC 20006

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Dear Mr. Henson.

In response to your April 12, 2005 letter setting forth the findings of the Appraisal Subcommittee regarding New York State's appraiser regulatory program, it is our intention to address all issues outlined in your correspondence. Each will be addressed in order:

Issue: A number of complaint cases have been outstanding for more than a year.

The Department has hired an additional investigator whose primary responsibility will be to address appraisal complaints. Two experienced upstate investigators will also assist with appraisal complaints, when necessary. Supervisory staff will monitor the progress of appraisal investigations. Accordingly, we expect that most investigations will be completed within six months of assignment.

Regional Appraiser Advisors are attending workshops for instruction on how to author more credible and accurate reports. Representatives from Counsel's Office are also attending these workshops to answer questions and provide guidance with respect to case preparation and use of the Department's necessary criteria for case analysis. A priority case will be reviewed with Counsel's Office to require timely resolution.

Issue: New York's complaint tracking system is not effective.

As noted in your letter, all original appraiser complaint files are now maintained in the New York City office. Appraiser cases will no longer be archived. In addition, if it becomes necessary to send a file to a district office, a copy of the file will be made and routed to the appropriate party. The original will remain in the New York City office at all times.

You also relate an incident wherein Investigator Matthews made notations on a printed data sheet, and conclude that staff is not using our automated case tracking system. This is not correct. The information on our complaint tracking system is contained on several computer screens, so that it is not always available on a single printout sheet. Accordingly, Mr. Matthews consolidated the data by hand writing all of the requested information for each file onto a single page for each case to make the review less cumbersome for the auditors. Nevertheless, we have designated employees at each stage of the complaint process to ensure proper and timely data entry.

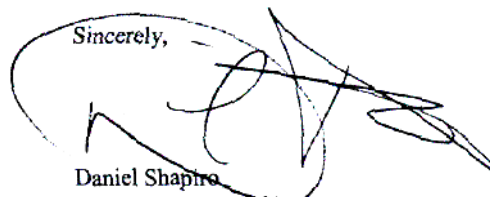
Issue: The Department does not validate the continuing education claims of appraisers who renew certified credentials

Full audit procedures have been restored to our appraisers regulatory program. Staff in our Education Unit will monitor continuing education course compliance on a regular basis. The failure rate will also be closely watched to ensure compliance with the 10% threshold as promulgated in ASC Policy Statement I OF. The Department will publicize disciplinary action taken against appraisers who fail the affidavit audits in the "Appraisal Newsletter."

Issue: The Board has not adopted the 2005 edition of the Uniform Standards of Professional Appraisal Practice

The 2005 Edition of the Uniform Standards of Professional Appraisal Practice will be adopted at the June 30, 2005 meeting of the Appraisal Board. The Department (in conjunction with the Appraisal Board) has created a procedure which will allow for the adoption of the future editions of the Uniform Standards of Professional Appraisal Practice no later than the end of the first quarter of each year. Appropriations will be made available each November to purchase approximately 30 copies of the USPAP for distribution. Public notice of the proposal to adopt the new addition of the USPAP will be published in the New York State Register (as required by the State Administrative Procedures Act §202(1)) in January for a 45-day comment period. The Appraisal Board will schedule future first-quarter meetings in March to accommodate this process, to ensure that new editions of the USPAP can be adopted on a timely basis.

I hope we have addressed your concerns and clarified any possible misconceptions regarding the status of New York's appraiser regulatory program. Please feel free to contact my office if you require additional information.

Sincerely,

Daniel Shapiro
Deputy Secretary of State