

NEW YORK STATE BOARD OF REAL ESTATE APPRAISAL

September 20, 2004

Virginia M. Gibbs, Chairperson
Appraisal Subcommittee
2000 K Street NW, Suite 310
Washington, D.C. 20006

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Dear Ms. Gibbs:

We are in receipt of your August 19, 2004 correspondence concerning the Appraisal Subcommittee's review of the appraiser regulatory program in New York which was conducted June 2224 by your representatives. We have reviewed the items that you have noted in your correspondence. As a result, we have taken the following action to address each expeditiously.

The Department of State performed a review of its records regarding the individuals issued certified credentials since July 1, 2000. A total of twenty-one (21) individuals were notified that they will be required to participate and pass the appropriate examination within ninety (90) days of receipt of August 23, 2004, the date the Department received your letter. Six (6) other licensees were found to be in compliance. Any individual who does not participate in an examination or does not obtain a passing grade will be downgraded to the license level. All twenty-one (21) individuals have been notified of our impending action. The computer records of all individuals who pass certification examinations will be reviewed whenever the Department receives an application for the certification level to ascertain compliance with the two-year test requirement.

At the time of the review, forty-nine (49) investigations were identified as being in process for more than one year. Thirty (30) files were identified as being referred to legal counsel and nineteen (19) were opened in the investigation database. Since your findings were reported, the Department has made a concerted effort to locate and finalize the issues surrounding these cases. Of the thirty (30) cases submitted to counsel: twelve (12) are with counsel pending disciplinary action; two (2) are pending decisions by Administrative Law Judges, and sixteen (16) discontinued and closed.

Of the nineteen (19) cases still with the investigative staff, eight (8) are open; these have been designated as Priority Matters; three (3) are closed with administrative holds (they were not closed previously on the database); three (3) have been closed with letters of warnings to the license/certification holders, and five (5) discontinued and closed.

To ensure that complaints are completed within a one-year period, a special unit has been designated which will investigate appraiser cases exclusively and monitor results. The status of all outstanding complaints will be noted and verified monthly through the database. The use of the database

to track investigations has been noted in policy to ensure its effectiveness. A quarterly update will be forwarded regarding our progress.

The complaint tracking system as it is presently developed will provide the means to maintain the status and location of each case. We will monitor all cases to ensure that the proper input is recorded and kept up-to-date. Policies and procedures developed by the Department will ensure compliance.

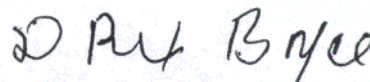
The Department has taken steps to comply with the ASC Policy Statement 9: Information Sharing. All disciplinary actions that have resulted in suspensions, voluntary surrender and/or revocations will be reported by our Systems Bureau on a bi-weekly basis. Enclosed, along with this correspondence, please find a listing of all disciplinary actions taken by this Department since the inception of the law.

With regard to Continuing Education, the Department has again undertaken its continuing education audit program effective September 1, 2004. It will be in compliance with the forthcoming ASC Policy Statement 10: Revision. Also, immediate steps were taken to comply with the Policy stated regarding temporary practice. All such applications that are received are now removed from the mail that is delivered daily and processed immediately.

Importantly, the Department and the Board will take the necessary steps to ensure that the most current edition of USPAP is adopted on a yearly basis by entering into an ongoing agreement with the Appraisal Foundation that will permit the annual adoption of the newest USPAP without necessitating separate, annual agreements between the State of New York and the Appraisal Foundation as has been done in the past. The Board will adopt the 2005 edition of USPAP as soon as it is published by the Appraisal Foundation. The New York Department of State and the Board of Real Estate Appraisers clearly recognizes the importance of providing full cooperation and compliance with the matters noted in your correspondence of August 19, 2004.

As noted above, we will be providing your office with regular updates of our progress. Again, thank you for your cooperation, and if you or your staff have the need for additional information, please do not hesitate to contact our office.

Sincerely,


D. Rex Bryce, Chair

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