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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

February 22, 2006

Kelly Davids, Superintendent  
Ohio Department of Commerce  
Division of Real Estate and Professional Licensing  
77 South High Street, 20<sup>th</sup> floor  
Columbus, Ohio 43215-6133

Dear Ms. Davids:

Thank you for your December 30, 2005 letter responding to our November 3, 2005 field review letter. We reviewed your remarks and appreciate your comments and cooperation. During our field review, we identified two areas that needed your attention. Based on your response, it appears that Ohio continues to make progress toward bringing its real estate appraiser regulatory program ("Program") into substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI"). We appreciate Ohio's continuing efforts in this area.

- **Ohio's temporary practice provisions do not comply with Title XI and Appraisal Subcommittee ("ASC") Policy Statement 5.**

On December 23, 2005, Senate Bill 144 was signed into law and its effective date is March 23, 2006. This new statute will bring Ohio's temporary practice provisions into compliance with Title XI and ASC Policy Statement 5, eliminating a longstanding violation of Title XI.

- **Ohio's complaint investigation and resolution program does not comply with Title XI and ASC Policy Statement 10.**

During our August 2005 field review, we found that 199 cases were outstanding, with 83 outstanding for more than one year. Of those 83 cases, 69 were over one year old, nine were more than two years old, four were over three years old, and one was more than four years old. We are pleased with your report that investigations had been completed on 45 percent of the 83 cases that were outstanding for more than one year, and that investigations were completed on all cases more than two years old.

This progress, along with the other positive steps detailed in your December 30<sup>th</sup> letter show that the Division of Real Estate and Professional Licensing ("Division") and the Real Estate Appraisers Board ("Board") are devoting the time and resources needed to bring Ohio's complaint investigation and resolution program into compliance with Title XI and ASC Policy Statement 10. We are pleased to see this progress towards resolving our longstanding concerns about your complaint investigation and resolution program

In our November 3, 2005 letter, we stated that we would closely monitor Ohio's progress by requesting that you provide us complaint logs on a quarterly basis, and that ASC staff would return for a full review of the Program within approximately 12 months from our August 2005

review. In your December 30, 2005 response, you stated that, given the continued improvement of the complaint investigation and resolution procedures and the elimination of the temporary practice concern, that these steps no longer may be necessary.

Please continue to provide complaints logs on a quarterly basis. Each complaint log should contain all complaints from 2000 to present (open and closed), identifying the: case number; respondent; complainant; date the complaint was received; its current status; date the complaint was closed; and method of disposition. If the March 31<sup>st</sup> and June 30<sup>th</sup> logs show continuing improvement in the timeliness of Ohio's complaint investigation and resolution process, we will consider returning to Ohio for a priority contact in 2006, rather than a full field review.

Our field review letter, your response, and any other previous correspondence between us regarding the field review now will become publicly available on our Web site. Please contact us if you have any questions.

Sincerely,

Ben Henson  
Executive Director

cc: Lawrence A. Kell, Chairman  
Ohio Real Estate Appraisers Board

Doug White, Director  
Ohio Department of Commerce