



**Ohio Department of Commerce**  
**Division of Real Estate & Professional Licensing**

77 South High Street • 20<sup>th</sup> Floor  
Columbus, OH 43215-6133  
(614) 466-4100 Fax:(614) 644-0584  
www.com.state.oh.us

**Bob Taft**  
Governor

**Doug White**  
Director

December 30, 2005

JAN X 3 2006

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

Dear Ms. Gibbs:

Thank you for the opportunity to respond to your letter of November 3, 2005 regarding the Appraisal Subcommittee ("ASC") August 17-19, 2005 review of Ohio's real estate appraiser regulatory program ("Program"). The Ohio Real Estate Appraiser Board ("Board"), the Program staff, and I also appreciate the professional manner in which the on-site review was conducted by ASC Policy Managers Jenny Tidwell and Vickie Ledbetter.

We are pleased to be recognized by the ASC for the progress made on addressing the two areas of concern found in previous field reviews - temporary practice policies and the complaint investigation and resolution process. Thank you for the verbal and written comments and for the encouragement given to Ohio to continue the Program's devotion of time and resources to these matters.

Any on-going concerns you expressed in the November 3, 2005 letter may be understandable based on a historical perspective; however, given the continued advancement of the Program as noted during the field review and further addressed herein, we believe those concerns are unwarranted.

The Board holds a like opinion regarding the two areas of concern you expressed. In fact, in April, 2005, when I became Superintendent of the Ohio Division of Real Estate and Professional Licensing ("Division"), the Board detailed its priorities regarding the Program. Among the top priorities for immediate attention were:

- 1) To work with the Ohio Department of Commerce ("Department") legislative staff and members of the Ohio General Assembly to fix the problems with Ohio's temporary practice statutory provisions; and
- 2) To reduce the appraiser complaint investigation and resolution backlog.

The Board emphasized the gravity of the situation should these goals not be attained, it recognized the many limitations (most of which were beyond its control) that contributed to these issues, and the members pledged support to help overcome any barriers in order to successfully reach these goals. The newly appointed Director of Commerce, Doug White, also pledged his and the Department's full support in attaining these goals.

On behalf of the Board, Department, and Division, it gives me great pleasure to respond to your verbal and written comments, to give updates on both areas of concern expressed in your November 3, 2005 letter, and to outline Ohio's plan to build upon our successful progress in these areas.

- **Ohio's Temporary Practice Provisions Now Comply with Title XI and ASC Policy Statement 5.**

In your November 3, 2005 letter, you recognized that Ohio has recently taken action to bring Ohio's temporary practice provisions into compliance with Title XI and ASC Policy Statement 5. When the on-site review was conducted, the bill that embodies these changes, Senate Bill 144, had passed the full Senate 33-0. In her remarks to the Board on August 19, 2005, Ms. Tidwell stated, "[i]f the new bill passes, that will eliminate that issue right there."

The Ohio General Assembly held its final hearing on SB 144 on December 6, 2005, where it received unanimous approval. Governor Bob Taft signed the bill into law on December 23, 2005 and its effective date is March 23, 2006.

The change brought about by the passage of this bill brings Ohio's temporary practice provisions into compliance with Title XI and ASC Policy Statement 5.

- **Ohio Improves Its Complaint Investigation and Resolution Program**

Ohio continues to invest significant energy and resources into its complaint investigation and resolution program.

Perhaps Ms. Tidwell summarized Ohio's progress in this area best during her report to the Board when she stated,

*"The Subcommittee's recommendations are that from the time the complaint is received until the final disposition of a case should take one year. Historically, Ohio was not able to maintain that type of timeliness, with many factors playing into that.*

*I am happy to report that it looks like a lot of those factors have been addressed. You are now sitting with a full staff, including four fully dedicated investigators, and an investigative supervisor, which we have reviewed their investigative reports and they look fantastic. They are doing a really good job. They are identifying very succinctly, accurately violations and matching them up appropriately with the appropriate charges and doing thorough investigations; and*

*their reports are very full of all of the facts in evidence that is needed. That's a very good sign that the backlog of cases that Ohio currently has should be able to be brought down to a manageable level in the coming months and years, so we are very hopeful."*

An additional note was made in your November 3, 2005 letter regarding Ohio's recent adoption of rules allowing for settlement agreements that "...move Ohio away from having to use the full hearing process as the primary method of case resolution." Ms. Tidwell and Ms. Ledbetter were able to observe the Board's first review of a settlement agreement at its August 19, 2005 meeting. The ASC Policy Managers' response to the Board was summarized by Ms. Ledbetter, when she stated,

*"I was also just extremely thrilled to see the settlement agreement. As some of you who have been sitting on the Board for a little while know, that is something that we have been encouraging for years now. We are thrilled to see that that is now part of your regulation and that it's actually being used."*

It is encouraging to be recognized for our efforts in investigation and complaint resolution, and you can be assured that this attention on Ohio's part is not temporary.

As evidence of our continuing commitment in this regard, please reference your November 3, 2005 letter notation on page two where it was detailed that during the field review 83 cases were outstanding for more than one year. I am happy to report that since that time, investigations have been completed on 45 percent of those cases. In fact, investigations of the cases that were noted as being more than two, three, or four years old are 100 percent complete.

- **Ohio's Plan to Build Upon its Successful Practices**

Ohio has taken positive steps to improve its Appraiser Program, and has demonstrated that improving the timeliness of appraiser complaint investigation and resolution is of utmost importance. In addition to the successful steps detailed above, factors that will continue to add to our success include:

Training and Case Management Assistance from Former Appraiser Board Members The Program is benefiting from the assistance of two former Board members, with certified general appraiser credentials, who are working with the investigative and legal staff in training, development of investigative techniques, and case review. The initial meeting with investigative staff was held in September, 2005.

Dedication of Additional Personnel Resources to the Appraiser Program Ohio doubled the number of investigators assigned to appraiser investigations from 2 to 4 in 2005, and will add a staff attorney who will focus on appraiser investigation support in 2006. We are currently negotiating to fill the new position in our legal section with an attorney who is also a Certified Residential Real Estate Appraiser.

Realignment of Program Administrative Functions The Division has been reorganized to give more direct Program management responsibility to the Superintendent. The sections within the Program have been functionally realigned to improve performance and provide additional resources. Investigative Supervisor Adam Tonti and the Program investigators are now aligned with the Real Estate investigative section to allow for additional cross-training of staff and ensuring procedural consistency across the Enforcement section. Administrative Assistant Sylvia Keberle and the remaining staff in our Cleveland office are concentrating their efforts on Appraiser licensing and customer service. The Division legal staff, under Division Counsel William Leber, is providing legal and administrative support services to the Board. Comprehensive Program management lies with me as Superintendent. The reorganization is yielding positive results for the overall Program and is positioning us for continued improvement.

As you can see, Ohio is not resting on its successes, but rather continues to move its Appraiser Program in a positive direction.

Given the continued advancement of the Program and Ohio's effective elimination of the first concern entirely and nearly fifty percent of the second concern you expressed in your November 3, 2005 letter, the Division believes the need for close monitoring and the decision to have ASC staff return for a full review within 12 months may no longer be necessary.

Again, we appreciate the opportunity to respond to your field review follow-up letter of November 3, 2005. Should you have any questions, I can be reached at my direct line: 614-466-3411 or via e-mail at [kelly.davids@com.state.oh.us](mailto:kelly.davids@com.state.oh.us)

Sincerely,



Kelly Davids  
Superintendent

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

Doug White, Director  
Ohio Department of Commerce

Ohio Real Estate Appraiser Board Members

Ohio Real Estate Appraiser Program Staff