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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 21, 2008

Mr. Thomas Pirritano, Chair
Maryland Commission of Real Estate Appraisers
and Home Inspectors
500 North Calvert Street
Baltimore, Maryland 21202-3651

Dear Mr. Pirritano:

Thank you for the Maryland Commission of Real Estate Appraisers and Home Inspectors (“Commission”), Department of Labor, Licensing, and Regulation, Division of Occupational Licensing’s cooperation and assistance in the June 9-10, 2008 Appraisal Subcommittee (“ASC”) review of the Maryland real estate appraiser regulatory program (“Program”). Based on our review, Maryland 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”).

- **Maryland’s complaint investigation and resolution process did not comply with Title XI and ASC Policy Statement 10E.**

While we found the complaint files well documented and the actions taken fair, Maryland’s complaint investigation and resolution process did not comply with Title XI and ASC Policy Statement 10E as complaints were not investigated and resolved in a timely manner. ASC Policy Statement 10E provides that State agencies need to process complaints on a timely basis, and that, absent special documented circumstances, final State administrative decisions regarding complaints should occur within one year of the complaint filing date.

At the time of our field review, the number of complaints outstanding was 53; 22 of which were over one year old. Of the complaints outstanding for more than one year, four were received in 2005, ten were received in 2006, and eight were received in 2007. We understand that all of these cases are in process but are pending resolution for various reasons (e.g., waiting for the scheduling of a hearing; continuances granted to the respondent; or technical review).

While on site, ASC staff discussed this concern regarding the high number of complaints outstanding for more than one year with the Program staff. The Program staff was aware of the backlog and attributed it to the need to address other priorities, including the large volume of applications that were received from individuals trying to get certified or licensed prior to the January 1, 2008 AQB criteria changes. They advised ASC staff that all resources were focused on the timely review of applicant work product. The Commission reported that the applications have decreased significantly and that they are now focusing their efforts on complaints. Also, the Commission recently retained a volunteer expert review appraiser to assist with the backlog.

To address the concerns discussed above, the Commission needs to develop and implement specific plans to reduce the backlog of outstanding complaints and to process all complaints timely, and inform the ASC, in writing, of those plans no later than 60 days after receiving this letter. Please provide us with regular status reports on the resolution of the outstanding complaints.

Until the expiration of that 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 further questions.

Sincerely,

Virginia M. Gibbs
Chairman

cc: Stanley Botts, Commissioner
Elwood Mosley, Executive Director
Patricia Schott, Program Administrator