

□   □   □   □   □   □

**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

## Memorandum

To: Donna Rice

Date: August 21, 2007

From: ~~Denise~~ <sup>Denise</sup> Graves, Policy Manager

Subject: Field Review Letter

~~Donna~~ <sup>Donna</sup>

Attached is a complete copy of the ASC field review letter originally dated June 27, 2007. I have made a correction of the date to August 6, 2007. I apologize for any inconvenience this may have caused.

Please feel free to call if you have any questions.

Denise Graves, Policy Manager  
Appraisal Subcommittee  
(202) 293-6250 ext, 105

\* \* \* \* \*

## Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

~~June 27, 2007~~    *sb*    *August 6, 2007*    *DEG*

Ms. Debbie LaJeunesse  
 Chairperson, Wyoming Certified Real Estate  
 Appraisers Board  
 2020 Carey Ave, Suite 702  
 Cheyenne, WY 82002-0180

Dear Ms. LaJeunesse:

Thank you for the cooperation of the Wyoming Real Estate Appraisers Board ("Board") and your staff's assistance in the April 17-18, 2007 Appraisal Subcommittee ("ASC") review of Wyoming's real estate appraiser regulatory program ("Program"). Based on our review, Wyoming needs to address two concerns 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").

- **Wyoming's complaint investigation and resolution program does not comply with Title XI and ASC Policy Statement 10 because complaints are not investigated and resolved in a timely manner.**

Under Title XI and ASC Policy Statement 10E, States need to investigate and resolve complaints in a timely manner. Complaint resolution generally should occur within one year of complaint receipt. Although complaint files were well documented and enforcement decisions generally appeared equitable, three of the seven outstanding complaints were more than one year old.

Field Review Cycle	Complaints Received	Complaints outstanding	Complaints outstanding more than 1 year
August 2001	21	3	1 (33%)
July 2004	16 (~7/year)	5	1 (20%)
April 2007	20 (~7/year)	7	3 (42%)

Several factors appeared to contribute to the delay in investigating and resolving complaints. First, the Board's investigation process is very time-consuming. In most cases, the Board contracted with outside appraisers to perform a USPAP Standard Three review. After that review was performed, a Board member reviewed the complaint and the Standard Three review to determine whether further documentation and/or action were needed. Then, the full Board reviewed the complaint file to determine whether the complaint should be dismissed or prosecuted further. This investigatory phase usually took as long as nine to eleven months. Then, if the reviewing Board member or full Board required additional information, three additional months would lapse before the complaint could be considered at the next Board meeting.

Second, complaints were not always processed promptly in the Attorney General's Office. Three complaints recently sat in the Attorney General's Office for more than six months without processing. The Attorney General, in a meeting with ASC staff, committed to prompt processing in the future.

Third, there was considerable turnover in the prosecuting attorney position assigned to the Board. This required the new prosecutor to become familiar with Board and appraiser issues prior to beginning prosecution.

While on-site, ASC staff met with representatives from the Board, its staff, and the Attorney General's Office. All parties agreed that the current process could be improved and streamlined. The Board committed to finding and implementing more time-efficient processes. Finally, ASC staff met with Wyoming's Attorney General and were assured that appraiser-related cases would be prosecuted timely.

To resolve this concern, the Board needs to:

1. Ensure that it investigates and resolves appraiser-related complaints in a timely manner, in accordance with Title XI and ASC Policy Statement 10; and
  2. Within 45 days from receipt of this letter, provide the ASC a written plan describing in detail how the Board will reduce its backlog of outstanding cases, and how it will ensure that future complaints are investigated and resolved in a timely manner.
- **The Board's rules regarding reinstatement of an appraiser from Inactive to Active status do not conform to Appraiser Qualifications Board ("AQB") criteria.**

The Board's rules currently allow an appraiser to place his or her credential into Inactive status for an unlimited amount of time, provided that the appraiser pays his or her annual renewal fees. The regulations require that, to reactivate a license or certification, the appraiser must take 45 hours of continuing education, including the most current 7-hour National USPAP Update course.

In September 2005, the AQB adopted an Interpretation regarding waivers and deferrals of continuing education. That Interpretation provides that, prior to reactivating an Inactive credential, the credential holder must complete all continuing education that would have been required had he or she not been Inactive, including the most recent edition of the 7-hour National USPAP Update course. While the Board's rules are inconsistent with AQB criteria, ASC staff did not find any Inactive appraisers who had been re-activated inappropriately.

The Board needs to amend its rules as soon as possible to ensure compliance with AQB Interpretation discussed above.

Unless otherwise noted above, please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that time 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 any questions.

Sincerely,

Virginia M. Gibbs  
Chairman

cc: Donna Rice, Executive Director  
Patrick J. Crank, Wyoming Attorney General