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Appraisal Subcommittee

Federal Financial Institutions Examination Council

May 15, 2012

Mr. Eduardo Ballori Lage
Assistant Secretary of State for
Boards and Commissions
P.O. Box 9023271
San Juan, PR 00902-3271

RE: ASC Compliance Review of Puerto Rico's appraiser regulatory program

Dear Mr. Ballori:

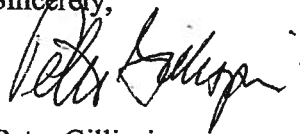
The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Puerto Rico appraiser regulatory program (Program) on January 12-13, 2012. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the preliminary findings regarding the Review and the State's response. Although the attached Report references an area of concern, the ASC has determined the Program is in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. Puerto Rico will be moved to a two-year Review Cycle. However, due to the lack of dedicated funding for the Program, ASC staff will make periodic contact with the Department and/or Board to allow for close monitoring of the Program.

This letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,



Peter Gillispie
Chairman

Attachment

cc: Mr. Oscar Luciano, Board President

ASC Compliance Review Report

ASC Finding: In Substantial Compliance

Final Report Issue Date: May 15, 2012

Puerto Rico Appraiser Regulatory Program (Program)

Board of Examiners of Professional Real Estate Appraisers (Board) / Decision Making
 PM: V Metcalf

ASC Compliance Review Date: January 12-13, 2012

Review Period: December 2010 to January 2012

Umbrella Agency: Department of State (Department)

Number of State Credentialed Appraisers on National Registry: 388

Review Cycle: Two Year

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Puerto Rico Statutes, Regulations, Policies and			X					
States must have sufficient funding and staffing consistent with the purpose of Title XI. (Title XI § 1118 (a), 12 U.S.C 3347.)				The Board does not have a specific budget to fund its activities or account for the revenue generated from fees paid by real estate appraisers.	On May 2, 2012, the Department reported to ASC staff that the State Department and the Governor's office are in talks with current Board members, as well as with state legislators in the House and the Senate of Puerto Rico, with the goal of identifying funding to be used exclusively by the Appraisal Board. Moreover, the Board will create a committee of industry professionals to examine the state of the profession. The committee should present its findings at the end of the allotted 150-day period. These findings will be the basis for legislation to be presented to the Legislature with the aim of correcting, not only budgetary issues for the Board, but other areas of concern affecting the profession.	None	To strengthen the Program, the Board and Department should continue to explore ways to achieve and maintain the necessary resources to perform their Title XI-related duties.	Due to the lack of dedicated funding for the Program, ASC Staff will make periodic contact with the Department and/or Board to allow for close monitoring of the Program.
Temporary Practice:	X			No compliance issues noted.	N/A	None	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None	None
Education:	X			No compliance issues noted.	N/A	None	None	None

ASC Compliance Review Report

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Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Enforcement:	X			No compliance issues noted.	N/A	None	None	None