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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

April 20, 2010

Mr. Michael E. McGee, Deputy Director  
Mississippi Real Estate Appraiser  
Licensing and Certification Board  
2506 Lakeland Drive, Suite 300  
Flowood, MS 39232

Dear Mr. McGee:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Mississippi's appraiser regulatory program on November 9-10, 2009. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the staff's preliminary findings regarding the Review and the State's response. The ASC has determined the Program is not in substantial compliance with Title XI of the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989, as amended (Title XI). The ASC identified the following concerns:

- Mississippi must use a reliable means of validating experience claims on all initial applications.<sup>1</sup>
- Mississippi should resolve complaints within one year, except for special documented circumstances.<sup>2</sup>

In the response, the State indicated it has taken corrective actions, which are detailed in the attached Report. During the next Review, ASC staff will confirm these corrective actions have taken place and are appropriate. Please also be advised 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,



Deborah S. Merkle  
Chairman

**Attachment**

cc: Mr. Robert Praytor, Administrator  
Ms. Leslie North, Chairperson

<sup>1</sup> Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 10G.

<sup>2</sup> Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.

**ASC Compliance Review Report**

**Finding: Not In Substantial Compliance**

Report Issue Date: April 20, 2010

**Mississippi Appraiser Regulatory Program (Program)**

Mississippi Real Estate Appraiser Licensing and Certification Board (Board)

ASC Compliance Review (Review) Date: November 9-10, 2009

Review Period: April 2007 to November 2009

Independent Agency

PM: N. Fenochietti

Number of State credentialed appraisers on National Registry: 1506

Issue: FINAL

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					
<b>Mississippi Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Application Process:</b>		X		Mississippi uses a point system for determining experience hours and has never required applicants to provide their actual number of hours worked. In addition, the Board has not been collecting information on the scope of supervision.  AQB Real Property Appraiser Qualification Criteria (AQB Criteria), effective 1/01/2008, requires the actual work hours of the applicant and the scope of review and supervision of the supervising appraiser be included on the experience log.	On February 8, 2010, Board staff reported that amendments to the point system and experience log were proposed. To reflect the scope of supervision, the new log includes columns to enter the appraiser's tasks and the supervisor's tasks.	The Board must adopt and implement applicant experience logs that document the actual work hours claimed by the applicant, and the scope of the review and supervision of the supervising appraiser.	None	Please notify ASC staff once the experience log is adopted and implemented. The ASC expects to find this area of the Program in compliance with Title XI and AQB Criteria during the next Compliance Review.
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None	None
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None	None

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	YES	NO	AC					
<b>Enforcement:</b>		X						
States should resolve complaints within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				<p>Mississippi had 28 outstanding complaints; 11 of those complaints were unresolved for more than one year from the date of receipt. None of these cases is exempt for special documented circumstances.</p> <p>Since the 2007 Review, the number of complaints received has increased by 21%. Pending complaints were reduced by 59%. The number of complaints pending for more than a year was reduced by 50%.</p>	<p>The Board reported on February 8, 2010, that the staff's new review and investigation procedure for complaints has been successful in expediting the complaints to a final resolution. Since the Review, one aged complaint had been closed, two are 50% complete, three are 75% complete, and five are under active investigation. Their priority is to dispose of the oldest complaints first.</p> <p>The Board attorney is assigned by the Office of the Mississippi Attorney General, which only has one Assistant Attorney General. The time constraint on the attorney due to multiple Boards severely limits the attorney's availability to handle Board matters, which delays the progress of most Administrative Hearings. However, the Board staff moves forward with other complaints while waiting for the attorney to conclude the legal action necessary to present a case to the Board.</p>	<p>Mississippi must submit quarterly complaint logs to the ASC. ASC Staff will analyze each log. If progress is not being made, the ASC may impose additional reporting requirements and/or data collection requirements.</p> <p>The ASC Policy Manager assigned to Mississippi will work with the Board staff to determine the timing and content of the complaint log.</p>	<p>To strengthen the Program, the Board should continue to employ ways to process, in a timely manner, complaints of appraiser misconduct or wrongdoing to ensure compliance with Policy Statement 10E.</p> <p>Mississippi should explore ways to achieve and maintain the necessary resources to perform its Title XI-related duties.</p>	<p>During the next review, the ASC will pay particular attention to this area of the Program to ensure compliance with Policy Statement 10E.</p>