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Appraisal Subcommittee

Federal Financial Institutions Examination Council

March 3, 2003

L. Wayne Mayo, Chairperson
Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, TX 78711-2188

Dear Mr. Mayo:

Thank you for your February 14, 2003 letter responding to our January 7, 2003 field review letter. We have reviewed your response and have additional comments.

- **Temporary Practice Restrictions**

In your letter, you stated that Texas meets the intent of Appraisal Subcommittee (“ASC”) Policy Statement 5 concerning Temporary Practice, even though Texas does not meet the letter of that Statement. You further stated that, although Texas issues a temporary practice permit for only 60 days, an appraiser may request a 150-day extension by fax, and the request is automatically granted. For this reason, you believe that Texas’ provisions are not burdensome.

ASC Policy Statement 5 identifies as burdensome a number of practices. One of those practices is, “Limiting the valid time period of a temporary practice permit to less than six months after its issuance date.” As noted in our January 7th letter, Texas’ failure to issue temporary practice permits for at least a six-month initial time period is burdensome under Policy Statement 5. While we continue to appreciate the Texas Appraiser Licensing and Certification Board’s (“Board”) efforts to comply with Policy Statement 5, we again emphasize the need for the Board to seek the necessary statutory amendments to bring its organic act into compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (“Title XI”) and Policy Statement 5..

We acknowledge that a legislative remedy may take some time. In the interim, we would like you to consider making a minor change in your temporary practice application that, we believe, would reduce, but not eliminate, this burden. We recommend that the Board add a check box on the application; checking the box at the time of application would indicate an appraiser’s desire to take advantage of the 150-day extension period at the outset. Therefore, an appraiser checking the box would automatically have 210 days to complete his or her work under the temporary practice permit. This change would eliminate the need for the appraiser to claim the extension by the end of the initial 60-day period and would streamline temporary practice permit processing for both the appraiser and the State.

- **Complaint Investigation and Resolution**

After reviewing your response containing information about upcoming budget cuts, we have even greater concerns that Texas might not be able to investigate and resolve complaints in a timely manner. The ASC will monitor Texas' complaint investigation and resolution program for compliance with Title XI and ASC Policy Statement 10. To help with the monitoring process, please submit to us a complete complaint log each quarter. The complaint log will allow us to monitor critical information regarding Texas' enforcement program. You may submit the complaint log in electronic format by email, if you wish.

Please respond 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.

If you have any questions, please contact us.

Sincerely,

Ben Henson
Executive Director