



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR & ECONOMIC GROWTH  
LANSING

KEITH W. COOLEY  
DIRECTOR

May 29, 2008

Ms. Virginia M. Gibbs, Chairman  
Appraisal Subcommittee  
2000K Street, NW

Re: ASC 2007 Review Response

Dear Ms. Gibbs:

The ASC has cited Michigan for slow complaint investigation and resolution of appraisal complaints for the past seven years. The ASC review that was performed on September 16-18, 2007, found similar results.

The Department recognizes the importance of the timely completion of appraisal investigation to the mission, purpose and objective of Title XI. Accordingly, over the preceding years it has sought various ways to comply with Title XI and ASC Policy Statement 10E. In that regard, the Department has improved its initial complaint screening process in an effort to weed out routine and non-substantive complaints, limited the scope of the investigation where appropriate, dedicated more staff for complaint investigation and constantly adjusted the work process to improve efficiency. Most recently, the Department has requested and received increased funding for additional enforcement staff for a more speedy, timely and efficient completion of appraisal complaints and to enhance the enforcement program for this fiscal year, October 1, 2007 to September 30, 2008. These initiatives have improved results and are expected to continue to realize significant gains toward the quick resolution of appraisal complaints and eliminate barriers to compliance with Title XI and ASC Policy Statement 10 E, in the short run."

Concerning the ASC's information that the AQB adopted an interpretation that provides that, prior to reactivating an inactive credential, the credential holder must complete all continuing education requirements that would have been required if the credential holder was in an active status, the bureau began applying this interpretation on January 1, 2008. On that date, the Occupational Code of Michigan adopted the criteria contained in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria", adopted by the AQB on February 15, 1994 and effective January 1, 2003.

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Effective January 1, 2008, with the statutory adoption of the 2008 AQB criteria, the department ceased relicensing appraisers without proof that they have completed the necessary continuing education as required by the AQB interpretation adopted in September 2005. On May 21, 2008, the department mailed notices to appraisers who were relicensed between September 1, 2005 and December 31, 2007 contrary to the September 2005 interpretation; there were 129 such appraisers. The notice informs the affected appraisers that they are required to submit proof by July 21, 2008 of completing the necessary continuing education pursuant to the AQB interpretation. The notice further informs the affected appraisers that if they fail to comply with the directive the department will reissue their licenses with the phrase, "Not Eligible to Appraise Federally Related Transactions" stamped on the licenses; and the AQB compliant status on the National Registry will reflect "No" for those individuals who fail to comply with the directive.

Effective January 1, 2008, with the statutory adoption of the 2008 AQB criteria, the department has ceased renewing the licenses of newly upgraded certified appraisers without proof that they have completed the necessary continuing education (c.e.) pursuant to the AQB interpretation effective January 1, 2007. That interpretation requires an appraiser to obtain 14 hours of c.e. if his or her license has been issued for 185 days or more in a renewal cycle. The department has identified 13 appraisers who upgraded after Jan. 1, 2007 and whose licenses were issued 185 days or more in a renewal cycle and were not required to obtain the c.e. pursuant to the AQB interpretation. The department will mail notices to these appraisers directing them to submit proof of the required c.e. within 60 days and failing to do so will result in the reissuing of their licenses in the same manner stated above.

The bureau is concerned that we were not made aware of the aforementioned AQB interpretations in a timely manner. We request an effective method by which the AQB notifies the department in advance of such changes in interpretations other than relying on staff to periodically review the Appraisal Foundation's website.

Sincerely,

Andrew L. Metcalf, Jr., Director  
Bureau of Commercial Services

c: J. Boven  
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