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STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
LANSING

STANLEY "SKIP" PRUSS
DIRECTOR

January 13, 2009

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Virginia M. Gibbs
Appraisal Subcommittee
1401 H Street, NW
Suite 760

Dear Ms. Gibbs:

Thank you for your letter dated December 19, 2008, regarding the Appraisal Subcommittee's review of our real estate appraiser regulatory program. We are encouraged by your recognition of improvements in our program and will continue to evaluate the program's processes for additional enhancements and efficiencies. We agree with the findings and recommendations stated in your letter and commit to resolving the issues identified. Our responses to each follow:

ASC Finding and Recommendation #1

- The Department's complaint investigation and resolution process do not comply with the Title XI and ASC Policy Statement.

Response #1

- The importance of the timely completion of appraisal investigations to the mission, purpose, and objective of Title XI and the ASC Policy Statement 10E is recognized and shared by us in administering the program. Accordingly, over the past few years, the following steps have been taken to bring the program into compliance:
 - The initial complaint screening process was improved in an effort to weed out routine and non-substantive complaints;
 - The scope of appraisal investigations was limited, where appropriate, in order to allow for expedited resolutions of these matters;
 - More staff were designated to handle appraisal complaint investigations;
 - And, we are continuously reviewing and working to improve the efficiency of the processes.

These initiatives have yielded positive results, eliminated barriers to performance growth, and are expected to continue to realize significant gains toward compliance with Title XI and the ASC Policy Statement 10E. We are encouraged by the results that we have achieved and are committed to continue to address our need to bring Michigan's program into full compliance.

ASC Finding and Recommendation #2

- Some of Michigan's statutes and regulations did not comply with the Appraiser Qualifications Board (AQB) Criteria.

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Response #2

- We are working to promulgate changes in the following administrative rules this year to resolve inconsistencies with the Appraiser Qualifications Board (AQB) criteria;
- R 339.23203, Rule 203(1)(a) will be changed to include "description of work performed by the applicant, scope of the review and supervision of applicant's supervising appraiser";
- R 339.23305, Rule 305 will be deleted as assessor education and/or certification does not meet AQB criteria;
- R 339.23320, Rule 320(2) and R 339.23326, Rule 326(2) will be changed to indicate Uniform Standards of Professional Appraisal Practice (USPAP) education shall be instructed by at least one instructor who is an AQB certified instructor and who is a certified residential or certified general real estate appraiser;
- R 339.23325, Rule 325 will be changed to indicate real estate appraisers who are also instructors may earn up to one half of their required real estate appraiser continuing education credits by teaching an approved appraiser course;
- R 339.23327, Rule 327 will be deleted as continuing education is required if a license is issued for 185 days or more in a renewal cycle per the AQB criteria.

Additionally, this Department's Office of Policy and Legislative Affairs has been notified that Michigan Compiled Law 339.2629(2) must be rescinded legislatively, as it states continuing education is not required for the first renewal of an appraiser license which is contrary to AQB criteria. As this requires action by Michigan legislators, we do not yet have a time frame for when the amendment will be enacted. We will update you on progress made on these rules and the statute.

We anticipate your next visit to our office in the Fall of 2009. Please do not hesitate to contact me with any questions regarding our real estate appraiser program at (517) 241-9223.

Sincerely,

Andrew L. Metcalf, Jr.
Director

c: Al Schefke, Deputy Director
Joyce Karr, Licensing Director
Joseph Campbell, Licensing Administrator
Barrington Carr, Acting Enforcement Director