



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

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December 16, 2008

The Honorable Virginia M. Gibbs
Chairman
Appraisal Subcommittee
Federal Financial Institutions Examination Council
1401 H Street, NW, Suite 760

DEC 22 2008

Dear Chairman Gibbs:

The Texas Appraiser Licensing and Certification Board (the "Board") is in receipt of your letter of November 19, 2008, advising the Board of the findings of the Appraiser Subcommittee (the "ASC") in its October 15 - 17, 2008, audit of the Texas appraiser licensing and certification program (the "Program"). The Board is most appreciative of the professionalism and diligence shown by Ms. Tidwell and Ms. Ledbetter when they performed the audit and of all that the ASC staff does to provide candid insights and useful clarifications, helping us constantly to improve the Program.

The Board accepts the finding conveyed in the letter, including those bulleted points reproduced below. The Board, is committed to the achievement of a Program that is in compliance with all ASC policies, as is the Board's staff. With the changes in staffing that have taken place over the preceding year, the Board is confident that the necessary resources are in place to resolve more cases more efficiently and to attend to all of the other matters that contribute to a solid licensure and certification program, such as experience audits.

- **The Texas complaint and investigation resolution process did not comply with Title XI and ASC Policy Statement 10 because complaints were not investigated and resolved in a timely manner.**

The addition of staff to the Board's enforcement function has greatly increased and improved the ability to investigate and resolve complaints on a timely basis. Excluding those cases that are set for contested case hearings, in which the Board Enforcement staff is subject to delays beyond its control (including, often, delays attributable to respondents and their counsel, not to Board action or inaction), as of October 17, 2008, following the Board meeting, the Board had 270 complaint files open, 79 of which, or 29 %, were one year or more old. 25 of the 270 had been set for hearing.

Although other factors, such as increasing levels of complaint activity associated with rising loan defaults and increased awareness of mortgage fraud, will continue to generate more work for the Board's enforcement staff, the Board is confident that when ASC returns for an audit in 2009 the levels of older cases will be in line with expectations under ASC Policy Statement 10.

- **Texas statute and regulations regarding the review of appraisal work product for applicants for certification did not comply with ASC Policy Statement 10G.**

This issue has been conveyed to the Licensing and Administrative Procedures Committee of the Texas House of Representatives to be addressed in a "housekeeping" bill during the 81st Legislature, which begins in January 2009 and ends in June 2009. In order to remain in compliance with federal requirements, on February 1, 2008 the Board began performing an audit of the experience on all applicants for certification. The audit procedures employed were shared with the ASC staff at the time of their on site audit in October 2008 and found to be acceptable.

In its letter the ASC made reference to the Board's full-time attorney. Please note that Troy Beaulieu, staff attorney for the Board handling enforcement matters, works three-quarter time, not full-time. In addition, Devon Bijansky provides general counsel to the Board on rulemaking and non-enforcement matters.

Please do not hesitate to contact us if there is anything further that you require.

Respectfully submitted,

TEXAS APPRAISER LICENSING AND
CERTIFICATION BOARD

By: 

Clinton P. Sayers
Chairman

cc: Jenny Tidwell
Vicki Ledbetter