

■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 18, 2004

Mr. Andrew Metcalf, Jr.,
Director, Bureau of Commercial Services
Department of Labor and Economic Growth
P.O. Box 30018
Lansing, MI 48909-7518

Dear Mr. Metcalf:

Thank you for your response to our August 17, 2004 field review letter. We appreciate your prompt consideration of our concerns and we are pleased by your efforts to change your regulations and statute. Please provide us a copy of the proposed amendments, when available, for our review, and a copy of the adopted regulatory and statutory changes.

We, however, remain very concerned about your complaint investigation and resolution program. In our August 17th letter, we noted that 61 of the 416 complaints received between August 2001, and April 2004, had been in the investigation and resolution process for more than one year. These delayed investigations/resolutions have persisted despite your having assigned a central case coordinator and designated agents/investigators for appraiser-related cases. We further noted that Michigan's Board of Real Estate Appraisers ("Board) meeting only twice annually has been a contributing factor in Michigan's failure to investigate and resolve complaints in a timely fashion.

This is not the first time that we have noted our concerns regarding the lack of timely complaint investigation and resolution. We discussed delays in resolving complaints and the infrequency of Board meetings in our May 23, 1997, August 15, 2000, and November 20, 2001 field review letters. We have attached copies of these letters for your convenience. Even though we have identified the limited number of Board meetings as a concern and a contributing factor to Michigan's failure to investigate and resolve complaints in a timely fashion, the Board has not increased its meeting frequency to assist in meeting its obligations under Title XI and ASC Policy Statement 10. Our reading of the Board's enabling statute does not reveal any limitation on Board meetings per year. In fact, that statute specifies that the Board meet as often as necessary to fulfill its duties. As a matter of reference, we are not aware of any other State with a Board structure that meets as infrequently as Michigan.

To assist in our determination of the State's ability to resolve our concerns regarding timely complaint investigation and resolution, please provide us by November 30, 2004, a description of the actions you plan to implement to resolve this longstanding concern. Please note that an increase in Board meetings from two to three per year would not appear to be adequate to resolve this concern. At this time, we anticipate scheduling a follow-up review during the first half of 2005, to assess Michigan's progress.

Please contact us if you have any questions.

Sincerely,

Ben Henson
Executive Director