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Appraisal Subcommittee

Federal Financial Institutions Examination Council

May 18, 2007

Mr. Andrew Metcalf, Jr., Director
Michigan Department of Labor & Economic Growth
Bureau of Commercial Services
P.O. Box 30018
Lansing, Michigan 48909

Dear Mr. Metcalf:

Thank you for your February 26, 2007 letter responding to our November 13th follow-up field review letter.

We reviewed the draft regulations provided with your response and have no substantive comments. We understand the regulations are intended to implement statutory amendments signed by the Governor on September 29, 2006. Please keep us informed about the status of the draft regulations and provide us copies of the notice for comment and the final regulations when they are adopted.

As stated in our November 13th letter, while we appreciate your efforts to improve the complaint investigation and resolution process, we continue to be concerned that your efforts may not sufficiently remedy the State's longstanding inability to resolve complaints timely, especially given the significant increase in the number of complaints received.

We will perform our next full field review of your program on September 17-18, 2007. Should we not see significant progress in this area, we might recommend that the ASC initiate non-recognition proceedings against Michigan under § 1118(b) of Title XI, 12 U.S. C. 3347(b), for the State's longstanding failure to adequately supervise its appraisers.

Our field review letter, your response, and any other previous correspondence between us regarding the follow-up field review are now publicly available on our Web site.

Sincerely,

Ben Henson
Executive Director