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Appraisal Subcommittee

Federal Financial Institutions Examination Council

October 10, 2012

Mr. Luis De La Garza Jr., Chair
Texas Appraiser Licensing & Certification Board
P O Box 12188
Austin, TX 78711-2188

RE: ASC Compliance Review of Texas' appraiser regulatory program

Dear Mr. De La Garza:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Texas appraiser regulatory program (Program) on May 16-18, 2012. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the preliminary findings regarding the Review and the State's response. The ASC has determined the Program is not in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. The ASC identified the following area of non-compliance:

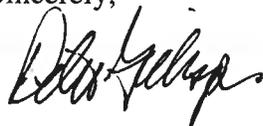
- Texas should resolve all complaints filed against appraisers within one year, except for special documented circumstances.¹

ASC staff will confirm corrective actions have taken place and are appropriate through off-site monitoring and during the next Review. Texas will remain on a two-year Review Cycle.

This letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,



Peter Gillispie
Chairman

Attachment

cc: Mr. Douglas Oldmixon, Commissioner
Ms. Kerri Galvin, General Counsel

¹ Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.

ASC Compliance Review Report

ASC Finding: Not In Substantial Compliance
Final Report Issue Date: October 10, 2012

Texas Appraiser Regulatory Program (Program)

Texas Appraiser Licensing & Certification Board (Board) / Decision Making	PM: N. Fenochietti	ASC Compliance Review Date: May 16-18, 2012	Review Period: May 2010 to May 2012
Umbrella Agency: Texas Real Estate Commission			Review Cycle: Two Year

Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Texas Statutes, Regulations, Policies and Procedures:	X			No compliance issues noted.	N/A	None	None	None
Temporary Practice:	X			No compliance issues noted.	N/A	None	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None	None
Education:	X			No compliance issues noted.	N/A	None	None	None
Enforcement:		X		No compliance issues noted.	N/A	None	None	None
States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				<p>Texas had 375 outstanding complaints of which 129 were unresolved for more than 1 year. Of the complaints outstanding for more than 1 year, 67 fall under the exception for special documented circumstances.</p> <p>Texas has been cited by the ASC for not resolving complaints in a timely manner in every Review since November 2002.</p>	<p>On July 5, 2012, the Board informed ASC staff that in addition to the investigative and legal staff added in 2011 to address the historical complaint case backlog, in 2012 the Board began an in-depth review of the rules and procedures currently in place for guiding the investigation and resolution of complaints.</p>	<p>The Board must:</p> <p>(1) within 180 days of receipt of this Report provide its findings on the 2012 review of the rules and procedures and how the Board will address the State's significant backlog of outstanding complaints and facilitate more timely complaint disposition in the future; and</p> <p>(2) continue to send quarterly complaint logs to ASC staff to allow monitoring of the Board's progress towards addressing this situation.</p>	None	<p>Through off-site monitoring and during the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 10E.</p>