

**FFIEC - APPRAISAL SUBCOMMITTEE  
MEETING MINUTES  
JANUARY 13, 1999**

ATTENDEES: H. Yolles (NCUA), M. Holman (HUD), A. Lustig (FRB Voting Alternate), J. Snyder (FDIC), T. Watson (OCC Voting Alternate). **Staff:** B. Henson (Executive Director), K. Gearheard (Senior Appraisal Policy Manager), D. Greene (Appraisal Policy Manager), V. Ledbetter (Appraisal Policy Manager), L. Schuster (Administrative Officer), R. Seward (Information Management Specialist), M. Weinberg (General Counsel). **Other:** J. Price (OTS), D. Deale (OTS).

ABSENT: D. Garmus (OTS), D. Gibbons (OCC), G. Gibbs (FRB).

**ADMINISTRATIVE MATTERS**

- H. Yolles called the meeting to order at 1:30 p.m.
- Meeting Minutes – J. Snyder moved for approval of the December 2<sup>nd</sup> minutes and M. Holman seconded. All members present approved.

**VISITORS**

- Dave Bunton, Ken Kaiser, Patty DeGraff, and Scott Williams from the Appraisal Foundation attended the meeting to discuss the 1999 grant request with the ASC.

D. Bunton, Executive Vice President, said that the Foundation would like to hire a Director of Research and Technical Issues to assist the ASB and AQB in providing timely and consistent advice to regulators, appraisers, and users of appraisal services.

S. Williams, AQB Chair, said that the AQB is requesting funding for an Urban Appraiser Study to determine if there is a lack of appraisers qualified to appraise urban residential properties. The results of this study would be available to regulators and the general public. The AQB is not planning to propose a new credential level for State appraisers. H. Yolles asked if the Foundation has received any complaints from lenders that there are problems finding appraisers to do appraisals in urban areas. S. Williams said that, while no complaints have come in to the Foundation, he has heard that there are problems. The AQB also will determine whether to revise the Real Property Body of Knowledge, the Real Property Appraiser Qualifications Criteria, and the Examination Content Outlines.

The AQB last reviewed State examinations for licensed and certified appraisers in 1994. Given the changes to USPAP since that time, the examinations need to be reviewed again. Before another review can be conducted, the Examination Content Outlines, revised in 1993, need to be updated. The AQB will contract with a psychometric consulting firm. A Request for Proposal was sent out on December 15, 1998, with bids due February 1, 1999.

The proposed Model Curriculum Task Force will develop three recommended model curricula, one for each of the three types of real property appraiser classifications. A model curriculum is an analytical tool that results in classroom hours needed to instruct each body of knowledge contained in the Examination Content Outlines.

K. Kaiser, ASB Chair, said that the ASB is requesting funding to make revisions to USPAP Standards 4-10. They also would like to develop an index of questions and answers and increase the scope of work instructions.

K. Kaiser said that the ASB would like to increase communications with the Association of Appraiser Regulatory Officials (“AARO”). The ASB would like to be better informed of the States’ daily activities. He is proposing that ASB members work more closely with AARO.

The Foundation representatives thanked the ASC for their time and left the meeting.

B. Henson noted that the proposed new position’s cost includes salary, fringe reimbursement, and provisional overhead costs. He also described how the new position did not result in a reduction of ASB and AQB consulting hours. H. Yolles directed B. Henson to prepare a 10-year ASC budget projection for review at the February meeting.

## **ACTION**

- **Approval of the Alabama field review and draft letter** – K. Gearheard presented the field review report and draft letter. After discussion, T. Watson moved for acceptance of the field review report and approval of the draft letter with minor edits and delegated authority to the Chairman to review and edit corrections and sign the letter. M. Holman seconded and all members present approved. (A. Lustig left the meeting).
- **Approval of the letter to the Georgia Real Estate Appraisers Board** – B. Henson said that this letter incorporates the decision of the Comptroller General of the United States regarding the payment of multi-year fees and its effect on Georgia’s initial licensing cycle. T. Watson moved for approval of the draft letter with minor edits and delegated authority to the Chairman to review and edit corrections and sign the letter. J. Price seconded, and all members present approved.
- **Approval of the response to Indiana’s letter** – V. Ledbetter said this letter follows up our previous correspondence regarding a complaint case. M. Holman moved for approval of the draft letter with minor edits and delegated authority to the Chairman to review and edit corrections and sign the letter. T. Watson seconded, and all members present approved.

- **Approval of the New York follow-up review letter** – K. Gearheard presented a draft letter to New York regarding nine appraisers who were certified since January 1, 1998, without meeting the AQB's January 1, 1998 criteria. T. Watson commended the staff on resolving this situation. T. Watson moved for approval of the draft New York letter with minor edits and delegated authority to the Chairman to review and edit corrections and sign the letter. J. Price seconded, and all members present approved.
- **Approval of the revised ASC Policy Statement 8 regarding Registry fee policies** – M. Weinberg presented a revised Policy Statement 8 that incorporates the November 3, 1998 decision of the Comptroller General of the United States. M. Holman moved to approve the changes in Policy Statement 8, and T. Watson seconded. All members present approved.
- **Approval to pay the September reimbursement request from the Appraisal Foundation for work performed under the 1998 grant** – B. Henson presented the Foundation's September 1998 request for reimbursement. T. Watson moved to approve the payment in the September reimbursement request in the amount of \$66,678 per the staff recommendation. J. Snyder seconded and all members present approved.
- **Approval of Raffa's proposed contract for accounting services for FY '99** –T. Watson moved for approval of Raffa's proposal to provide accounting services for FY '99 in the amount of \$24,970 and M. Holman seconded. All members present approved.

## **OTHER**

- The meeting adjourned at 3:45 into executive session. The next meeting is scheduled for February 10, 1999.