

**FFIEC-APPRAISAL SUBCOMMITTEE  
MEETING MINUTES  
JUNE 9, 1999**

ATTENDEES: H. Yolles (NCUA), M. Holman (HUD), J. Price (OTS), J. Snyder (FDIC), T. Watson (OCC Voting alternate). **Permanent staff:** B. Henson (Executive Director), V. Ledbetter (Appraisal Policy Manager), L. Schuster (Administrative Officer), R. Seward (Information Management Specialist), M. Weinberg (General Counsel). **Others:** J. Leitner (FDIC).

ABSENT: D. Gibbons (OCC), G. Gibbs (FRB), K. Gearheard (ASC), D. Greene (ASC).

- H. Yolles called the meeting to order at 1:30 p.m.
- K. Kaiser, D. Bunton, and L. Minnerly from the Appraisal Foundation were present to give an update of ASB activities. D. Bunton introduced L. Minnerly as the new Director of Research and Technical Issues. D. Bunton said that the Boards' quarterly management reports are now contained in the grant reimbursement requests to the ASC.

K. Kaiser, ASB Chair, said that the ASB has begun using working groups to provide better input on ASB issues. He also stated that the ASB meetings are running more smoothly. The members are using the Foundation's Web Board more often, which allows members to discuss issues without having meetings. The Question and Answer Board on the Web site has been indexed and the ASB is reviewing items to determine if some can be deleted.

B. Henson discussed the ASB's perception that the ASC is attempting to dictate ASB actions. He explained that this perception is inaccurate. Rather, the ASC is attempting to ensure that the ASB is accountable for carrying out Title XI's purposes and for delivering items for which grant money was received.

J. Leitner asked if the psychometric study would be similar to the one completed in 1990. D. Bunton responded "yes," that a psychometrician would use a panel of appraisers (subject matter experts) to review current exams, question banks, and exam content outlines as part of the process.

The Foundation thanked the ASC for its time and left the meeting.

**ADMINISTRATIVE MATTERS**

- **Meeting Minutes** – M. Holman moved for approval of the April 14<sup>th</sup> minutes, and T. Watson seconded; all members present approved.

- **Notation vote results of the Missouri and Nebraska field review reports and draft letters** – The notation votes to approve the Missouri and Nebraska field review reports and draft letters were approved on May 19<sup>th</sup> by 6-0 votes.

## **ACTION**

- **Approval of the Appraisal Foundation December 1998 grant reimbursement request-** B. Henson reported that this is the final grant reimbursement request for the 1998 grant. With its approval, a total of \$582,828 would be reimbursed for 1998 and \$83,821 withheld. T. Watson moved for approval of the payment in the amount of \$9,245, and J. Price seconded. All members present approved.
- **Approval of the Appraisal Foundation’s supplemental grant request for a psychometric study** – B. Henson reported that the Appraisal Foundation is requesting \$205,000 to engage a psychometric consultant to update the existing National Examination Content Outlines and to review the examination item banks and forms used in the State appraiser licensure and certification examinations. The Foundation sent a Request for Proposal to 26 individuals and companies. Three bids were received. The contract was awarded to Experior (formerly NAI Block). B. Henson recommended that the travel costs be reimbursed at the GSA-authorized rates. He added that this supplemental request is not in our FY’99 budget and that it will be disbursed from our reserves. The contract and subsequent reimbursement requests likely will span two to three fiscal years. T. Watson moved for approval of the supplemental request in the amount of \$205,000, and J. Snyder seconded. All members present approved.
- **Approval of the Northern Mariana Islands field review report and draft letter** – V. Ledbetter presented the field review report and draft letter. After discussion, M. Holman moved for acceptance of the field review report and approval of the draft letter with edits and delegated authority to the Chairman to review and sign the letter. J. Price seconded, and all members present approved.
- **Approval of the Guam field review report and draft letter** – V. Ledbetter presented the field review report and draft letter. After discussion, M. Holman moved for acceptance of the field review report and approval of the draft letter with edits and delegated authority to the Chairman to review and sign the letter. J. Price seconded, and all members present approved.
- **California’s delinquent Registry fees** – B. Henson reported that California responded to our letter regarding the apparent deficiency in their National Registry fee payments. California stated that the \$293,475 deficiency resulted from its initial licensing cycle. Originally, California’s initial licensing cycle was based on the appraiser’s fifth birthday following licensure/certification. This created initial licensing cycles that exceeded four years. California, however, collected Registry fees for only four years and not five years as required by Title XI and ASC Policy Statements. California contends that the deficiency results from not collecting fees for

this partial year. California has changed the initial licensing cycle to not exceed four years. We have previously waived historical deficiencies with other States when the States agreed to correct their Registry fee policies. Applying this policy to California would account for \$271,075 of the \$293,475 deficiency. This would leave \$22,400 unresolved. B. Henson recommended that we draft a letter to California notifying the State of our decision to waive the historical deficiency (\$271,075) and ask that the State remit payment for the balance (\$22,400), unless it can provide documentation supporting that some or none of the remaining balance is owed. M. Holman moved for acceptance of the staff recommendation to draft a letter to California and delegated authority to the Chairman to review and sign the letter. T. Watson seconded, and all members present approved.

- **Approval of the draft 1998 ASC Annual Report** –B. Henson discussed the 1998 ASC Annual Report. He reported that the text of the report had been provided to the ASC for review and approval. The FY '98 audit has been completed and the auditors are preparing the audit reports. B. Henson requested approval of the annual report text with subsequent inclusion of the auditor's report. J. Snyder moved for approval of the text version of the 1998 ASC Annual Report with edits, giving the Chairman the authority to sign the Annual Report after the audit reports are received. M. Holman seconded, and all members present approved.

#### **OTHER**

- The meeting adjourned at 4:05 p.m. The next meeting is scheduled for July 9, 1999.