

**FFIEC-APPRAISAL SUBCOMMITTEE  
MEETING MINUTES [PUBLIC]  
JANUARY 22, 2003**

ATTENDEES: S. Fritts (FDIC), G. Gibbs (FRB), J. Johnson (HUD), T. Watson (OCC). **Permanent 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. Leitner (FDIC)

ABSENT: L. Fazio (NCUA Voting Alternate), J. Price (OTS).

**ADMINISTRATIVE MATTERS**

- The meeting was called to order at 11:00 a.m. T. Watson attended via conference call.
- **Meeting Minutes** – G. Gibbs moved for approval of the December 11<sup>th</sup> minutes, and T. Watson seconded. All members present approved.

**ACTION**

- **Appraisal Foundation October 2002 grant reimbursement request** – B. Henson presented the request and asked for questions. S. Fritts said that he would like to see a periodic report from B. Henson (maybe every six months) summarizing staff findings when reviewing grant reimbursement requests. G. Gibbs noted that our auditors' annual Foundation review performs a series of test checks, including tracing transactions from source to end. S. Fritts directed B. Henson to develop a reporting format and present summary results to the ASC every six months. G. Gibbs moved for approval of the October request in the amount of \$68, 201; T. Watson seconded, and all members present approved.
- **Arizona Field Review Report and draft letter** – B. Henson presented the Arizona field review report and draft letter. After further discussion, G. Gibbs moved for acceptance of the report and approval of the letter, with edits, designating authority to the Chairman to review and sign the letter. J. Johnson seconded, and all members present approved.

**DISCUSSION**

- **HUD Proposed Rule FR-4722 – Lender Accountability for Appraisals** – J. Johnson reported that HUD's proposed rule was published in the *Federal Register* on January 13<sup>th</sup> and is open for public comment through March 14<sup>th</sup>. The Rule, if adopted, would provide that lenders are held accountable for the quality of appraisals on properties securing FHA insured mortgages. The rule would apply to both sponsor lenders, who underwrite loans, and loan correspondent lenders, who originate loans on behalf of their sponsors.

**OTHER**

- The meeting adjourned for lunch at 12:30, and then reconvened at 1:15. The meeting adjourned at 1:45. The next meeting is scheduled for March 12, 2003.