

**FFIEC-APPRAISAL SUBCOMMITTEE
MEETING MINUTES [PUBLIC]
JULY 14, 2004**

ATTENDEES: G. Gibbs (FRB), T. James (NCUA), J. Johnson (HUD), J. Leitner (FDIC Voting Alternate), J. Price (OTS), T. Watson (OCC). **Permanent staff:** B. Henson (Executive Director), D. Hoage (Appraisal Policy Manager), V. Ledbetter (Appraisal Policy Manager), L. Schuster (Administrative Officer), R. Seward (Information Management Specialist), J. Tidwell (Appraisal Policy Manager), M. Weinberg (General Counsel). **Other:** D. Patel (OCC Voting Alternate).

ABSENT: S. Fritts (FDIC).

ADMINISTRATIVE MATTERS

- G. Gibbs called the meeting to order at 1:35 p.m.
- T. Watson introduced Dena Patel as the alternate voting member for OCC.
- **Meeting Minutes** – J. Leitner moved for approval of the May 12th minutes, and T. Watson seconded; all members present approved.
- **Notation Vote to approve the Appraisal Foundation March 2004 Grant Reimbursement Request** –The vote passed by 4-0 on June 16, 2004.
- **Notation Vote to approve the Connecticut Field Review Report and draft letter** – The vote passed by 6-0 on June 18, 2004.

ACTION

- **Appraisal Foundation April 2004 grant reimbursement request** – B. Henson presented the April request and, after discussion, recommended payment. J. Leitner moved to approve the grant reimbursement request in the amount of \$88,821. J. Johnson seconded, and all members present approved.
- **Alaska Field Review Report and draft letter** – B. Henson presented the draft field review report and letter. After brief discussion, J. Leitner moved to accept the field review report, and to approve the letter, with edits, designating authority to the Chairman to review and sign the letter. T. James seconded, and all members present approved.
- **Rhode Island Field Review Report and draft letter** – B. Henson presented the draft field review report and letter. T. Watson moved to table the Rhode Island field review report and letter until we receive a response from the AQB [regarding the

appropriate interpretation of a term in the AQB criteria]. T. James seconded, and all members present approved.

- **Proposed revision to Policy Statement 1 regarding States contracting with third parties** – B. Henson provided a brief summary of the proposed amendment and State comments. He clarified that the provisions in the proposed language are recommendations, not requirements, because we use the wording “should.” J. Price suggested that we add language regarding confidentiality and privacy of records as recommended by Colorado. After further discussion, J. Leitner moved that Policy Statement 1 be edited to incorporate the proposed changes plus provisions on record security and privacy of personal information as recommended by Colorado. In addition, he added that the edited Policy Statement and transmittal letter to the States be an action item for the August meeting. J. Price seconded, and all members present approved.

DISCUSSION

- **BDO Seidman, LLP Report Re: 2003 Agreed Upon Procedures review of the Appraisal Foundation** – B. Henson noted that BDO had completed its calendar year 2003 review of the Appraisal Foundation. BDO found a few minor issues in the Procedures review, but had no significant findings or recommendations. G. Gibbs suggested that a letter be sent to the Appraisal Foundation noting the minor issues, and B. Henson responded that he would do so.

OTHER

- The meeting adjourned at 4:05 and the next meeting is scheduled for August 11, 2004.