

**FFIEC-APPRAISAL SUBCOMMITTEE
MEETING MINUTES
DECEMBER 8, 2005 [PUBLIC]**

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

ABSENT: S. Fritts (FDIC), A. LaCreta (NCUA), D. Merkle (OTS), J. Richardson (HUD), D. Graves (Appraisal Policy Manager).

The meeting was called to order at 10:35 a.m. by G. Gibbs.

ADMINISTRATIVE MATTERS

- **Meeting Minutes** – D. Patel moved for approval of the October 31st minutes, and J. Leitner seconded; all members present approved.

ACTION

➤ **Open Session**

- **Appraisal Foundation 2006 Grant Proposal** – D. Bunton, G. Accetta, S. Guilfoyle, J. Brennan, and C. Johnson were present from the Appraisal Foundation to present the 2006 grant proposal and provide an update on planned 2006 activities. D. Bunton provided a briefing regarding the Foundation's current financial status and anticipated changes that will affect that status. S. Guilfoyle, Chair of the Appraiser Qualifications Board ("AQB"), presented the AQB Business Plan for 2006. She stated that training regarding the 2008 criteria and development of a uniform national examination will be the AQB's primary focus in 2006. G. Accetta, Incoming Chair of the Appraisal Standards Board ("ASB"), presented the 2006 ASB Business Plan. He noted that the 2005 and 2006 USPAP Editions will be in effect for 18 months each. After that, future editions will be in effect for two year periods. The ASB's primary focus in 2006 will be training regarding implementation of the "scope of work" changes to USPAP.

B. Henson presented the staff recommendation. He noted that the 2006 grant proposal is very similar to those of previous years. Notable changes include a decrease in consulting costs for the ASB and travel and consulting costs increases for the AQB due to the 2008 Criteria Implementation Seminars. He noted that all aspects of the grant proposal are Title XI-related and recommended approving the grant in the requested amount of \$1,044,192. B. Henson noted that the ASC's FY'06 Budget will be amended to bring the Foundation Grant budget line item into accord with the amount approved at today's meeting. After further discussion, D. Patel moved to approve the grant proposal in the amount of \$1,044,192 and L. Fazio seconded. The motion passed 3-1. J. Leitner voted "No" stating

that the FDIC's position is that the ASC should not approve expenses that would cause a deficit budget. G. Gibbs asked how much of a deficit budget was anticipated for FY '06 and whether the ASC had the financial resources to absorb the deficit. B. Henson responded that, if the FY '06 budget were fully executed, including full use of the grant amount by the Foundation, that the ASC's operating deficit would be \$50,000-\$70,000, and that the ASC has a reserve surplus of approximately \$5,000,000. G. Gibbs asked that the record reflect that the ASC's financial position is very strong and more than adequate to absorb an FY '06 operating deficit, should one occur.

- **At this point, G. Gibbs announced that the ASC would go into closed session to address State field reviews.**

The Appraisal Foundation representatives thanked the ASC and left the meeting.

- **Florida field review report and draft letter** – B. Henson presented the report and draft letter. After discussion, J. Leitner moved to accept the field review report and approve the letter, with edits, designating authority to the Chairman to review and sign the letter. D. Patel seconded, and all members present approved.
- **New York field review report and draft letter for acceptance** – B. Henson presented the report and draft letter. After 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. D. Patel seconded, and all members present approved.
- **North Dakota field review report and draft letter** – B. Henson presented the field review report and draft letter. After discussion, D. Patel 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. J. Leitner seconded, and all members present approved.
- **Texas field review report and draft letter** – B. Henson presented the follow-up field review report and draft letter. After 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. D. Patel seconded, and all members present approved.
- The meeting adjourned at 1:30 p.m. The next ASC meeting will be on January 12, 2006 at 10:30 a.m.