

**TO:** Appraisal Subcommittee

**FROM:** Jim Park, Executive Director

**DATE:** November 9, 2022

**RE:** November 16, 2022 ASC Quarterly Meeting Package

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For the November 16<sup>th</sup> ASC Meeting, the following items are included in your meeting package.

- Agenda for ASC November 16<sup>th</sup> Quarterly Meeting
- Reports
  - Chair (oral report)
  - Executive Director (written and oral report; written report will be sent out separately)
  - Grants (oral report)
  - Financial Manager (oral report)
- September 14, 2022 ASC Quarterly Meeting Minutes

(If you would like a Word version of the minutes for editing, please let us know. Your edits can be submitted to Lori Schuster ([Lori@asc.gov](mailto:Lori@asc.gov)) by close of business, November 14<sup>th</sup>. A revised draft incorporating any edits received will be provided for the November 16<sup>th</sup> Meeting.)

- ASC Hearing Proposal

This is an action item to consider holding a series of ASC hearings starting in 2023.

### **FYI – INFORMATIONAL ITEMS**

- October 2022 Appraiser Credential Report
- FY22 Annual Employee Survey Results
- Approved minutes from the June 8, 2022 ASC Quarterly Meeting

**BRIEFING SUMMARY NOTES**

- September 7, 2022 Briefing Summary Notes
- October 5, 2022 Briefing Summary Notes
- October 26, 2022 Briefing Summary Notes

If additional edits are needed, please let Lori know and a Word version will be sent to you. Please do not convert the PDF version to a Word version to submit edits.

If you have any questions, please contact Lori Schuster at [lori@asc.gov](mailto:lori@asc.gov).

# Open Session Items

**November 16, 2022**

## Agenda

**Date:** November 16, 2022  
**Time:** 10:00 a.m. ET  
**Location:** Virtual Meeting. Please click the link below  
to register:  
[https://www.zoomgov.com/meeting/register/vJlft-  
CpqjgtGRbDPJxkkqPYDwCsXO192uI](https://www.zoomgov.com/meeting/register/vJlft-CpqjgtGRbDPJxkkqPYDwCsXO192uI)

### Open Session

#### Reports

- |                      |                |
|----------------------|----------------|
| • Chair              | Chair Martinez |
| • Executive Director | J. Park        |
| • Grants             | C. Brooks      |
| • Financial          | G. Hull        |

#### Action and Discussion Items

- |  |                |
|--|----------------|
| • Approval of Minutes                          | Chair Martinez |
| ○ September 14, 2022 Quarterly Meeting Minutes |                |
| • ASC Hearing Proposal                         | Chair Martinez |

September 14, 2022  
Quarterly Meeting Minutes

**APPRAISAL SUBCOMMITTEE  
QUARTERLY MEETING MINUTES  
SEPTEMBER 14, 2022**

LOCATION: Zoom Conference

**ATTENDEES**

**ASC MEMBERS:** CFPB – Zixta Martinez (Chair)  
FDIC – Luke Brown  
FHFA – Julie Giesbrecht  
FRB – Suzanne Williams  
HUD – Bobbi Borland (Vice Chair)  
NCUA – Tim Segerson  
OCC – James Rives

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
Financial Manager – Girard Hull  
Attorney Advisor – Ada Bohorfoush  
Attorney Advisor – Juan Burgos  
Attorney Advisor – Natalie Lutz  
Management and Program Analyst – Lori Schuster  
Administrative Officer – Brian Kelly  
Policy Manager – Claire Brooks  
Policy Manager – Maria Brown  
Policy Manager – Neal Fenochietti  
Policy Manager – Kristi Klamet  
Policy Manager – Tom Lewis

**OBSERVERS:** See attached list.

The Meeting was called to order at 10:00 a.m. by Chair Z. Martinez. Roll call was taken by the Chair to establish a quorum of voting members.

**REPORTS**

- **Chair**

Z. Martinez thanked observers for attending and reiterated the ASC’s continued commitment to address diversity, equity, and inclusion (DEI) issues in the appraisal profession.

- **Executive Director**

J. Park updated the ASC on recent staff activity as noted below.

- Juan Burgos and Natalie Lutz were hired as Attorney Advisors and started on August 15<sup>th</sup> and September 12<sup>th</sup>, respectively. Tom Lewis was hired as a Policy Manager and started on September 12<sup>th</sup>.
- ASC staff continues working with the Domestic Policy Council, HUD, and the Task Force on Property Appraisal and Valuation Equity to bring the Action Plan to fruition.
- ASC staff is working with the Appraisal Foundation to implement recommendations in the NFHA Report.
- ASC staff is participating in the Roundtable for Economic Access and Change (Project REACH). Project REACH is working to reduce barriers to access that exist at the national or local levels to expand access to credit and capital. The group brings together leaders from banking, business, technology, and national civil rights organizations.
- The updated ASC website will go live on September 19<sup>th</sup>. Many improvements have been made to the website including search functionality. The Appraisal Complaint National Hotline website is a part of this update. The ASC will also unveil a new logo and color scheme.

- **Grants Program**

C. Brooks provided an update of the grants program since the June 8<sup>th</sup> ASC Quarterly Meeting.

- The ASC has awarded approximately \$2.4M in State support grants since 2020. The State support grants are being utilized for a variety of projects such as: information technology and software upgrades; converting records to digital; training; complaint investigators; and staffing.
- The ASC's State support grants can be funded up to three years, with funding provided on an annual basis. The ASC has awarded 15 State support grants which are in various stages: eight will be entering their third year this October; three were recently approved for a second year; and four are in the process of applying for second-year funds.
- The semiannual and year-end federal financial and progress reports for the State support grants and the cooperative agreement with the Council on Licensure, Enforcement and Regulation are complete and the next round will begin in October.
- **Financial Manager**

G. Hull provided the financial update. As of June 30<sup>th</sup>, the ASC has recognized total revenue of \$9M, with approximately \$2.5M in Appraiser Registry fees and \$6.8M in AMC Registry fees. The ASC has incurred total expenditures of \$6.3M as of June 30<sup>th</sup>, resulting in net income of \$2.9M. The ASC Reserve balance as of June 30<sup>th</sup> is \$12.6M. ASC staff does not



foresee incurring any extraordinary expenses which would adversely affect the ASC's FY22 budget.

## **ACTION ITEMS**

- **June 8, 2022 Quarterly Meeting Minutes**

Z. Martinez asked for a motion to approve the June 8<sup>th</sup> Quarterly Meeting Minutes. T.

Segerson made a motion to approve the June 8<sup>th</sup> quarterly meeting minutes as presented. L.

Brown seconded and all members present voted to approve.

- **Temporary Waiver Final Rule**

A. Ritter said staff is seeking approval of the Final Rule for publication in the *Federal Register* with an effective date 60 days after publication. L. Brown thanked ASC staff and member agency staff for their hard work and said the Final Rule is a good clarification of the existing Rule. Z. Martinez asked for a motion to approve adoption of the Final Rule to amend Rules of Practice and Procedure governing temporary waiver proceedings, substantially as proposed for notice and comment with the two modifications in response to comments received and technical edits to the preamble, for publication in the *Federal Register* with an effective date 60 days from the date of publication. J. Rives made a motion as noted above. S. Williams seconded and all members present voted to approve.

- **FY23 ASC Budget Proposal**

Z. Martinez asked if members had any questions, and none were forthcoming. Z. Martinez asked for a motion to approve the FY23 ASC Budget Proposal. S. Williams made a motion to approve the FY23 budget. L. Brown seconded and all members present voted to approve.

Z. Martinez thanked members and staff for their participation. The Open Session adjourned at 10:20 a.m. The next quarterly ASC Meeting is scheduled for November 16, 2022.

Attachment: Observer list

DRAFT

<b>Meeting:</b>	<b>Appraisal Subcommittee Meeting</b>	<b>Meeting Date:</b>	September 14, 2022
<b>Time:</b>	10:00 AM ET	<b>Location:</b>	Zoom Meeting

<b>OBSERVERS</b>	
<b>Affiliation</b>	<b>Name</b>
American Society of Appraisers	Justin Kane
Appraisal Foundation	JoEllen Alberts
Appraisal Foundation	Kelly Davids
Appraisal Foundation	Amy Kaufman
Appraisal Foundation	Edna Nkemngu
Appraisal Institute	Brendan Donnelly
Appraisal Institute	Brian Rodgers
Appraisal Standards Board	Michelle Bradley
Appraisal Standards Board	Roberta Ouellette
Appraisal Standards Board	Nicholas Pilz
California Bureau of Real Estate Appraisers	Tinna Morlatt
CLEAR	David Byerman
Conference of State Bank Supervisors	Daniel Berkland
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	John Schroeder
Department of Housing and Urban Development	Brian Barnes
Federal Deposit Insurance Corporation	Richard Foley

Federal Deposit Insurance Corporation	Stuart Hoff
Federal Deposit Insurance Corporation	Tom Lyons
Federal Deposit Insurance Corporation	Patrick Mancoske
Federal Deposit Insurance Corporation	Mark Mellon
Federal Deposit Insurance Corporation	Lauren Whitaker
Federal Deposit Insurance Corporation	Meron Wondwosen
Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Trevor Feigleson
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Keshia King
Federal Reserve Board	Derald Seid
K.L. Scott & Associates	Adrian Atkinson
K.L. Scott & Associates	Hester Darcy
K.L. Scott & Associates	Keith Scott
Massachusetts Board of Real Estate Appraisers	Steve Sousa
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
National Credit Union Administration	JeanMarie Komyathy
National Credit Union Administration	Victoria Nahrwold
Office of the Comptroller of the Currency	Kevin Lawton
Office of the Comptroller of the Currency	Joanne Phillips

Office of the Comptroller of the Currency	Marta Stewart-Bates
Real Estate Valuation Advocacy Association	Mark Schiffman
Utah Division of Real Estate	Jonathan Stewart

# **FYI Items**

**November 16, 2022**

# **October 2022 Appraiser Credential Report**

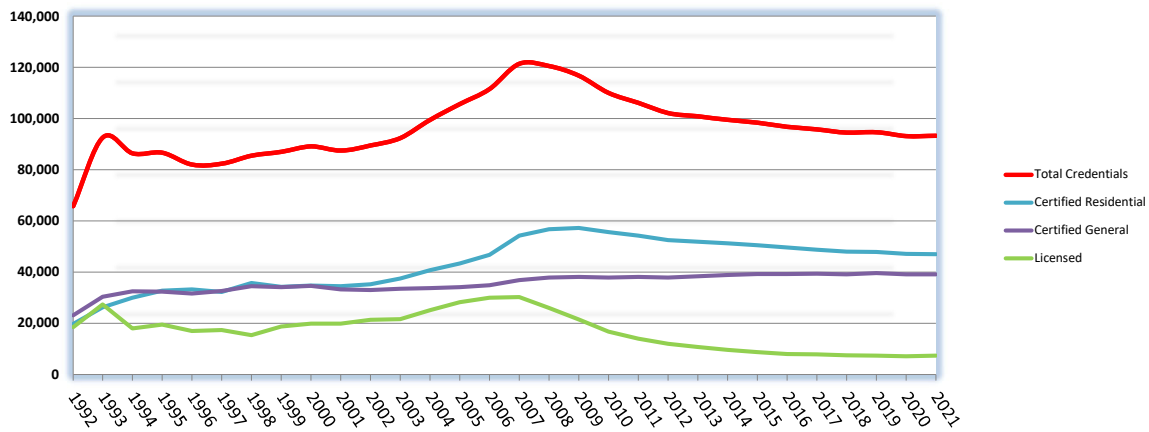
The Appraisal Subcommittee

Year-End Appraiser Credentials					
Year-End	Certified General	Certified Residential	Licensed	Transitional	Total Credentials
1992	23,133	19,772	18,406	4,405	65,716
1993	30,348	26,163	27,316	8,882	92,709
1994	32,450	29,949	17,960	6,043	86,402
1995	32,305	32,733	19,375	2,244	86,657
1996	31,628	33,141	16,984	226	81,979
1997	32,519	32,161	17,371	318	82,369
1998	34,485	35,697	15,287	23	85,492
1999	34,082	34,237	18,676	24	87,019
2000	34,609	34,702	19,755	28	89,094
2001	33,246	34,401	19,837	23	87,507
2002	32,959	35,233	21,261	37	89,490
2003	33,394	37,418	21,575	47	92,434
2004	33,725	40,726	25,095	46	99,592
2005	34,074	43,327	28,185	52	105,638
2006	34,812	46,701	29,921	51	111,485
2007	36,881	54,177	30,286	63	121,407
2008	37,851	56,704	25,931	65	120,551
2009	38,061	57,253	21,434	43	116,791
2010	37,807	55,522	16,674	23	110,026
2011	38,016	54,201	13,900	13	106,130
2012	37,834	52,504	11,875	12	102,225
2013	38,332	51,893	10,648	1	100,874
2014	38,777	51,240	9,507	0	99,524
2015	39,257	50,472	8,622	0	98,351
2016	39,246	49,631	7,926	0	96,803
2017	39,262	48,720	7,749	0	95,731
2018	39,135	47,908	7,481	0	94,524
2019	39,606	47,776	7,321	0	94,703
2020	39,070	47,073	7,061	0	93,204
2021	39,110	46,903	7,249	0	93,262

Monthly Appraiser Credential Trends						
Date	Certified General	Certified Residential	Licensed	Transitional	Total Credentials	Appraisers (+/- 5%)
Jan 2022	39,146	46,904	7,247	0	93,297	71,518
Feb 2022	38,788	46,648	7,153	0	92,589	70,969
Mar 2022	39,030	46,809	7,181	0	93,020	71,150
Apr 2022	39,122	46,870	7,211	0	93,203	71,228
May 2022	39,312	47,009	7,273	0	93,594	71,342
June 2022	39,395	47,077	7,324	0	93,796	71,317
July 2022	39,639	47,213	7,400	0	94,252	71,437
Aug 2022	39,173	46,915	7,360	0	93,448	70,919
Sep 2022	39,178	46,791	7,342	0	93,311	71,063
Oct 2022	39,370	46,892	7,389	0	93,651	70,749

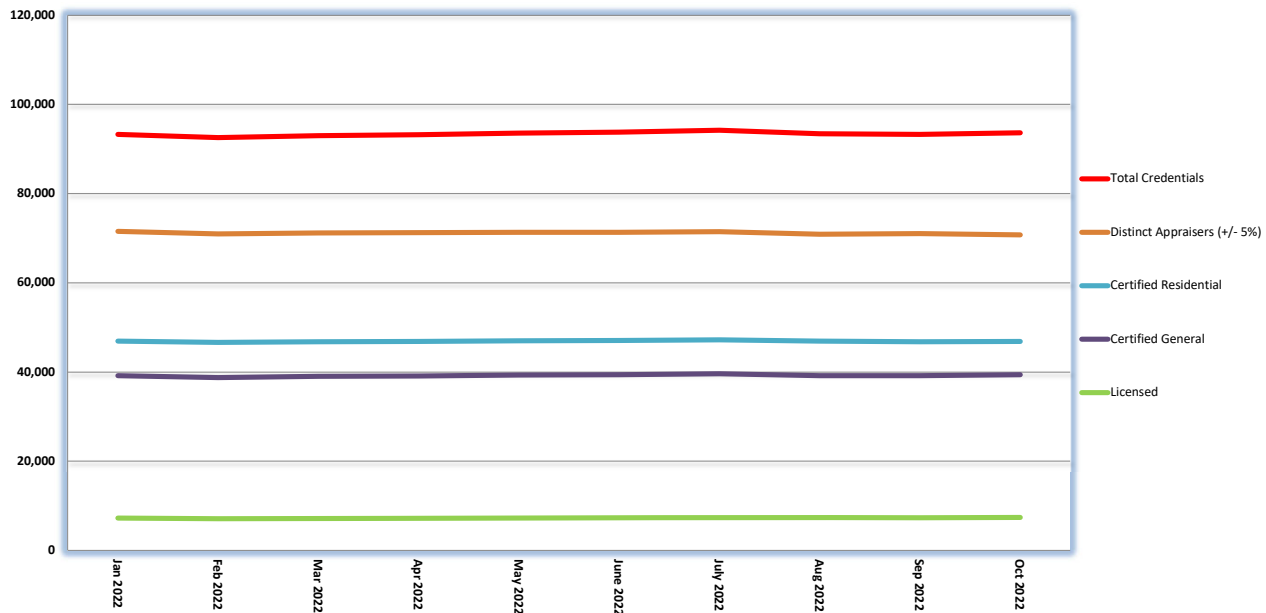


### Yearly Appraiser Credential Trends

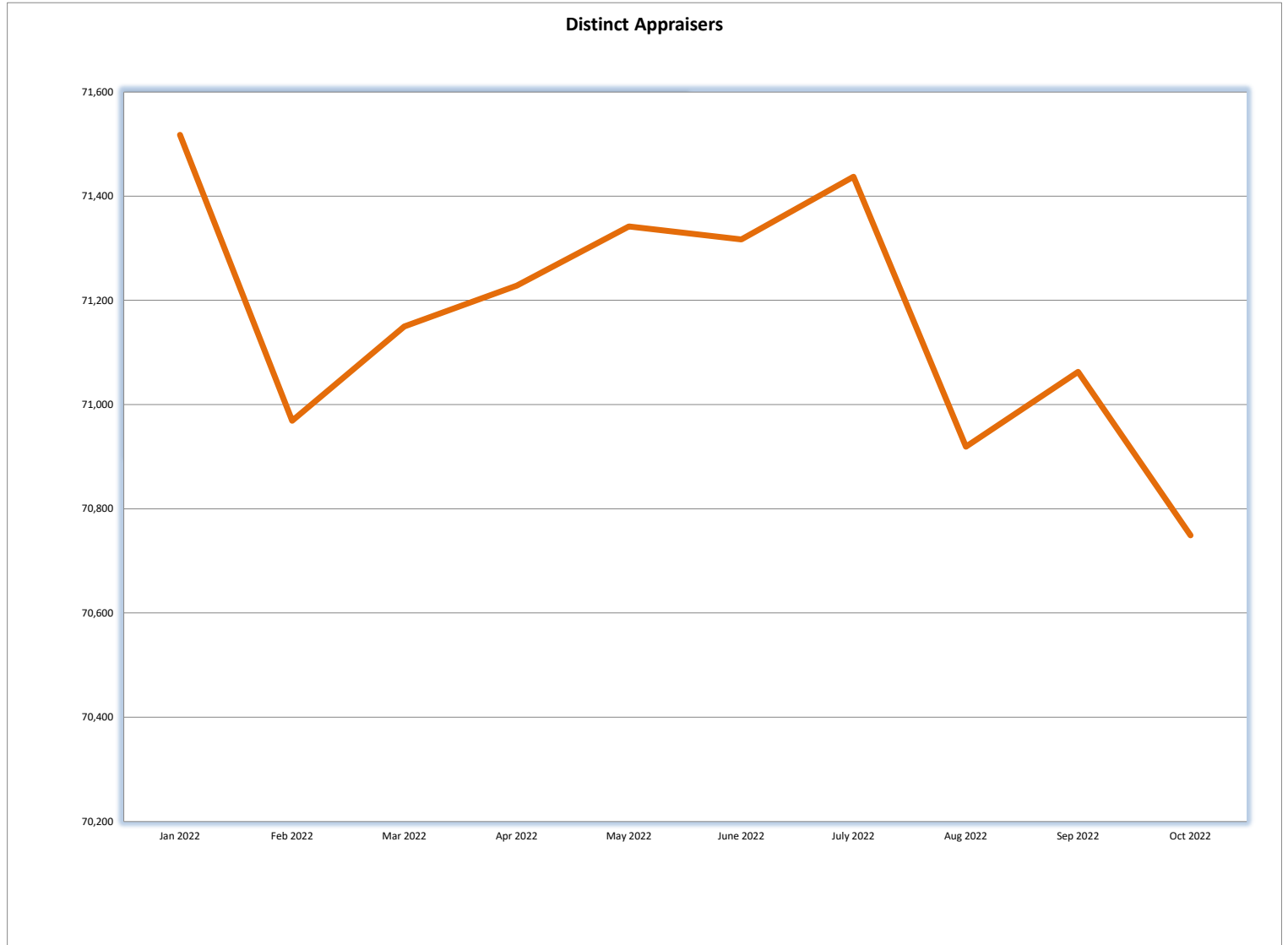


### Monthly Appraisers Credential Trends

As of Oct 31, 2022



State or Territory	Number of Distinct Active Appraisers Oct 31, 2022 (+/- 5%)
Alabama	1203
Alaska	229
Arizona	2249
Arkansas	855
California	8580
Colorado	2787
Connecticut	1173
Delaware	536
District Of Columbia	724
Florida	6208
Georgia	3235
Guam	21
Hawaii	486
Idaho	816
Illinois	3215
Indiana	2047
Iowa	1123
Kansas	1065
Kentucky	1363
Louisiana	1324
Maine	601
Maryland	2092
Massachusetts	1877
Michigan	2497
Minnesota	1778
Mississippi	942
Missouri	1880
Montana	468
Nebraska	680
Nevada	945
New Hampshire	654
New Jersey	2478
New Mexico	598
New York	3523
North Carolina	3023
North Dakota	312
Northern Mariana Islands	3
Ohio	2810
Oklahoma	1123
Oregon	1425
Pennsylvania	3088
Puerto Rico	293
Rhode Island	440
South Carolina	2149
South Dakota	337
Tennessee	2080
Texas	5397
Utah	1263
Vermont	245
Virgin Islands	23
Virginia	3141
Washington	2625
West Virginia	593
Wisconsin	1805
Wyoming	349
<b>All States and Territories</b>	<b>70749</b>



# **FY22 Annual Employee Survey Results**

## **2022 Annual Employee Survey Results For Appraisal Subcommittee**

1. **Interpretation of Results:** (to be written by agency)
2. **How the survey was conducted:** The survey was conducted online from August 22, 2022 to September 2, 2022.
3. **Description of sample:** All 12 full-time permanent employees of the agency were surveyed.
4. **Survey items and response choices:** See the tables on the following pages.
5. **Number of employees surveyed, number who responded, and representativeness of respondents:** Of the 12 employees surveyed, 10 responded, for an 83% response rate. These respondents are representative of the population.

**2022 Annual Employee Survey Results For  
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

<b>Prescribed Questions: Personal Work Experiences</b>								
<b>Item Text</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>		<b>Total</b>
1. The people I work with cooperate to get the job done.	Frequencies	6	4	0	0	0		10
	Percentages	60.0%	40.0%	0.0%	0.0%	0.0%		100.0%
2. I am given a real opportunity to improve my skills in my organization.	Frequencies	4	4	2	0	0		10
	Percentages	40.0%	40.0%	20.0%	0.0%	0.0%		100.0%
3. My work gives me a feeling of personal accomplishment.	Frequencies	6	1	2	1	0		10
	Percentages	60.0%	10.0%	20.0%	10.0%	0.0%		100.0%
4. I like the kind of work I do.	Frequencies	6	1	2	1	0		10
	Percentages	60.0%	10.0%	20.0%	10.0%	0.0%		100.0%
5. I have trust and confidence in my supervisor.	Frequencies	7	1	2	0	0		10
	Percentages	70.0%	10.0%	20.0%	0.0%	0.0%		100.0%
<b>Item Text</b>		<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>	<b>Very Poor</b>		<b>Total</b>
6. Overall, how good a job do you feel is being done by your immediate supervisor?	Frequencies	6	2	2	0	0		10
	Percentages	60.0%	20.0%	20.0%	0.0%	0.0%		100.0%

**2022 Annual Employee Survey Results For  
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

<b>Prescribed Questions: Recruitment, Development, &amp; Retention</b>								
<b>Item Text</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Do Not Know</b>	<b>Total</b>
7. The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.	Frequencies	5	3	2	0	0	0	10
	Percentages	50.0%	30.0%	20.0%	0.0%	0.0%		100.0%
8. My work unit is able to recruit people with the right skills.	Frequencies	5	4	1	0	0	0	10
	Percentages	50.0%	40.0%	10.0%	0.0%	0.0%		100.0%
9. I know how my work relates to the agency's goals and priorities.	Frequencies	6	4	0	0	0	0	10
	Percentages	60.0%	40.0%	0.0%	0.0%	0.0%		100.0%
10. The work I do is important.	Frequencies	6	2	2	0	0	0	10
	Percentages	60.0%	20.0%	20.0%	0.0%	0.0%		100.0%
11. Physical conditions (for example, noise level, temperature, lighting, cleanliness in the workplace) allow employees to perform their jobs well.	Frequencies	9	1	0	0	0	0	10
	Percentages	90.0%	10.0%	0.0%	0.0%	0.0%		100.0%
12. Supervisors in my work unit support employee development.	Frequencies	6	2	1	1	0	0	10
	Percentages	60.0%	20.0%	10.0%	10.0%	0.0%		100.0%
13. My talents are used well in the workplace.	Frequencies	6	3	1	0	0	0	10
	Percentages	60.0%	30.0%	10.0%	0.0%	0.0%		100.0%
14. My training needs are assessed.	Frequencies	5	3	1	1	0	0	10
	Percentages	50.0%	30.0%	10.0%	10.0%	0.0%		100.0%

**2022 Annual Employee Survey Results For  
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

<b>Prescribed Questions: Performance Culture</b>								
<b>Item Text</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Do Not Know</b>	<b>Total</b>
15. Promotions in my work unit are based on merit.	Frequencies	3	2	3	1	0	1	9
	Percentages	33.3%	22.2%	33.3%	11.1%	0.0%		100.0%
16. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	Frequencies	4	3	1	1	0	1	9
	Percentages	44.4%	33.3%	11.1%	11.1%	0.0%		100.0%
17. Creativity and innovation are rewarded.	Frequencies	3	3	4	0	0	0	10
	Percentages	30.0%	30.0%	40.0%	0.0%	0.0%		100.0%
<b>Item Text</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>No Basis to Judge</b>	<b>Total</b>
18. In my most recent performance appraisal, I understood what I had to do to be rated at different performance levels (e.g., Fully Successful, Outstanding).	Frequencies	7	2	1	0	0	0	10
	Percentages	70.0%	20.0%	10.0%	0.0%	0.0%		100.0%
<b>Item Text</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Do Not Know</b>	<b>Total</b>
19. In my work unit, differences in performance are recognized in a meaningful way.	Frequencies	3	2	3	2	0	0	10
	Percentages	30.0%	20.0%	30.0%	20.0%	0.0%		100.0%
20. Pay raises depend on how well employees perform their jobs.	Frequencies	3	2	2	3	0	0	10
	Percentages	30.0%	20.0%	20.0%	30.0%	0.0%		100.0%
21. My performance appraisal is a fair reflection of my performance.	Frequencies	4	4	2	0	0	0	10
	Percentages	40.0%	40.0%	20.0%	0.0%	0.0%		100.0%
22. Discussions with my supervisor about my performance are worthwhile.	Frequencies	4	4	2	0	0	0	10
	Percentages	40.0%	40.0%	20.0%	0.0%	0.0%		100.0%
23. Supervisors work well with employees of different backgrounds.	Frequencies	3	4	3	0	0	0	10
	Percentages	30.0%	40.0%	30.0%	0.0%	0.0%		100.0%
24. My supervisor supports my need to balance work and family issues.	Frequencies	6	2	2	0	0	0	10
	Percentages	60.0%	20.0%	20.0%	0.0%	0.0%		100.0%

**2022 Annual Employee Survey Results For  
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

<b>Prescribed Questions: Leadership</b>								
<b>Item Text</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Do Not Know</b>	<b>Total</b>
25. I have a high level of respect for my organization's senior leaders.	Frequencies	4	3	3	0	0	0	10
	Percentages	40.0%	30.0%	30.0%	0.0%	0.0%		100.0%
26. In my organization, leaders generate high levels of motivation and commitment in the workforce.	Frequencies	3	5	2	0	0	0	10
	Percentages	30.0%	50.0%	20.0%	0.0%	0.0%		100.0%
27. Managers review and evaluate the organization's progress toward meeting its goals and objectives.	Frequencies	3	6	0	0	0	0	9
	Percentages	33.3%	66.7%	0.0%	0.0%	0.0%		100.0%
28. Employees are protected from health and safety hazards on the job.	Frequencies	7	2	0	0	0	0	9
	Percentages	77.8%	22.2%	0.0%	0.0%	0.0%		100.0%
29. Employees have a feeling of personal empowerment with respect to work processes.	Frequencies	3	4	2	1	0	0	10
	Percentages	30.0%	40.0%	20.0%	10.0%	0.0%		100.0%
30. My workload is reasonable.	Frequencies	3	2	4	1	0	0	10
	Percentages	30.0%	20.0%	40.0%	10.0%	0.0%		100.0%
31. Managers communicate the goals and priorities of the organization.	Frequencies	4	3	1	2	0	0	10
	Percentages	40.0%	30.0%	10.0%	20.0%	0.0%		100.0%
32. My organization has prepared employees for potential security threats.	Frequencies	3	4	1	2	0	0	10
	Percentages	30.0%	40.0%	10.0%	20.0%	0.0%		100.0%



**2022 Annual Employee Survey Results For  
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

Response Rate: 83%

<b>Prescribed Questions: Job Satisfaction</b>								
<b>Item Text</b>		<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Neither</b>	<b>Dis-satisfied</b>	<b>Very Dis-satisfied</b>		<b>Total</b>
33. How satisfied are you with the information you receive from management on what's going on in your organization?	Frequencies	6	0	3	0	1		10
	Percentages	60.0%	0.0%	30.0%	0.0%	10.0%		100.0%
34. How satisfied are you with your involvement in decisions that affect your work?	Frequencies	4	2	3	1	0		10
	Percentages	40.0%	20.0%	30.0%	10.0%	0.0%		100.0%
35. How satisfied are you with your opportunity to get a better job in your organization?	Frequencies	3	0	6	1	0		10
	Percentages	30.0%	0.0%	60.0%	10.0%	0.0%		100.0%
36. How satisfied are you with the recognition you receive for doing a good job?	Frequencies	5	4	1	0	0		10
	Percentages	50.0%	40.0%	10.0%	0.0%	0.0%		100.0%
37. How satisfied are you with the policies and practices of your senior leaders?	Frequencies	3	3	4	0	0		10
	Percentages	30.0%	30.0%	40.0%	0.0%	0.0%		100.0%
38. How satisfied are you with the training you receive for your present job?	Frequencies	3	6	0	1	0		10
	Percentages	30.0%	60.0%	0.0%	10.0%	0.0%		100.0%
39. Considering everything, how satisfied are you with your job?	Frequencies	6	2	2	0	0		10
	Percentages	60.0%	20.0%	20.0%	0.0%	0.0%		100.0%
40. Considering everything, how satisfied are you with your pay?	Frequencies	5	5	0	0	0		10
	Percentages	50.0%	50.0%	0.0%	0.0%	0.0%		100.0%

**2022 Annual Employee Survey Results For  
Appraisal Subcommittee**

Surveys Sent: 12

Surveys Returned: 10

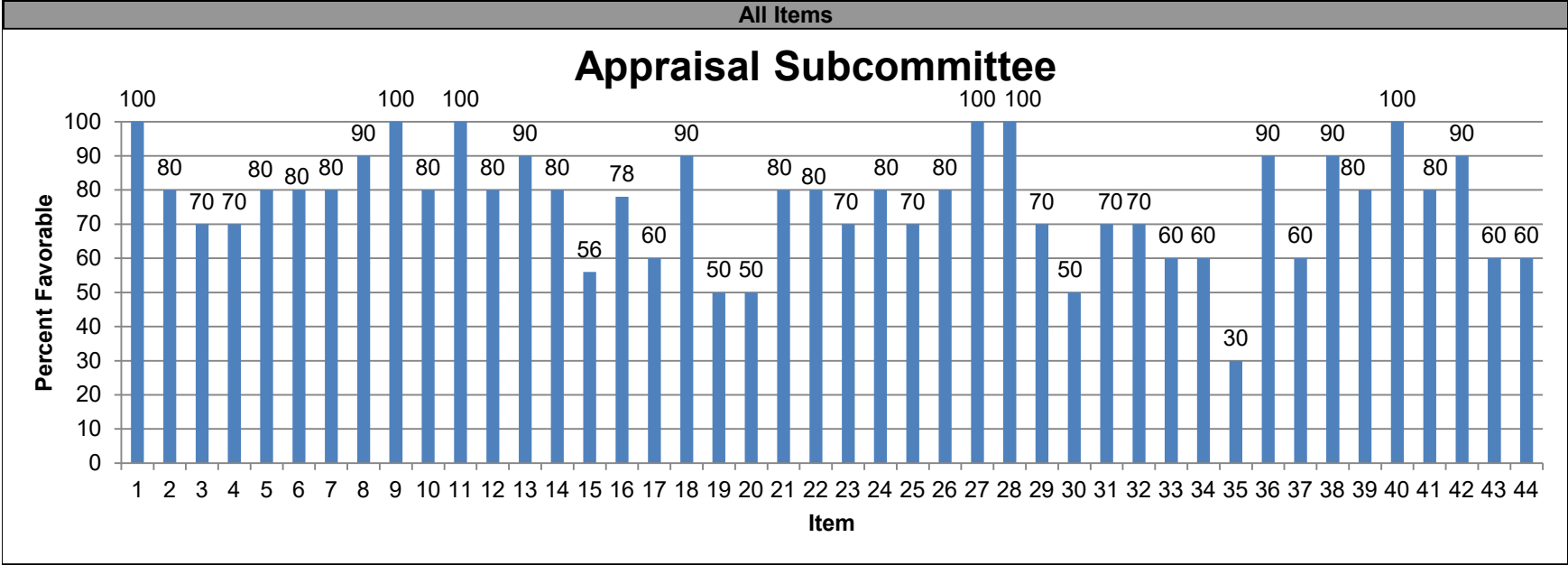
Response Rate: 83%

<b>Additional Questions</b>								
<b>Item Text</b>		<b>Very Satisfied</b>	<b>Satisfied</b>	<b>Neither</b>	<b>Dis-satisfied</b>	<b>Very Dis-satisfied</b>		<b>Total</b>
41. Considering everything, how satisfied are you with your organization?	Frequencies	5	3	2	0	0		10
	Percentages	50.0%	30.0%	20.0%	0.0%	0.0%		100.0%
<b>Item Text</b>		<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Do Not Know</b>	<b>Total</b>
42. I recommend my organization as a good place to work.	Frequencies	6	3	1	0	0	0	10
	Percentages	60.0%	30.0%	10.0%	0.0%	0.0%		100.0%
43. I believe the results of this survey will be used to make my agency a better place to work.	Frequencies	4	2	1	3	0	0	10
	Percentages	40.0%	20.0%	10.0%	30.0%	0.0%		100.0%
44. I can disclose a suspected violation of any law, rule or regulation without fear or reprisal.	Frequencies	4	2	4	0	0	0	10
	Percentages	40.0%	20.0%	40.0%	0.0%	0.0%		100.0%

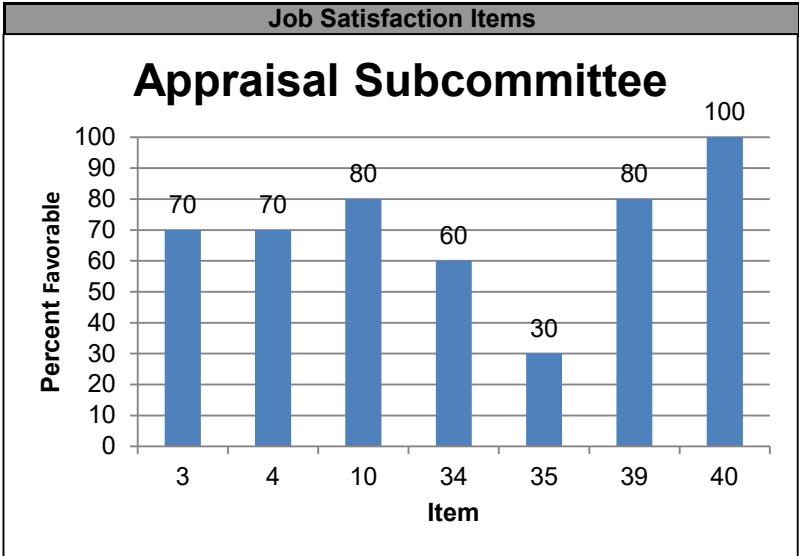
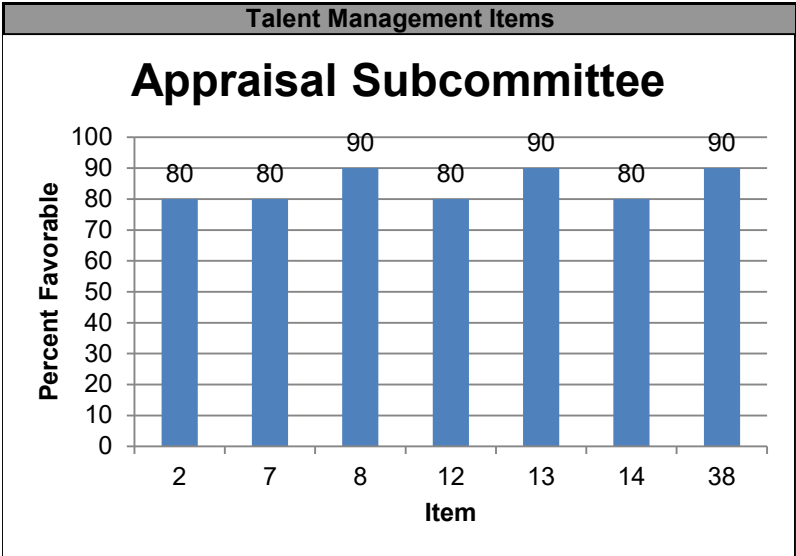
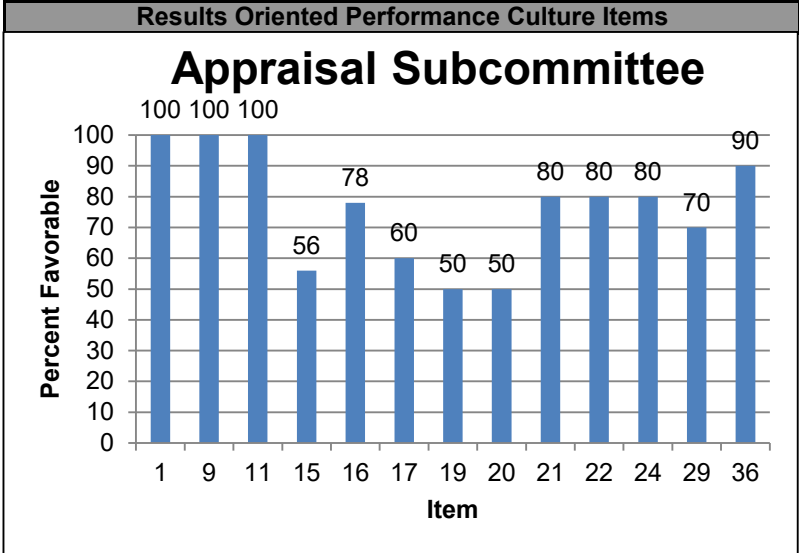
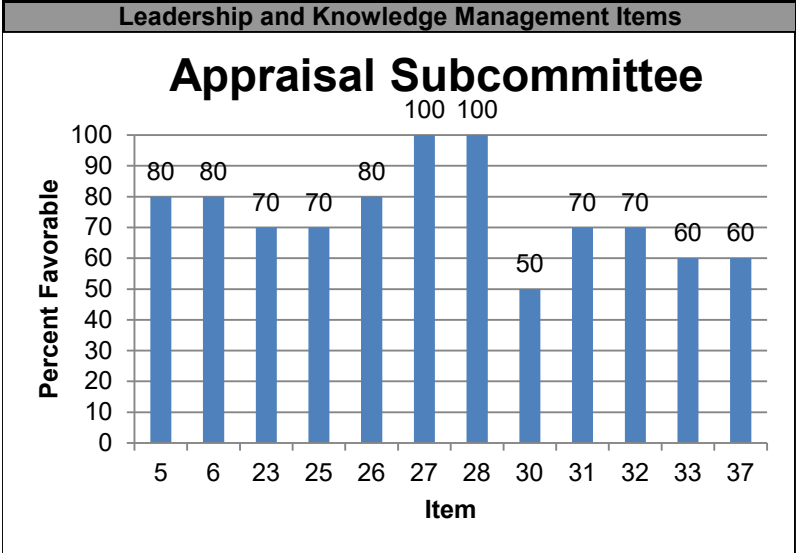
**HCAAF Indices**

<b>Index</b>	<b>% Favorable</b>
Leadership and Knowledge Management	74%
Results Oriented Performance Culture	76%
Talent Management	84%
Job Satisfaction	70%

**2022 Annual Employee Survey Results For  
Appraisal Subcommittee**



**2022 Annual Employee Survey Results For  
Appraisal Subcommittee  
Results by HCAAF Index**



**June 8, 2022**  
**ASC Quarterly Meeting Minutes**

**APPRAISAL SUBCOMMITTEE  
QUARTERLY MEETING MINUTES  
JUNE 8, 2022**

LOCATION: Zoom Conference

**ATTENDEES**

**ASC MEMBERS:** CFPB – Zixta Martinez (Chair)  
FDIC – Luke Brown/Tom Lyons  
FHFA – Julie Giesbrecht  
FRB – Keshia King  
HUD – Bobbi Borland (Vice Chair)  
NCUA – Tim Segerson  
OCC – James Rives

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
Financial Manager – Girard Hull  
Attorney Advisor – Ada Bohorfoush  
Management and Program Analyst – Lori Schuster  
Administrative Officer – Brian Kelly  
Regulatory Affairs Specialist – Maria Brown  
Policy Manager – Claire Brooks  
Policy Manager – Neal Fenochietti  
Policy Manager – Kristi Klamet  
Policy Manager – Jenny Tidwell

**OBSERVERS:** See attached list.

The Meeting was called to order at 10:00 a.m. by Chair Z. Martinez.

**REPORTS**

• **Chair**

Z. Martinez thanked observers for attending. She provided opening remarks. She announced that the FRB has new primary and alternate members, Suzanne Williams and Keshia King, respectively; FDIC has named a new primary member and alternate member, Luke Brown and Tom Lyons, respectively. She welcomed the new members and thanked former FRB member Keith Coughlin and former FDIC member John Jilovec and alternate member Rae-Ann Miller for their service.

- **Executive Director**

J. Park welcomed Z. Martinez to her first ASC Meeting as Chair. He updated the ASC on recent staff activity as noted below.

- The process to hire a new Grants Director is underway. Currently ASC Policy Manager Claire Brooks is managing the grants program along with assistance from temporary staff.
- The Action Plan from the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE) was published in March. Agencies are working to implement recommendations in the Action Plan. More information will be forthcoming.
- The *2021 ASC Annual Report* was published and delivered to Congress. It is available on the ASC website.
- The updated ASC website will be completed later this summer. Updates to the Appraisal Complaint National Hotline section will include information and links for filing complaints related to alleged appraisal bias.

- **Grants Program**

C. Brooks provided an update of the grants program since the March 9<sup>th</sup> ASC Quarterly Meeting.

- The ASC has awarded 15 State support grants, totaling approximately \$2M, since 2020. Seven States were recently awarded second-year funding; four States are in the approval process for second-year funding; one State is in the process of applying for second-year funds and three States are in the first year of their grant. These grants support activities such as: information technology and software upgrades; digitizing paper records; staff training; and hiring complaint investigators and additional program staff. Mississippi and South Dakota are using grant funds for a Practicum Course to train aspiring appraisers. These programs are targeting participants from minority populations and areas with appraiser shortages within those States.
- The Grants Office is reviewing and approving semi-annual and year-end federal financial and progress reports for State support grants and the Cooperative Agreement with the Council on Licensure, Enforcement and Regulation (CLEAR). These reviews should be completed by the end of June.

- **Financial Manager**

G. Hull provided a mid-year financial update.

- As of March 31<sup>st</sup>, the ASC has recognized revenue in the amount of \$5.7M, representing 62% of the total Fiscal Year (FY) 2022 budgeted revenue of \$9.1M. Appraiser registry fees account for \$1.8M, or 32% of mid-year revenue, and AMC

registry fees account for \$3.9M, or 68% of mid-year revenue. FY22 mid-year revenue shows a 28% increase over FY21 revenue of \$4.4M for the same period. If the trend continues, the ASC could recognize revenue between \$10.5-\$11M.

- Expenses as of March 31<sup>st</sup> are running below projections and totaled \$4.1M, or 46% of the annual budget of \$8.9M.

- **Notation Vote**

L. Schuster reported that the approval to print and distribute the *2021 ASC Annual Report* passed by a 7-0 vote on May 5, 2022.

## **ACTION ITEMS**

- **March 9, 2022 Quarterly Meeting Minutes**

T. Segerson made a motion to approve the March 9<sup>th</sup> quarterly meeting minutes as presented. J. Rives seconded and all members present voted to approve.

- **Appraiser Census/Survey**

David Byerman, Project Manager from CLEAR, was present to provide an update on Cooperative Agreement activities.

- Under Training and Technical Assistance, the Policy Statement and Regulations (PStAR) course in May was attended by 62 State attendees. There has been high turnover in State staff recently, so this was a great opportunity for new staff to hear from Subject Matter Experts on their experience with the ASC Policy Statements. A segment on Diversity, Equity and Inclusion (DEI) was part of the course. Three more courses are slated for this summer: a three-day course on investigation of complaints against appraisers and/or appraisal management companies, a one-day course for newly appointed State board members and a one-day DEI course focusing on implicit bias.
- The Census/Survey includes three projects. The first project is to create a census using data from the ASC's Appraiser Registry to create a universe of active appraisers. Once this is set up, it will be linked to other private and federal data sources. This will allow CLEAR to utilize statistical sampling techniques from that universe to draw scientifically defensible conclusions on the demographics, experiences, and barriers to entry experienced by active appraisers. CLEAR has engaged with a research and management organization with expertise on developing testable research questions, aggregating data from multiple sources, and assembling a plan to collect and integrate data. The outcome of this project is to improve appraiser supply and diversity. A Request for Information (RFI) was published at the end of May to identify what data is needed to move forward and identify partners in the private and public sector. Responses to the RFI are due June 24<sup>th</sup>. The second project will identify how to move forward. A Needs Assessment that included a series of focus groups of "thought leaders" among the State appraiser regulatory community has been completed. The survey component will employ a variety



of strategies including one-on-one interviews, additional focus groups or online polls directed towards appraisers, State staff, appraisal management companies, and lenders. The third project is developing data visualization techniques to compile the data and develop new ways to analyze the information and create new strategies for data-based decision making. L. Brown said that training for State staff is helpful and asked who is developing the course materials and instructing the courses. D. Byerman responded that CLEAR and the Association of Appraiser Regulatory Officials (AARO) are collaborating on course material development. AARO leadership led the PStAR course and CLEAR/AARO developed talking points. CLEAR provided an instructor, a former AARO Director, who worked in DEI, to teach that portion of the course. L. Brown noted that DEI training was a focus of the PAVE Action Plan and not a typical training provided to regulators in the past. D. Byerman said that, while DEI is a recent priority for the appraiser field, it is not a new topic for the appraiser regulatory community. J. Schroeder asked what the course delivery mechanism will be for the future courses and when those courses would be available. D. Byerman responded that the courses would be held online. There would be a combination of asynchronous and synchronous learning to include online meetings. PStAR was held in person because it was in conjunction with the AARO Spring Conference in San Antonio and States could be reimbursed for travel to PStAR as part of the Cooperative Agreement. J. Park added that CLEAR hopes to partner with fair housing staff within the ASC member agencies to develop workshops to include discussions on how States can best handle complaints on DEI issues. T. Segerson and Z. Martinez asked if there is an anticipated due date for the census/survey. D. Byerman responded the due date is flexible. He added that the due date for the RFI could be extended based on the quality and quantity of responses received. He added that two Q&A sessions are scheduled for June 10<sup>th</sup> and June 21<sup>st</sup> for interested parties to ask questions. J. Schroeder asked if training is being developed for individual appraisers. D. Byerman responded that training is focused on State appraiser regulatory staff. (L. Brown and D. Byerman left the meeting.)

- **Budget Amendment**

J. Park said that ASC staff is requesting to hire an additional Attorney Advisor in addition to the position approved at the March 9<sup>th</sup> ASC Meeting. If approved, this Attorney Advisor would work on items related to the Appraisal Foundation, State oversight and ASC Board management. Funding is available in the FY22 budget due to unspent travel funds. T. Segerson asked if an applicant to the previous announcement would be hired for this position or would it be posted. J. Park responded that he was pleased with the quality of applicants to the previous posting, but the additional position would need to be posted. ASC staff would move expeditiously to fill the position. T. Lyons asked how the job duties would differ from the duties of the current Attorney Advisor and the position approved in March. J. Park responded that the intention was to hire the Attorney Advisor to potentially replace A. Ritter, who is retiring at the end of the year. The second position may be at a lower grade level and may be focused on rulemaking. T. Lyons asked if approval was being requested at this Meeting. J. Park responded “yes,” due to the increase in the current workload of the legal staff, he would like approval today so that staff can start the paperwork. Z. Martinez said

that given the lengthy hiring process and the impact to the ASC budget, she is comfortable with approving this request as presented. T. Segerson asked what the makeup of the legal staff would be after A. Ritter retires. J. Park responded that currently there is a General Counsel and Attorney Advisor. If this request is approved, there would be one General Counsel and three Attorney Advisors until A. Ritter retires. J. Schroeder noted that A. Bohorfoush has other responsibilities that take up her time. J. Park said that A. Bohorfoush works closely with the Policy Managers in reviewing materials for State Compliance Reviews/State Off-Site Assessments. She also is the lead on Annual Report preparation along with work in the contracting area. This additional position would give the ASC more depth and continuity if current legal staff had to take leave for any time period. He stressed that help is needed with Rulemaking. J. Rives said that OCC is supportive of hiring an additional Attorney Advisor. T. Segerson made a motion to approve the hiring of an additional Attorney Advisor as requested by ASC staff. J. Rives seconded; all members present voted to approve except T. Lyons who abstained.

The Open Session adjourned at 10:55 a.m. The next quarterly ASC Meeting is scheduled for September 14, 2022.

Attachment: Observer list

<b>Meeting:</b>	<b>Appraisal Subcommittee Meeting</b>	<b>Meeting Date:</b>	June 8, 2022
<b>Time:</b>	10:00 AM ET	<b>Location:</b>	Zoom Meeting

<b>OBSERVERS</b>	
<b>Affiliation</b>	<b>Name</b>
American Society of Appraisers	Justin Kane
Appraisal Foundation	David Bunton
Appraisal Foundation Board of Trustees	Randall Kopfer
Appraisal Institute	Bill Garber
Appraisal Institute	Brian Rodgers
Arkansas Appraiser Licensing & Certification Board	Diana Piechocki
California Bureau of Real Estate Appraisers	Tinna Morlattt
Conference of State Bank Supervisors	Daniel Berkland
Consumer Financial Protection Bureau	Kara Allen
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	John Schroeder
District of Columbia Government	Andrew Sullivan
Federal Deposit Insurance Corporation	Richard Foley
Federal Deposit Insurance Corporation	Patrick Mancoske
Federal Financial Institutions Examination Council	Kaelin Browne
Federal Financial Institutions Examination Council	Judith Dupre
Federal Financial Institutions Examination Council	Rosanna Piccirilli

Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Carmen Holly
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Matt McQueeney
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matt Suntag
Independent Community Bankers of America	Ron Haynie
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
Office of the Comptroller of the Currency	Stacey Fluellen
Office of the Comptroller of the Currency	Kevin Lawton
Real Estate Valuation Advocacy Association	Mark Schiffman
Texas Real Estate Commission	Kathleen Santos

# Briefing Summary

## Notes

**November 16, 2022**

**September 7, 2022**

**Briefing Summary Notes**

**APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
SEPTEMBER 7, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – Zixta Martinez (Chair)  
FDIC – Luke Brown  
FRB – Suzanne Williams  
HUD – Bobbi Borland (Vice Chair)  
NCUA – Tim Segerson

**ASC ALTERNATES:** FDIC – Tom Lyons  
FHFA – Julie Giesbrecht  
FRB – Keshia King  
NCUA – JeanMarie Komyathy  
OCC – James Rives

**ASC STAFF:** Executive Director – Jim Park  
General Counsel – Alice Ritter  
Management and Program Analyst – Lori Schuster

**TAF:** See Attached List

**OBSERVERS:** FRB – Carmen Holly  
FRB – David Imhoff  
FRB – Derald Seid  
FRB – Matt Suntag

The Appraisal Foundation (TAF) requested a Briefing with the ASC members.

Welcome and Introductions

Randall Kopfer, TAF Board of Trustees (BOT) Chair, thanked the ASC for their time. Introductions were made of TAF attendees, ASC members and ASC staff.

Overview of TAF

D. Bunton provided an overview of TAF. TAF is a non-profit educational organization founded in 1987. In 1989, TAF was given specific authority by Congress to set the Appraisal Standards (USPAP) and the Appraiser Qualifications Criteria (Criteria). He stated that TAF is comprised of three Boards: Board of Trustees, Appraisal Standards Board (ASB) and Appraiser Qualifications Board (AQB); has two Advisory Councils: The Appraisal Foundation Advisory Council and the Industry Advisory Council (IAC); and 15 sponsoring organizations. The best analogy of TAF would be the composition of the Financial Accounting Foundation and the Financial Accounting Standards Board. Almost 100 organizations are now affiliated with TAF.

TAF has 13 staff and an annual budget of \$4.2M. The BOT has three functions: (1) appoints individuals to the ASB and AQB, (2) secures funding for TAF operations, and (3) provides oversight of all TAF Boards and Councils. The BOT is comprised of 21 individuals including the President of TAF. Ten members are elected at-large, and the rest are appointed by sponsors and councils. Trustees volunteer their time and are reimbursed for travel expenses. D. Bunton said TAF did not feel that the National Fair Housing Alliance (NFHA) Report accurately described TAF's sponsorship fees. L. Brown asked D. Bunton for clarification. D. Bunton responded that sponsors currently have the right to appoint trustees to the BOT. TAF is currently reviewing this process and changes are being considered. D. Bunton adding that there will be a prohibition of any trustee or trustee relative profiting from TAF. J. Park asked D. Bunton to explain the IAC. D. Bunton responded that the IAC's 38 members each pay an annual fee of \$2,500, the IAC meets three times a year and the IAC has the right to appoint one BOT trustee. E. Nkemngu added that the annual assessment covers the cost of IAC meetings.

D. Bunton provided a history of USPAP. USPAP is currently updated every two years by the ASB. The 2020-21 edition of USPAP was extended through December 31, 2023. In 2006-2008, USPAP was changed to an 18-month cycle before changing to a two-year cycle. Before then, it was updated annually. The next edition of USPAP will have an effective date but no end date. The public will be provided with 6-12 months' notice before updates are made. A copy of USPAP is \$75 and the price has not changed since October 2009.

D. Bunton said that the AQB establishes the minimum qualification criteria (experience, education and examination) for real property appraisers to obtain a State license or certification. States can set higher qualifications. All State licensed or certified appraisers must pass the National Uniform Appraiser Examination issued or endorsed by the AQB. The AQB developed and updates the questions on the National Uniform Appraiser Examination. The examination question bank was funded by ASC grants. The AQB periodically reviews the Criteria and updates as needed. The United States has the distinction of having among the lowest qualifications for appraisers in the industrialized world. He noted that changes to USPAP and Criteria are transparent, somewhat like the Federal rulemaking process with notice and comment processes. All comment letters are posted on TAF's website. Changes to USPAP and the Criteria usually involve multiple Exposure Drafts and ample notice is given to States regarding changes to USPAP and the Criteria.

#### TAF Activities Related to Recommendations from the ASC Commissioned Study of USPAP and Appraiser Qualification Criteria by NFHA

L. Desmarais provided an update on ASB activities.

- A comprehensive review of the Ethics Rule has been completed with assistance from Relman Colfax and engagement with federal agencies. The third Exposure Draft for proposed changes to USPAP is available for public comment with a due date of September 24<sup>th</sup>. Revisions to Advisory Opinion 16 (AO-16) are also being considered with assistance from Relman Colfax. The final Ethics Rule will also affect AO-16. The ASB intends to ask Relman Colfax to review all proposed revisions to USPAP and the Criteria.



- Regarding the 2022-23 *7-Hour National USPAP Update Course* (Course), NFHA recommended that the course be amended to include a section on fair housing laws. L. Desmarais noted that the purpose of the Course is how to apply USPAP to appraisals. She added that an Education Specialist with Relman Colfax is drafting material regarding federal fair housing laws to add to the Course. Relman Colfax did not recommend pulling the Course from circulation. Revisions will be ready for TAF's review soon and they hope to have the Course finalized before the end of the year. Relman Colfax will work with Course instructors to incorporate the fair housing material into the Course. TAF has contact information for those persons who have already taken the Course and will provide the updated Course materials to those persons. L. Brown asked which persons would receive the updated materials. L. Desmarais responded that anybody who took the USPAP Course from 2021 to present will receive the updated information. Z. Martinez noted that changes seem to be more than minor and asked for a timeframe. L. Desmarais responded that the requirement for fair housing education would fall under the education requirements of the Criteria. TAF will make it clear in the revised Course materials that the appraiser has additional responsibilities regarding fair housing requirements.
- L. Desmarais noted that the ASB is researching whether to require appraisers to add the borrower as an intended user on the appraisal report.

D. Bunton provided an update on AQB activities.

- The AQB continues work on the Practical Applications of Real Estate Appraisal (PAREA) as an alternative pathway to gain experience producing USPAP-compliant Reports. Thus far, 6 vendors have provided 8 proofs of concept to the AQB to implement PAREA. The AQB hopes to have 3-4 programs ready for the public next year. In 3-5 years, PAREA may be the primary way to gain experience.
- PSI, an outside psychometric consultant, is reviewing the exam questions and making updates as needed. PSI follows generally accepted standards on how to phrase diversity, equity and inclusion (DEI) questions. L. Brown asked if there are any additional materials to describe AQB initiatives. D. Bunton responded "yes" and TAF will send them to the ASC.
- The AQB is also reviewing and clarifying college degree/course requirements, the experience requirements and a comprehensive exam alternative. Streamlining the current credentials is also being considered.

K. Davids reported on TAF's DEI Initiatives.

- The Appraiser Diversity Initiative (ADI) has been a focus for TAF since 2020. A Special Committee was created to provide thought leadership and strategies and to review DEI on TAF's Boards and the appraisal profession. TAF is working with Fannie Mae and Freddie Mac to promote and advance the program. ADI is being promoted in meetings and featured in podcasts and newsletters. As of August, ADI has awarded 416 scholarships. Thus far, 10% have fallen out of the program.

- Pathway to Success is a conditional grant and scholarship program. In May 2021, the BOT provided \$500K to prioritize students of color, veterans and rural appraisers. Grants were awarded the Appraisal Institute (Institute) and the National Society of Real Estate Appraisers (NSREA). The Institute expects to have its PAREA program available by fall of 2023 but it could be available sooner. The grants will provide funding for education courses, PAREA, national exam and a one-year membership with an appraisal trade group.
- The demographic survey of the appraiser profession was distributed to approximately 64K appraisers and represented all appraisal groups: Personal Property, Real Property, and Business Valuation. The results showed that women and minorities are under-represented and 66% of respondents are 55+ in age. The survey demographics showed that younger appraisers are more diverse. TAF hopes to conduct this survey every three years. Internally, the only type of specific metrics that TAF will have for individual appraisers is the Pathway to Success conditional grant and scholarship program. They hope to see improvements in diversity when the demographic survey is done. TAF awaits the ASC's Census/Survey results. L. Brown said it would be helpful to understand more about incremental goals leading up to 2030. He felt that measurements of success were a long-term goal.
- The AQB is continuing work on its Real Estate Degree Review Program. This Program reviews curriculum to see how the Criteria is presented. It is provided free of charge by the AQB. In 2020, TAF began an outreach campaign to Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities, Women-only Colleges, and Hispanic-Serving Institutions (HSIs). Some HBCUs and HSIs have shown interest but have not applied. The AQB will continue to work with these universities. She noted that V. Metcalf was instrumental in starting this program. Z. Martinez was pleased that TAF is working on expanding diversity in the appraisal profession. She asked what metrics would be used to measure success and determine if progress is being made. K. Davids responded that metrics are important, and the activities will have metrics to measure success. She thanked BOT member Ray Wagester for developing metrics. Z. Martinez asked about the diversity of affiliate organizations and how wide ranging are the contacts that TAF has made, noting that there are numerous private and State housing programs. K. Davids responded that using the U.S. Census results, by 2030 and beyond, it is hoped that the demographic breakdown of appraisers will mirror the U.S. Census including TAF board make up.
- D. Bunton reported that TAF hosted a Symposium on Fair and Affordable Housing featuring academics, congressional staff and appraisers.
- TAF is continuing dialogue with the PAVE Task Force and NHFA to strengthen their partnership and work together to further shared goals.

L Desmarais reported on Fair Housing as required education. The AQB is going to explore this recommendation from the NFHA Report. The AQB will consider what the training should look like and what will be covered. TAF is hosting a virtual forum on September 12<sup>th</sup> to explore

changing the minimum education requirements. D. Bunton added that the forum will allow stakeholders to provide their opinions. D. Bunton noted that, in 2015, the bachelor's degree requirement was lowered to an Associate Degree requirement for Certified Residential appraisers. Certified General appraisers are required to have bachelor's degree. Licensed appraisers do not need a degree. Experience requirements were lowered for all classifications. He noted that TAF requested that the Licensed classification be eliminated but it was included in Title XI. He stated that the House of Representatives passed a bill to allow Licensed appraisers to be eligible for inclusion on the Federal Housing Administration Appraiser Roster. The Senate has not yet acted on the bill. If passed, this bill would impact rural appraisers the most.

### Governance

D. Bunton updated TAF's work involving governance.

- TAF created a Working Group to determine what type of governing body the BOT should be. This will include size and fees.
- TAF hired an outside consultant with governance and DEI experience. A report is expected to be ready for the November BOT Meeting.
- He noted that all three of TAF's Boards have member term limits. The selection process has been updated and tangible results are being seen. E. Nkemngwu said that in March 2022, the BOT voted to remove a requirement that most members must be appraisers. BOT conducts public interviews for prospective members and will continue that process. A consultant recommended blind scoring and that applications sent to a wider range of applicants such as civil and consumer rights groups. B. Borland asked for the reasoning on why the requirement that members must be an appraiser was repealed and if that is the best representation for appraisers. D. Bunton responded that they are looking for good managers, which does not necessarily have to be an appraiser. He added that the AQB and ASB should have more appraiser members due to the work involved. Z. Martinez asked if TAF has discussed and considered non-appraiser trade organizations like fair housing organizations to add to the discourse. K. Davids noted it has been a struggle to reach those audiences to join the BOT. One seat must be filled by Consumer Advocate but so far there has been no interest by consumer groups. It is currently filled but TAF knows they need to do more. TAF created the Council to Advance Residential Equity (CARE) to expand voices on the boards. TAF also wants to ensure that advocacy groups are looking at Concept Papers and Exposure Drafts. BOT member, Leigh Lester, is working with Maureen Yap of NFHA to stand up CARE. When developed, CARE will mirror the Industry Advisory Council and The Appraisal Foundation Advisory Council including the creation of Bylaws and Operating Procedures. CARE will report to BOT. Z. Martinez commended TAF for working to improve the diversity in the appraisal industry and TAF boards. She asked if there is a timeframe for CARE to be in operation and will a member of CARE be on the BOT. K. Davids responded that TAF hopes to have the Operating Procedures and Bylaws ready for a vote at the BOT's November 5<sup>th</sup> Meeting.

- K. Davids reported that TAF is codifying policies and procedures relating to the public comment process to be adopted at the November 5<sup>th</sup> BOT Meeting. This was inadvertently missing in TAF's Bylaws.
- D. Bunton said that a third of the board seats on the AQB and ASB will be designated for civil rights and consumer advocates. It is challenging with technical boards and technical people. The BOT restructuring will be completed first.

#### Opportunities for future collaboration between TAF and federal agencies

D. Bunton said there are numerous opportunities for future and continuing collaboration between TAF and federal agencies. This includes: Partnerships with the federal government including IAC Automated Valuation Model Task Force Report, publishing the *Yellow Book*, Independent Review and Analysis of the U.S. Department of the Interior's Valuation Methodologies Plan for the Land buy back, and a Memorandum of Understanding between the U.S. Department of Energy and TAF.

D. Bunton said there are numerous areas that the ASC and TAF could collaborate on, including a webinar with ASC Policy Managers to promote the adoption of PAREA. K. Davids said that TAF would welcome ASC grant funding for the Pathways to Success Scholarship Program. This could be similar to the ASC's State grant to Mississippi for the Practical Appraiser Training. She also mentioned that the Investigator Training Program could be revived. TAF would like to renew collaboration with the ASC and the Association of Appraiser Regulatory Officials. She also mentioned a centralized database of State statutes and regulations. Currently West Virginia University is a useful resource for this information but needs funding to keep it updated. TAF would like to work with ASC and States to put this information in one repository. D. Bunton would like to continue regular meetings with ASC senior staff and the ASC Chair and Vice Chair as the meetings have proven beneficial.

#### Next Steps

R. Kopfer said that, as TAF BOT Chair, he will continue to meet with the ASC Chair and Vice Chair. Z. Martinez agreed saying the biggest challenge is to make changes to the appraiser profession. The exchange of information is important. R. Kopfer thanked the ASC for their time and the Briefing adjourned at 11:35 a.m.

Attachment: TAF Attendees

<b>Meeting:</b>	<b>Appraisal Subcommittee Briefing</b>	<b>Meeting Date:</b>	September 7, 2022
<b>Contact:</b>	Lori Schuster	<b>Location:</b>	Zoom Meeting
<b>Time:</b>	10:00 AM ET	<b>Alternate Contact:</b>	

<b>Affiliation</b>	<b>Name</b>
TAF Board of Trustees	Randall Kopfer, Chair
TAF Board of Trustees	Dayton Nordin, Vice Chair
TAF Board of Trustees	Ray Wagester, Treasurer
TAF Board of Trustees	Tracy Johnston, Secretary
TAF Board of Trustees	Jeremy Gray, Immediate Past Chair
Appraiser Qualifications Board	Bradley Swinney, Chair
Appraisal Standards Board	Michelle Czekalski Bradley, Chair
TAF Staff	Dave Bunton, President
TAF Staff	Kelly Davids, Senior Vice President
TAF Staff	Lisa Desmarais, Vice President, Appraisal Issues
TAF Staff	Edna Nkemngu, Vice President, Finance & Administration
TAF Staff	Arika James, Boards and Councils Manager

**October 5, 2022**

**Briefing Summary Notes**

**The APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
OCTOBER 5, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – Zixta Martinez (Chair)  
FDIC – Luke Brown  
FRB – Suzanne Williams  
HUD – Bobbi Borland (Vice Chair)  
NCUA – Tim Segerson

**ASC ALTERNATES:** CFPB – John Schroeder  
FDIC – Tom Lyons  
FHFA – Julie Giesbrecht  
FRB – Keshia King  
NCUA – JeanMarie Komyathy  
OCC – James Rives

**PRESENTERS:** Keith Scott – K.L. Scott & Associates  
Adrian Atkinson – K.L. Scott & Associates

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
Attorney Advisor – Juan Burgos  
Financial Manager – Girard Hull  
Management and Program Analyst – Lori Schuster  
Administrative Officer – Brian Kelly

**OBSERVERS:** See Attached List

The Briefing, held via Zoom, was called to order at 10:00 a.m. by Chair Martinez.

Opening Remarks

Z. Martinez summarized the agenda items and noted that she added the ASC Hearing item to the agenda.

Organizational Review

Keith Scott and Adrian Atkinson from K.L. Scott & Associates (KLSA) were present to summarize the findings and recommendations of their Organizational Review (Review) of the ASC. K. Scott discussed the goals and objectives of the Review which were to: (1) Evaluate Agency Performance against Best Practices; (2) Determine Operational Improvements; and (3)

Assess Agency Structure Against Current and Possible Future Responsibilities. Five areas were assessed in the Review: (1) Mission/Outcomes; (2) Structure/Systems/Processes; (3) Leadership/Culture; (4) Human Resources; and (5) Technology.

K. Scott recommendations and key points included the following:

The ASC should review long-term growth and succession planning as there is a potential risk of institutional knowledge retiring in the next five years. The staff is highly collaborative with most collaboration done through email. Weekly staff meetings are cancelled/rescheduled due to last minute deadlines. Leaders often operate at tactical levels rather than in an oversight position. In the remote environment, the ASC has performed well. However, some of the savings from leasing a brick-and-mortar location should be put towards additional in-person staff meetings for better collaboration. A key staff member was lost in 2021. The ASC's onboarding process is dependent on the U.S. General Services Administration and the U.S. Office of Personnel Management. KLSA is looking at potential solutions to shorten the process. Currently, there is a lot of competition for hiring in the public and private sectors. Administrative support is needed to relieve senior-level staff from some duties. Technology improvements are needed. He added that the new ASC website is much improved from the previous website. Software is needed to accelerate workflow and improve the document management system.

The key assessments were that the ASC has clarity and commitment to the ASC's mission. The staff is highly motivated but also stressed and highly utilized. There are organizational challenges on assigning work. The ASC Board members should be more advisory and not involved with internal processes. As noted above, retirements are the most pressing issue. The ASC staff needs a strong document management system and case management system. It was recommended that the ASC should hire additional staff that are younger. These new hires could be positioned to lead in 5-10 years. The current staff could transfer knowledge to new employees. An additional layer of authority be added to isolate certain responsibilities. The ASC should also increase training and skills development. New hires will also need to be enmeshed into the ASC culture. Through in-person meetings, behaviors and core values can be taught to new staff. Executive coaching was suggested for senior leadership to build leadership and help in decision making.

K. Scott provided key business drivers to organizational change. This includes increased scrutiny in the appraisal industry, including diversity, equity and inclusion. The ASC should build a team to ensure that the agency is structured properly now and in the future. This includes addressing skills of workforce, upgrading technology and standardizing processes. If the ASC were to have an increase in authority with a higher public profile and responsibilities, more staff would be needed. In interviews with external sources, most did not know what the ASC does or its mission. Under technology, the ASC should upgrade its data storage, automation of business and operational processes, opportunity for self-service processes, and best-fit software.

Z. Martinez thanked K. Scott for the overview and turned it over to the ASC for questions. S. Williams asked if industry best practices would be discussed, and also wanted a better understanding of the peer group since the ASC is very small in size. K. Scott responded that



KLSA did not compare the ASC to larger agencies; they used small companies/organizations in the private sector with 15-50 individuals. KLSA looked at best practices for those entities and how they implemented remote work; that is summarized in the Review. S. Williams asked if the structure of those entities was also considered. K. Scott responded that they wanted to address scalability in the Review due to potential legislation in Congress that would give the ASC additional authority. One suggestion made by KLSA is to hire a Compliance Manager to oversee the Policy Managers. That position would report to the Deputy Executive Director and would help with continuity. L. Brown thanked K. Scott for the presentation and wanted to better understand the scope of the Review. He wanted to know if this Review is the Final Report or will additional work be done. K. Scott responded that the Review is the Final Report. He added that KLSA staff attended the ASC's Staff Meeting in Tampa on September 21<sup>st</sup> for a teambuilding session. He noted that they are also assisting ASC staff with its strategic plan for FY24-29. L. Brown asked for more information on position descriptions and potential hires since no specific numbers were mentioned in the Review. K. Scott responded that his role was more diagnostic and not to provide specific hiring numbers. He added that one recommendation is to provide more clarity in position descriptions. In the current job market, employers need to have detailed position descriptions. He noted that many new employees leave a position in the first 90 days because the position descriptions are not clear. L. Brown asked if hiring recommendations are for the immediate need or in anticipation of legislation. K. Scott responded that hiring is being suggested in two stages: hiring for immediate need and for future demands to ensure that there is a structure in place. T. Segerson thanked K. Scott for the presentation. He asked for a sequence of events regarding whether the structure be improved before operational communications and document management issues. His second question was regarding costs to "right size" the agency structure. K. Scott responded that they are currently evaluating what items should be moved forward and prioritizing activities. He feels that staffing is an immediate priority, the second priority is to recruit younger staff and the third priority is to invest in tools that will optimize the workflow. S. Williams asked for further information regarding L. Brown's questions. K. Scott answered that document management is an immediate need as there is confusion among staff on taxonomy, version control and collaboration. There is software that can optimize the flow of work. ASC staff should start the procurement process and training on that technology within the next 12 months. Z. Martinez asked if the 2024-29 strategic plan will incorporate the sequencing of recommended actions and budget costs. K. Scott responded "yes," part of the strategic plan will include an implementation roadmap and estimated budget amounts. These investments will be for the short-, medium-, and long-term. Z. Martinez requested that K. Scott share the slide presentation with the ASC and K. Scott said he would do so. L. Brown agreed that the roles of ASC staff and Board Members should be documented. The ASC is a small agency, and his experience is there are times that leadership gets more involved in details. The Board should be focused on oversight and ASC staff in charge of management. K. Scott responded that small businesses tend to outsource duties to third parties. The ASC could do this so that staff and members can concentrate more on the ASC's mission. This would include areas such as accounting, communications, recruitment and administrative duties. He added that the density of a small organization is about 80% strategy and 20% tactical. There is an imbalance in the ASC currently. Z. Martinez thanked KLSA for their time. (K. Scott and A. Atkinson left the briefing).

## Drupal upgrade

J. Park suggested that members send their questions concerning the Drupal upgrade to him and B. Kelly. L. Brown asked if there is a timeline for this project. J. Park responded that staff is determining if the current IT contractor, NDi, is the best fit since there are some issues with their work on the ASC's new website. Z. Martinez suggested that questions be sent to ASC staff by 10:00 a.m. on October 7<sup>th</sup>. Other members agreed with this suggestion.

## ASC Hearing

Z. Martinez noted that Title XI authorizes the ASC to hold hearings consistent with the purposes for which the ASC was created. At the September 29<sup>th</sup> FFIEC meeting, CFPB Director Chopra expressed interest in the ASC holding a hearing by the end of 2022. He has received interest from other ASC member agencies on holding a hearing. The hearing would be focused on the National Fair Housing Alliance Report (NFHA Report) commissioned by the ASC. The NFHA Report had numerous recommendations and feedback from stakeholders would be helpful to implement the recommendations. It is her view that a hearing would further public discourse. While the ASC heard from the Appraisal Foundation at the September 7<sup>th</sup> Briefing, there has not been feedback from other stakeholders. The NFHA Report was released in January 2022 so a hearing may help to build momentum on the recommendations. There are complexities attached to appraisal bias, how it manifests and what steps could be taken to make progress on the issue. There are numerous tactical, operational, and logistical operations involved in a hearing. She noted that the ASC may need to vote on two separate items: (1) a Procedural Rulemaking, and (2) draft Hearing Notice. Both items would need to be published in the *Federal Register*. The Hearing Notice would have to include a date/time and witness list. ASC staff is working on the Procedural Rule. She said that a policy could also be drafted to lay out the process for holding a hearing. She suggested a Special Meeting, possibly the week of October 17<sup>th</sup>. November would be an optimal month to hold a hearing. She did have other possible topics for the hearing including: (1) focus on the role of States in the appraisal marketplace and how the ASC can partner with States; (2) fair housing training and (3) requirements and barriers to entry to the appraisal profession and how the ASC could address them; and (4) how appraisal bias is affecting consumers in today's market. L. Brown felt that the hearing was an interesting idea. This would be a huge undertaking, so he wanted to ensure it was done correctly. He asked if the vote would be to approve holding a hearing or would it be related to developing and considering options. He would need to speak with his agency principal and suggested that a one-page summary be shared with ASC members. He also asked what the ASC expects will be the outcome of this hearing. He thought that the ASC could vote on a high-level plan and work out the logistics afterwards; FDIC would be supportive of providing resources. He suggested a target date in early 2023 due to the upcoming holidays. J. Rives echoed L. Brown's comments. Additional detail is needed, and he would also need to present this to OCC senior staff. He agreed with Z. Martinez's ideas for topics and suggested that PAVE workstreams could also be included. He also felt that holding a hearing in November was an aggressive timeline. K. King agreed with previous comments and suggested a draft hearing agenda be sent to ASC members. She asked what the difference was between a hearing and the Roundtables that the ASC held

previously. Z. Martinez responded that a hearing would be more formal than a Roundtable. She added that ASC staff recommended that the ASC, as a board, should adopt a procedure or a policy. The initial hearing could have 2-3 witnesses and then build up from there. J. Giesbrecht suggested that an appraiser professional be considered for a witness as appraisers are the most affected by any changes in the appraisal profession. She added that the Review prepared by KLSA detailed confusion in the marketplace as to the ASC's role and enforcement structure. B. Borland agreed that an appraiser should be invited but this hearing should not turn into an appraiser-bashing event. PAVE is covering some of these issues as well in their workstreams. Education would be a good topic as appraisers need education on fair housing and appraisal bias. J. Park said that ASC staff agrees this a good use of the ASC's authority and is happy to facilitate with assistance from outside partners or member agencies. J. Park asked for suggested meeting dates. Z. Martinez suggested October 19<sup>th</sup> and thought a vote on the Drupal project could be considered at the Special meeting as well. T. Segerson agreed that a one-page summary would be helpful. He said this and future hearings should lay out the goals of the hearing: Will it be to feel the pulse of the industry or home in on specific areas like how the ASC operates/communicates with the public. L. Brown noted that much of what is being talked about now will make agency decision making more efficient. Agency principals will want to know why this hearing and future hearings are needed and what is the expected outcome. He noted that he would be out of the office until October 24<sup>th</sup>, so T. Lyons would represent the FDIC if the Special Meeting were scheduled on October 19<sup>th</sup>.

Z. Martinez asked ASC staff to confirm member availability for 10:00 a.m. ET on October 19<sup>th</sup>. Briefing adjourned at 11:30.

Attachments: Observer List

<b>Meeting:</b>	<b>Appraisal Subcommittee Briefing</b>	<b>Meeting Date:</b>	October 5, 2022
<b>Contact:</b>	Lori Schuster	<b>Location:</b>	Zoom Meeting
<b>Time:</b>	10:00 AM ET	<b>Alternate Contact:</b>	Brian Kelly

<b>Affiliation</b>	<b>Name</b>
Consumer Financial Protection Bureau	Kara Allen
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	David Uejio
Federal Deposit Insurance Corporation	Richard Foley
Federal Deposit Insurance Corporation	Stuart Hoff
Federal Deposit Insurance Corporation	George Parkerson
Federal Deposit Insurance Corporation	Lauren Whitaker
Federal Deposit Insurance Corporation	Meron Wondwosen
Federal Reserve Board	Carmen Holly
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matthew Suntag
Federal Reserve Board	Trevor Feigleson
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
National Credit Union Administration	Victoria Nahrwold

<b>Affiliation</b>	<b>Name</b>
Office of the Comptroller of the Currency	Carolle Cantwell
Office of the Comptroller of the Currency	Joanne Phillips
Office of the Comptroller of the Currency	Marta Stewart Bates

**October 26, 2022**

**Briefing Summary Notes**

**APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
OCTOBER 26, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – Zixta Martinez (Chair)  
FDIC – Luke Brown  
FRB – Suzanne Williams  
HUD – Bobbi Borland (Vice Chair)  
NCUA – JeanMarie Komyathy

**ASC ALTERNATES:** CFPB – John Schroeder  
FDIC – Tom Lyons  
FHFA – Julie Giesbrecht  
FRB – Keshia King  
HUD – Brian Barnes  
NCUA – Victoria Nahrwold  
OCC – Jim Rives

**ASC STAFF:** Executive Director – Jim Park  
General Counsel – Alice Ritter  
Attorney Advisor – Juan Burgos  
Management and Program Analyst – Lori Schuster  
Administrative Officer – Brian Kelly

**OBSERVERS:** See Attached List

The Briefing, held via Zoom, was called to order at 3:00 p.m. by Chair Martinez.

Opening Remarks

Z. Martinez recognized new NCUA member, JeanMarie Komyathy, and alternate member, Victoria Nahrwold. She thanked T. Segerson for his service to the ASC.

Proposed Hearing

Based on ASC members' comments to CFPB's draft ASC hearing proposal, Z. Martinez noted ASC members are supportive of holding a hearing. She said this hearing would be focused on recommendations in the National Fair Housing Alliance (NFHA) Report commissioned by the ASC. She noted her experience organizing hearings for CFPB, and said most members suggested the hearing be scheduled for December or in early 2023. This would be the first hearing held by the ASC under its authority in section 1106 of Title XI. There are several logistical and substantive items to consider. She feels that deciding on a date will be the most difficult issue. T. Lyons felt that the bigger issue is what the ASC wishes to accomplish with this hearing and what will be the outcome of the hearing(s). There are several questions that will

require answers. Z. Martinez responded that FDIC Acting Chairman Gruenberg was supportive of a hearing. J. Komyathy stated that she and NCUA principals are supportive of a hearing. She added that since this will be a public hearing, the ASC should ensure it is done right. The hearing should focus on the purpose of the ASC and how to further that purpose. Additional hearings may be needed to get input from all stakeholders. Z. Martinez agreed that a series of hearings should be considered with input from various sources. She also expects that CFPB will assist the ASC staff with the logistics. S. Williams asked if the focus will be on residential or commercial appraisals. Z. Martinez responded that the hearing would cover residential appraisals. She added that the proposal sent out by CFPB was meant to elicit feedback from ASC members. S. Williams asked how witnesses would be selected. Z. Martinez responded that has not been determined. She noted that Federal Advisory Committee Act rules may need to be followed. She suggested sending out a “Save the Date” followed up with a Notice posted two weeks in advance in the Federal Register and allowing public comments to be submitted. The ASC would need to vote on support to hold a hearing and a date. A potential third vote would be needed to vote on hearing procedures. She asked if ASC members preferred a policy versus a rule adding that ASC staff have sent out a draft rule to ASC members for comment. She reiterated that comments on the draft procedural rule are due on October 28<sup>th</sup> and, once the comments are reviewed, a decision can be made on what votes should be taken. (L. Brown joined). L. Brown noted that the purpose of the hearing seems to be to highlight appraiser issues, bring in various stakeholders and hear their perspectives. This may also encourage the Appraisal Foundation to make changes to the Criteria and USPAP. He felt that all ASC member agencies should have a representative at the hearing. Z. Martinez responded that all ASC members agencies can be represented but Title XI states that only two ASC members are needed. L. Brown asked whether a procedural rule is needed and wanted opinions from other ASC members. The purpose, structure and timing need to be determined. Z. Martinez reiterated that she hopes the ASC would hold a series of hearings. The first hearing would cover ASC jurisdiction and what is being seen in the appraisal profession currently. The topics of future hearings can be determined later and could be held in the spring and summer of 2023. A report can be prepared and published by the end of 2023 that would summarize the high-level recommendations from these hearings. ASC members or their designees could be on the panels. She added that ASC member agencies could assist with drafting questions and recommending witnesses. J. Giesbrecht agreed with thoughts of other members and said that FHFA is supportive of a series of hearings. She wants to be mindful of time constraints and have organized hearings. She added that December is better than November for planning purposes. She thought the ASC should vote on: (1) holding a hearing(s); (2) date for hearing; and (3) hearing procedures. The ASC should be clear that the vote is to hold a series of hearings. S. Williams felt that the first hearing should be information gathering on the state of the appraisal industry. Ensuing hearings could focus on targeted areas. J. Park asked if the ASC intends to vote on these items at the November 16<sup>th</sup> Quarterly Meeting. Z. Martinez responded “yes.”



## Data Breach Response

J. Park updated the ASC on the data breach of Personally Identifiable Information (PII). This was due to a coding error by NDi and not a data theft or hacking incident. To date, ASC staff is aware of only one individual who viewed their own PII via a web browser search and reported it to the ASC on October 13<sup>th</sup>. While approximately 4,800 records had potential for exposure, NDi is only aware of one being viewed. ASC staff has engaged with the Cybersecurity and Infrastructure Security Agency (CISA) within the Department of Homeland Security. ASC staff has also secured support with an Assistant Director of the National Courts Section within the U.S. Department of Justice (DOJ). ASC staff identified at least one potential vendor on the GSA Schedule that would be able to assist with notifying the potentially affected individuals and providing credit monitoring services. Since this breach was the result of NDi's coding error, ASC staff believes that NDi should pay the notification cost, credit monitoring, and ID theft protection. A. Ritter noted that draft notices to States and the potentially affected individuals were included in the Briefing package. CISA gave the ASC a clean report in terms of the steps being taken. J. Park added that CISA feels this breach was negligible since it was not an attack on Registry data. ASC staff has been keeping a daily update on steps being taken. Z. Martinez asked if the notices were already sent to States and affected individuals. A. Ritter responded "no," ASC staff wants to get consensus from ASC members before sending out the notices. She added that notices need to be sent via first class mail. Z. Martinez asked if the notices discuss who may have had access, when the breach was discovered and what was exposed. A. Ritter responded that Office of Management and Budget (OMB) guidance on data breaches was followed regarding what to include in the notices. Template information from the Federal Trade Commission regarding how to protect against identity theft was also included in the notice to individuals. J. Komyathy asked if ASC staff has discussed with NDi their responsibility to cover the cost of credit monitoring. J. Park responded that he spoke with the NDi CEO. Follow up communications have been from their attorney. He feels that the terms of the contract will make it hard for them to refuse. B. Borland asked if there is a list of affected appraisers. J. Park responded that NDi is compiling that information. L. Brown asked if the cost is known and can NDi verify that only one record was viewed. J. Park responded that the cost is not known yet, but potentially over \$300K, if all the potentially affected individuals enrolled in credit monitoring. NDi is hiring a third party to conduct a forensic audit. L. Brown said he would like an estimate on costs before deciding on next steps. A. Ritter added that an 800 number needs to be set up for those persons who want to enroll in credit monitoring. J. Giesbrecht noted that potential harm has been done and credit monitoring is necessary since the ASC's reputation is at stake. A. Ritter agreed and asked if there is any objection to offering credit monitoring to the affected individuals. All member agencies agreed that credit monitoring is necessary. L. Brown and S. Williams added that they would like an accurate number of those affected and the potential cost. A. Ritter said the cost of credit monitoring will depend on the number of persons that request the service. Z. Martinez asked for an upper limit and if it is possible to get an average cost. J. Schroeder asked if there is a more definitive number on those records that were potentially viewed. A. Ritter noted that NDi provided three status updates which ASC staff has shared with ASC members. She added that NDi is conducting a forensic audit to assess their own liability and protect themselves. S. Hoff asked if inactive and active appraisers were affected. J. Park responded "yes" to both. B. Borland asked if a communications plan is being

prepared. J. Park responded that ASC staff is working with K.L. Scott & Associates on a plan. B. Borland noted that criminals who have PII information may hold it for years before they use it and affected individuals should monitor their credit report for several years. J. Park said that when ASC staff has a more definitive cost, we will share it with ASC members.

The Briefing adjourned at 4:00 p.m.

Attachment: Observer List

<b>Meeting:</b>	<b>Appraisal Subcommittee Briefing</b>	<b>Meeting Date:</b>	October 26, 2022
<b>Contact:</b>	Lori Schuster	<b>Location:</b>	Zoom Meeting
<b>Time:</b>	3:00 PM ET	<b>Alternate Contact:</b>	Brian Kelly

<b>Affiliation</b>	<b>Name</b>
Consumer Financial Protection Bureau	Kara Allen
Consumer Financial Protection Bureau	Paul Hannah
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	David Uejio
Federal Deposit Insurance Corporation	Stuart Hoff
Federal Deposit Insurance Corporation	Patrick Mancoske
Federal Deposit Insurance Corporation	Mark Mellon
Federal Deposit Insurance Corporation	George Parkerson
Federal Deposit Insurance Corporation	Lauren Whitaker
Federal Deposit Insurance Corporation	Meron Wondwosen
Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Trevor Feigleson
Federal Reserve Board	Carmen Holly
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matt Suntag

Affiliation	Name
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
National Credit Union Administration	Tim Segerson
Office of the Comptroller of the Currency	Carolle Cantwell
Office of the Comptroller of the Currency	Stacey Fluellen
Office of the Comptroller of the Currency	Marta Stewart-Bates