

**APPRAISAL SUBCOMMITTEE  
QUARTERLY MEETING MINUTES  
NOVEMBER 16, 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 – JeanMarie Komyathy  
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 – 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 welcomed new NCUA member JeanMarie Komyathy and alternate member Victoria Nahrwold. She thanked Tim Segerson for his contributions to the ASC including serving as immediate past ASC Chair and representing the NCUA since 2013. She recognized Alice Ritter, ASC General Counsel, who is retiring at the end of this year. A. Ritter has been with the ASC since 2008.

- **Executive Director**

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

- ASC staff continues to work with the Interagency Task Force on Property Appraisal and Valuation Equity, White House Domestic Policy Council and the Roundtable for Economic Access and Change on appraisal bias issues.
- The Temporary Waiver Final Rule was published in the *Federal Register* on October 7<sup>th</sup> with an effective date of December 6<sup>th</sup>.
- The vacancy announcement for the Grants Administrator position closed on October 28<sup>th</sup>. The U.S. Office of Personnel Management will forward the eligible applications to the ASC staff shortly. ASC staff will review applications and schedule interviews as soon as possible.
- He acknowledged A. Ritter's contributions to the ASC and wished her well in her retirement.

- **Grants Program**

C. Brooks provided an update of the grants program since the September 14<sup>th</sup> ASC Quarterly Meeting.

- The ASC has awarded over \$2.75M in State support grants thus far. The State support grants are being utilized for a variety of projects such as IT and software upgrades; converting paper records to digital; training; complaint investigators; and staffing.
- The ASC has awarded 15 State support grants since 2020. The ASC's State support grants are for three years, with funding provided on an annual basis. Eight grantees began their third year in October. The other seven are in the second year of their grant. Several grantees ran into delays early on implementing activities and projects due to COVID travel restrictions and staffing shortages, but projects appear to be moving forward and travel for training has resumed for most grantees.
- 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 were due on November 1<sup>st</sup>. The Grants Office is reviewing the documents for compliance and hopes to complete the review by mid-December.

- **Financial Manager**

G. Hull provided a financial status of the ASC as of September 30<sup>th</sup>, which was the end of Fiscal Year 2022 (FY22).

- Based on the unaudited financial statements, the ASC has recognized approximately \$12.1M in total revenue which represents 103% of the FY22 targeted revenue amount of \$11.7M. The total FY22 revenue consists of \$8.3M in AMC Registry Fees and \$3.7M in Appraiser Registry fees. Expenses for FY22 came in at \$5.8M representing 97% of the projected \$6M. The net income for FY22 is \$6.2M.
- The FY22 audit is scheduled to start the week of December 5<sup>th</sup>.

## **ACTION ITEMS**

- **September 14, 2022 Quarterly Meeting Minutes**

Z. Martinez asked for a motion to approve the September 14<sup>th</sup> Quarterly Meeting Minutes. J. Komyathy made a motion to approve the September 14<sup>th</sup> quarterly meeting minutes as presented. J. Giesbrecht seconded and all members present voted to approve.

- **ASC Hearing Proposal**

Z. Martinez said that bias based on prohibited characteristics, particularly race and national origin, in real estate valuations is a longstanding problem that has potentially impacted millions across generations but has reached new prominence in recent years. Though the ASC has made efforts to combat and address appraisal bias, a public hearing would enable the ASC to (1) continue to shine a spotlight on the issue; (2) ensure there is public awareness of the ASC and its role in the appraisal marketplace; (3) identify key issues impacting the market, with input from a range of stakeholders, (4) identify gaps in ASC's information and knowledge; and (5) receive public commitment from stakeholders with responsibilities in this market and the ability to hold them to account. While the ASC has hosted roundtables in the past on appraisal bias issues, a more formal mechanism is needed given the significant impact on consumers. She asked for comments from ASC members on the proposed hearing. L. Brown said that he looks forward to collaborating with colleagues on the hearing and is interested in what various stakeholders have to say regarding appraisal bias. Other ASC members were also supportive of holding a hearing. Z. Martinez asked for motion to hold a hearing, pursuant to the Appraisal Subcommittee's authority under 12 U.S.C. § 3335, in January 2023 regarding appraisal bias in the residential real estate market in order to: (1) identify gaps in ASC's information and knowledge; (2) identify key issues impacting the market, with input from a range of stakeholders; (3) continue to shine a spotlight on the issue; (4) ensure there is public awareness of the ASC and its role in the appraisal marketplace; and (5) take public feedback. The hearing will focus on setting the stage, consistent with the aforementioned purpose, by (1) discussing the ASC's role and authorities and (2) defining the problem of appraisal bias. Specific topics within that overall structure and witnesses will be discussed by the ASC Board at a later date. S. Williams made a motion as presented by Z. Martinez. J. Komyathy seconded and all members present voted to approve.

Z. Martinez thanked ASC members, ASC staff and observers for attending. The Open Session adjourned at 10:20 a.m. The next quarterly ASC Meeting is scheduled for March 15, 2023.

Attachment: Observer list

<b>Meeting:</b>	<b>Appraisal Subcommittee Meeting</b>	<b>Meeting Date:</b>	November 16, 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	John Russell
Appraisal Foundation	JoEllen Alberts
Appraisal Foundation	David Bunton
Appraisal Foundation	Aida Dedajic
Appraisal Foundation	Edna Nkemngu
Appraisal Foundation Board of Trustees	Randall Kopfer
Appraisal Institute	Brian Rodgers
Appraiser Qualifications Board	Michelle Bradley
Clear Capital	David Cherner
Consumer Financial Protection Bureau	Kara Allen
Consumer Financial Protection Bureau	Paul Hannah
Consumer Financial Protection Bureau	Nicholas Kime
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	John Schroeder
Consumer Financial Protection Bureau	David Uejio
Council on Licensure, Enforcement and Regulation	David Byerman
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	George Parkerson
Federal Deposit Insurance Corporation	Meron Wondwosen
Federal Housing Finance Agency	Annalyce Shufelt
Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Trevor Feigleson
Federal Reserve Board	Carmen Holly
Federal Reserve Board	David Imhoff
Federal Reserve Board	Keshia King
Federal Reserve Board	Matt Suntag
HomeSight Appraisal	Peter Gallo
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Victoria Nahrwold
Office of the Comptroller of the Currency	Stacey Fluellen