

**APPRAISAL SUBCOMMITTEE-FFIEC
QUARTERLY MEETING MINUTES
JUNE 12, 2024**

LOCATION: Webex

ATTENDEES

MEMBERS: CFPB – Zixta Martinez (Chair)
FDIC – Luke Brown (Vice Chair)
FRB – Sarah Chae
HUD – Elizabeth Davis
NCUA – Viki Nahrwold

ALTERNATES: FDIC – Tom Lyons
FHFA – Julie Giesbrecht
FRB – Keshia King
HUD – Brian Barnes
NCUA – Ian Marena
OCC – Jim Rives

STAFF: Executive Director – Jim Park
Acting Deputy Executive Director/Compliance Manager – John Brennan
Grants Director – Rae Frederique
Financial Manager – Girard Hull
Attorney Advisor – Ada Bohorfoush
Attorney Advisor – Natalie Lutz
Management and Program Analyst – Lori Schuster
IT Project Manager – Brian Kelly
Administrative Assistant – Oteal Griffin
Grants Management Specialist – Karla Cisneros
Regulatory Affairs Specialist – Kelly Luteijn

OBSERVERS: See attached list.

The Meeting was called to order at 10:01 a.m. by Chair Z. Martinez.

REPORTS

- **Chair**

Z. Martinez welcomed attendees to the meeting. She introduced new NCUA member Viki Nahrwold and alternate Ian Marena. V. Nahrwold was the NCUA alternate since 2022. Z. Martinez thanked JeanMarie Mattingly for her service as the NCUA representative and for her meaningful contributions to the ASC. Z. Martinez also welcomed the new CFPB alternate David Bleicken. She thanked John Schroeder for his 5 years of service on the ASC.

Z. Martinez also acknowledged the April 30 retirement of Deputy Executive Director Denise Graves who had been in that position since 2008.

- **Executive Director**

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

- John Brenan has been named acting Deputy Executive Director. The Deputy Executive Director vacancy announcement was posted on USAJobs in mid-May and received over 200 applications. The U.S. Office of Personnel Management (OPM) is reviewing the applications.
- The new General Counsel is scheduled to start on July 1.
- The Program Manager and Attorney Advisor vacancy announcements were posted on USAJobs. Both announcements received over 200 applications. Applications for both positions are in the review process.
- ASC staff and the enforcement working group continue to work on the Proposed Enforcement Rule. ASC staff hopes to have a draft ready for public comment by the end of 2024.

- **Compliance Reviews**

J. Brenan provided an update on the Compliance Review Program. There were 6 State Appraiser Program Compliance Reviews and 6 State Appraisal Management Company (AMC) Program Compliance Reviews completed. Five Appraiser Programs received a finding of Good and were issued by the Executive Director under the delegation of authority. Those states are Kentucky, Louisiana, Michigan, New Mexico, and West Virginia. One Appraiser Program, Nevada, received a finding of Needs Improvement and was issued by the ASC Chair. The Appraiser Programs' top concerns fall under Temporary Practice, National Registry updates, and the state's application processes. All 6 AMC Programs received a finding of good and were issued by the Executive Director under the delegation of authority. Those states are Kentucky, Louisiana, Michigan, Nevada, New Mexico, and West Virginia. The top concerns for the AMC Programs fall under Statutes and Regulations and National Registry. Currently there are 17 Appraiser and 14 AMC state programs that are in various stages of a Compliance Review.

- **Grants Program**

R. Frederique provided the grants update to the ASC. The State Agency Regulatory Support Grant Notice of Funding Availability (SARAS NOFA) first deadline was June 3. Ten applications were submitted. Six applications were from repeat recipients and four were from brand new state applicants. The second deadline for the SARAS NOFA is September 4. ASC staff will continue its outreach to states to make them aware of the SARAS NOFA. The Notice of Funding Availability for the Appraisal Foundation will be discussed later in this meeting.

- **Financial Manager**

G. Hull gave an overview of the mid-year financial status as of March 31, 2024. The ASC has recognized revenue of \$5M which represents 45% of the total Fiscal Year (FY) 2024 budgeted revenue of \$11.3M. As of March 31, Appraiser Registry fees account for \$2.2M or 44% of the total recognized revenue, and AMC registry fees account for \$2.8M or 56% of the total recognized revenue. FY24 AMC fee revenue is roughly \$881K less when compared to FY23 mid-year revenue. ASC staff attributes this to higher mortgage interest rates and AMC consolidations in FY24. Based on this current trend, ASC staff estimates total FY24 revenue of \$10.4M equating to 92% of the original budgeted total of \$11.2M. ASC staff will continue to monitor this activity closely and will keep the ASC apprised of any trends affecting revenue projections. Expenditures through March 31, 2024 totaled \$3.6M representing 40% of the total FY24 budgeted expenditure amount of \$8.9M. ASC staff does not foresee any unusual expenditure activity that will create abnormal budget variances.

- **Notation Vote**

L. Schuster reported on the notation vote that occurred since the March 13, 2024 quarterly meeting.

- The ASC 2023 Annual Report was approved with a 5-0 vote on June 5, 2024. Votes were not received from FDIC or OCC.

ACTION ITEMS

- **March 13, 2024 Quarterly Meeting Minutes**

Z. Martinez asked for a motion to approve the March 13 quarterly meeting minutes. L. Brown made a motion to approve the March 13 quarterly meeting minutes as presented. V. Nahrwold seconded and all members present voted to approve.

- **Fiscal Year 2024 ASC Budget Reprogramming Request**

G. Hull provided background on the FY24 ASC budget reprogramming request. ASC staff is requesting to obligate funds to the U.S. Department of the Interior's Assisted Acquisition Services to fund four FY25 non-IT contracts covering services for strategic communications, grants operational support, accounting support, and the annual financial audit. The total amount required for these contracts is \$456,995 and must be obligated before contract solicitation and award. The reprogramming request totals \$457,600, of which \$334,840 will come from savings within the FY24 Total Contracted Services budget and \$122,760 from savings within the FY24 total travel budget. This reprogramming request will not increase the budget authority for FY24. ASC staff requests approval as discussed above. The Chair asked for a motion regarding the FY24 ASC Budget Reprogramming Request. J. Giesbrecht made a motion to approve the FY24 ASC budget reprogramming request in the amount of \$457,600 in funds from underspent areas of the FY24 budget into areas of the budget that

cover procurement obligations of the ASC's FY25 contracts. S. Chae seconded the motion, and all members present approved.

- **Fiscal Year 2024 Notice of Funding Availability for the Appraisal Foundation**

R. Frederique presented the FY24 NOFA for the Appraisal Foundation (TAF NOFA). The TAF NOFA incorporates all the comments received from the ASC during the development stage. If approved, the ASC staff can move forward with publishing it. Once published, ASC staff will contact TAF to hold a pre-award kick-off meeting by the end of June. The kick-off meeting will allow the team to go over key elements of the NOFA and provide an opportunity for TAF to ask any questions as they prepare or consider applying for a grant. The Chair asked for a motion regarding the FY24 TAF NOFA. S. Chae made a motion to approve the FY24 TAF NOFA in the amount of \$250,000 and delegate to ASC staff the responsibility of correcting non-substantive grammar or typographical errors. E. Davis seconded the motion, and all members present approved.

Z. Martinez thanked ASC members, ASC staff and observers for attending today's meeting. The meeting was adjourned at 10:26 a.m. The next quarterly ASC meeting is scheduled for September 11, 2024.

Attachment: Observer list

Meeting:	Appraisal Subcommittee Quarterly Meeting	Meeting Date:	June 12, 2024
Contact:	Lori Schuster	Location:	Webex
Time:	10:00 AM ET	Alternate Contact:	Brian Kelly

Affiliation	Name
Accurate Group	Michele Golden
American Society of Farm Managers and Rural Appraisers	Deanna Ilk
Appraisal Foundation	Kelly Davids
Appraisal Foundation	Edna Nkemngu
Appraisal Foundation	Amy Timmerman
Appraisal Foundation Board of Trustees	Tracy Johnston
Appraisal Institute	Brian Rodgers
Dennis Badger & Associates, Inc.	Dennis Badger
The CE Shop	Melissa Cannata
Consumer Financial Protection Bureau	Kara Allen
Consumer Financial Protection Bureau	Wyatt Fine
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Ericka McDonald
Consumer Financial Protection Bureau	John Schroeder
CoreLogic	Shawn Telford
Federal Deposit Insurance Corporation	Erin Barry
Federal Deposit Insurance Corporation	Stuart Hoff
Federal Deposit Insurance Corporation	Patrick Mancoske

Affiliation	Name
Federal Deposit Insurance Corporation	Meron Wondwosen
Federal Housing Finance Agency	Hanna Pitz
Federal Housing Finance Agency	Renita Roberts
Federal Reserve Board	Trevor Feigleson
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Anthony Sarver
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matt Suntag
Freedom Mortgage	Jessica Jenkins-Tomé
Beth L. Graham Appraisals	Beth Graham
The Gemris Group	Bernice Brown
Gregoire & Gregoire, Inc.	Francois Gregoire
Halfpenny Appraisal Services	Donna Halfpenny
CL Harper & Associates	Cathy Harper
Interbank	Josh Tucker
LW Real Estate Services	Lily Wasluskas
National Association of Appraisers	Malinda Griffin
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
National Credit Union Administration	Simon Hermann
Office of the Comptroller of the Currency	Carolle Cantwell

Affiliation	Name
Office of the Comptroller of the Currency	Stacey Fluellen
Office of the Comptroller of the Currency	Kevin Lawton
Office of the Comptroller of the Currency	Marta Stewart-Bates
K.L. Scott & Associates	Amanda Roberts
K.L. Scott & Associates	Alex Russell
Santander Bank	Thomas Kokoliadis
Steinley Real Estate Appraisals & Consulting	Craig Steinley
Teel Consulting Services	Pamela Teel
WaFd Bank	Justin Slack
Wells Fargo	Magdalene Vasquez
	Eleanor Bosman-Clark
	David Byerman
	Caroline Perry