

Open Session Cover Page

March 10, 2021

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

Agenda

Date: March 10, 2021
Time: 10:00 a.m. ET
Location: Virtual Meeting. Please click the link below to register:
<https://www.zoomgov.com/meeting/register/vJIsf-yupj4pGBamSihdyh7af6mRYVLVxbk>

Open Session

Reports

- | | |
|----------------------|-------------|
| • Chairman | T. Segerson |
| • Executive Director | J. Park |
| • Grants Director | M. Abbott |
| • Financial Report | G. Hull |

Action and Discussion Items

- | | |
|---------------------------------------------------------------------------|---------------|
| • Approval of Minutes | T. Segerson |
| ○ September 9, 2020 Open Session | |
| ○ October 5, 2020 Special Meeting | |
| • 2020 ASC Annual Report | A. Bohorfoush |
| • Approval of Cooperative Agreement for training and technical assistance | M. Abbott |

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
SEPTEMBER 9, 2020**

LOCATION: Zoom Conference

ATTENDEES

ASC MEMBERS: CFPB – John Schroeder
FDIC – John Jilovec
FHFA – Robert Witt
FRB – Keith Coughlin
HUD – Bobbi Borland
NCUA – Tim Segerson
OCC – James Rives

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Grants Director – Mark Abbott
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 – Vicki Metcalf
Policy Manager – Jenny Tidwell

OBSERVERS: Please see attached list

The Meeting was called to order at 10:00 a.m. by Chair T. Segerson.

REPORTS

- **Chair**

T. Segerson welcomed the observers.

- **Executive Director**

J. Park updated the ASC on recent staff activity.

- States continue to accept virtual continuing education courses for credential renewals during the pandemic. Virtual continuing education has been so successful that many appraisers and education providers are asking the Appraiser Qualifications Board (AQB) to permanently approve synchronous classroom education for both continuing education and qualifying education. The AQB recently held a hearing on this subject for future consideration. State governments and appraisal programs are still functioning at varying capacities. ASC staff are not aware of any States that are back to normal operations.
- On August 7th, the FFIEC approved the ASC's one-year extension of the North Dakota temporary waiver approved by the ASC on July 29th.
- Congresswoman Waters and Senator Kaine's offices have contacted ASC staff to discuss issues related to the lack of diversity in the appraisal profession and related issues in the mortgage lending process.
- The Appraisal Foundation has opted not to accept ASC grant funds for fiscal year (FY) 2020.
- **Delegated State Compliance Reviews**

A. Bohorfoush reported on State Program Compliance Reviews completed pursuant to delegated authority since the ASC's May 13th Meeting. Three State Appraiser Program Compliance Reviews were finalized and approved by the Executive Director under delegated

authority. Texas and the Commonwealth of the Northern Mariana Islands were both awarded a Finding of “Excellent” and both will remain on a two-year Review Cycle. Alabama was awarded a Finding of “Good” and will remain on a two-year Review Cycle. Two State Appraiser Program Compliance Reviews were finalized and approved by the Chair under delegated authority. Arkansas and Guam each earned a Finding of “Needs Improvement” and will remain on a two-year Review Cycle.

There were three State AMC Program Compliance Reviews finalized and approved by the Executive Director under delegated authority. Alabama, Arkansas and Texas were each awarded a Finding of “Excellent” and all will remain on a two-year Review Cycle.

J. Jilovec asked if a response was sent to Arkansas regarding their request for reconsideration of their State Program Compliance Review Finding. J. Park responded that a response was sent clarifying that Compliance Reviews focus on areas of the State’s Program during a specified period of time. Their request was seeking consideration due to the pandemic which was not a factor for the time period reviewed..

- **Grants Report**

M. Abbott updated the ASC on ASC Grants Program activities. The Investigator Training Program grant will end on September 30th, with funds largely returning to the ASC as trainings were cancelled due to the pandemic. A small amount of the funds were used for planning and cancellation fees for hotel space. As noted by J. Park earlier, the FY20 grant to

support the operations of the AQB and the Appraisal Standards Board (ASB) was declined by the Appraisal Foundation so those funds will return to the grant pool.

Regarding State grants, seven applications were received totaling \$629,000. The seven States submitting applications were Illinois, Kentucky, Louisiana, Minnesota, South Dakota, Texas and Utah. ASC staff are scoring applications against criteria published in the Notice of Funds Availability (NOFA). A summary description of the grant awards will be posted on the ASC website. Training, technology and personnel were most requested as States are implementing digital recordkeeping, developing new types of training and hiring personnel. In October, the ASC will publish dates for another round of technical assistance calls in advance of the December 31, 2020 submission deadline. J. Rives asked if there is a timeline for publishing the summary. M. Abbott responded that once ASC staff clarifies questions related to budgets and programming, and the Notice of Grant Award (NGA) is completed, the summary will be published. He added that per the procedures detailed in the Grants Handbook, J. Park will approve the NGAs and he hopes to have this completed by September 30th.

Regarding FY21 grants, a Notice of Funding Availability is being drafted to support the operations of the Appraisal Foundation. The FY21 ASC budget includes line items for grants that have been made and grant authority for future grants. State grants have been authorized at \$10M over three years.

- **Financial Manager**

G. Hull provided the financial status for the 3rd quarter of FY20. Appraiser Registry fee revenue totaled \$2.6M as of June 30th with \$3.8M projected for FY20. AMC Registry fee revenue totaled \$3M as of June 30th with \$3.9M projected for FY20. T. Segerson asked if budgeted projections were close to expectations and G. Hull responded “yes.”

- **Notation Vote**

L. Schuster reported that a technical edit to the Appraisal Foundation Monitor and Review Policy passed by a 6-0 vote on June 24, 2020. The Federal Reserve Board did not submit a vote.

ACTION ITEMS

- **May 13, 2020 Open Session Minutes**

J. Rives made a motion to approve the May 13th open session meeting minutes as presented.

J. Jilovec seconded and all members present voted to approve.

- **July 29, 2020 Special Meeting Minutes**

J. Rives made a motion to approve the July 29th special session meeting minutes as presented.

J. Jilovec seconded and all members present voted to approve.

- **Notice of Funding Availability Summary; development of training for State Appraiser and AMC Regulatory Programs**

M. Abbott summarized the Notice of Funding Availability (NOFA) Summary entitled “Training and Technical Assistance for State Appraiser Regulatory Agencies.” This competition will select a partner to work with the ASC to support the continued development and administration of training for State appraiser and AMC programs as well as provide an expanded selection of high-quality training and technical assistance opportunities on different topics to be identified through a needs assessment process. This will be a three-year grant with \$350,000 awarded in year one and a three-year total up to \$1,050,000. The NOFA will be open for bids for eight weeks once it is approved and finalized. ASC staff will score the proposals and will provide a recommendation to the ASC for approval at an open meeting. Areas of activities that will be supported under this initiative include but are not limited to: Research; Curriculum Development; Training Delivery and Administration; Evaluation; Targeted Technical Assistance; and Grant Fund Administration. The successful applicant (Cooperator) will work with ASC staff on initial design. The training can be delivered remotely or in-person. States will be able to subscribe and pay for training using State grant funds provided by the ASC. ASC staff will follow up with States to see if the training had an impact on their programs. ASC staff will also reach out to States to see if improvements can be made and ask for suggestions for future training. This project would have a retroactive start date of October 1, 2020, and end on Sept. 30, 2023. T. Segerson asked how funds would be administered to States. M. Abbott responded that States that want to access training and technical assistance but have not yet applied for a State Support Grant could seek reimbursement for training and other activities from the ASC’s Cooperator. J. Rives asked how evaluations would be conducted. M. Abbott responded that the ASC may hire a

third-party evaluation firm or university department with expertise in this area as a partner in application or to be identified later. J. Schroeder moved to approve the NOFA Summary as presented and R. Witt seconded; all members present voted to approve.

- **FY21 ASC Budget Proposal**

G. Hull summarized the FY21 ASC Budget Proposal. For FY21, Appraiser Registry fee revenue is projected to be \$3.8M and AMC Registry fee revenue is projected to be \$6.8M for total revenue of \$10.2M. Total operating expenses are projected to be \$4.2M. Grant expenses are budgeted at \$1M for the Appraisal Foundation, \$3.3M for State Grants and \$350K for Training/Technical Assistance Cooperative Agreements. Forty-four States are expected to be submitting AMC Registry data by the end of FY21. T. Segerson asked for clarification of AMC FinOps and Legal Resources. G. Hull responded that AMC FinOps are costs to automate the AMC Registry financial operations/reporting. J. Park responded regarding Legal Services noting it is for additional legal services to support the ASC. J. Jilovec made a motion to approve the FY21 ASC Budget as presented. J. Rives seconded and all members present voted to approve.

The Open Session adjourned at 10:45 a.m. The next regularly scheduled ASC Meeting will be held on November 4, 2020.

Attachment: Observer list

Meeting:	Appraisal Subcommittee Meeting	Meeting Date:	September 9, 2020
Time:	10:00 AM ET	Location:	Zoom Meeting

Observers	
Name	Affiliation
Craig Morley	Accurity Valuation
Justin Kane	American Society of Appraisers
David Bunton	Appraisal Foundation
Kelly Davids	Appraisal Foundation
Lisa Desmarais	Appraisal Foundation
Edna Nkemngu	Appraisal Foundation
Bill Garber	Appraisal Institute
Brian Rodgers	Appraisal Institute
Diana Piechocki	Arkansas Appraiser Licensing & Certification Board
Brandy March	Association of Appraiser Regulatory Officials
Karen Connolly	Collateral Risk Network
Joan Trice	Collateral Risk Network
Margaret Ellwood	Colorado Division of Real Estate
Tony Pistilli	Computershare Loan Services
Deana Krumhansl	Consumer Financial Protection Bureau
Orlando Orellano	Consumer Financial Protection Bureau
Joe Ibach	Dakota Appraisal & Consulting
Tamora Papas	D.C. Board of Real Estate Appraisers

Dennis Badger	e-Farm Credit Mid America
Rich Foley	Federal Deposit Insurance Corporation
Suzy Gardner	Federal Deposit Insurance Corporation
Lauren Whitaker	Federal Deposit Insurance Corporation
Ming-Yuen Meyer-Fong	Federal Housing Finance Agency
Trevor Feigleson	Federal Reserve Board
Carmen Holly	Federal Reserve Board
David Imhoff	Federal Reserve Board
Matthew McQueeney	Federal Reserve Board
Derald Seid	Federal Reserve Board
Alan Hummel	Frist American Mortgage Lender Solutions
Lori Crawford	Florida Division of Real Estate
Allison McDonald	Florida Division of Real Estate
Brian Weaver	Illinois Department of Financial & Professional Regulation
Tom Veit	Kentucky Board of Real Estate Appraisers
Douglas Oldmixon	Lawyers Realty USA
Stephen Sousa	Massachusetts Board of Real Estate Appraisers
Jonathan Miller	Miller Samuels, Inc.
James Rist	Minnesota Department of Commerce
Henry Wujcik	Minnesota Department of Commerce
Melissa Bond	Mississippi Real Estate Appraiser
Vanessa Beauchamp	Missouri Real Estate Appraisers Commission

Pete Fontana	Montana Board of Real Estate Appraisers
Sharon Peterson	Montana Board of Real Estate Appraisers
Teresa Walker	National Association of Appraisers
Gira Bose	National Credit Union Administration
Cate Agnew	Natixis
Emilio Aviles	New Jersey Board of Real Estate Appraisers
David Campbell	North Dakota Real Estate Appraisers Board
Jodie Campbell	North Dakota Real Estate Appraisers Board
Stacey Fluellen	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
Ronald Rouse	Pennsylvania Department of State
Sherry Bren	South Dakota Appraiser Certification Program
Craig Steinley	Steinley Real Estate Appraisals and Consulting
Pamela Teel	Texas Real Estate Appraiser
Phil Crawford	Voice of Appraisal
Joshua Walitt	Walitt Solutions
Dean Dawson	West Virginia Real Estate Appraiser Licensing & Cert. Board
Patricia Pope	West Virginia Real Estate Appraiser Licensing & Cert. Board
BJ Jibben	Wyoming Certified Real Estate Appraiser Board

**APPRAISAL SUBCOMMITTEE
SPECIAL MEETING MINUTES
OCTOBER 5, 2020**

LOCATION: Zoom

ATTENDEES

ASC MEMBERS: CFPB – John Schroeder
FDIC – John Jilovec
FHFA – Robert Witt
FRB – Keith Coughlin
HUD – Bobbi Borland
NCUA – Tim Segerson
OCC – James Rives

ASC STAFF: Executive Director – Jim Park
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Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly
Regulatory Affairs Specialist – Maria Brown
Policy Manager – Claire Brooks
Policy Manager – Kristi Klamet
Policy Manager – Vicki Metcalf
Policy Manager – Jenny Tidwell

OBSERVERS: (See attached list)

The Meeting was called to order at 1:35 p.m. by Chair T. Segerson.

ACTION ITEMS

- **Notice of Funding Availability (NOFA) Summary for the Appraisal Foundation Grant**

M. Abbott noted this NOFA Summary for \$3M covers three years, October 1, 2020 – September 30, 2023. He summarized the three-step NOFA Summary process as it pertains to the ASC Board:

1. Develop and approve a NOFA Summary that sets parameters for fundable activities through input from stakeholders which includes ASC staff research and feedback from the grantee. The NOFA Summary commits funds and identifies areas for funding.
2. Review proposals to address issues identified in the NOFA Summary and make funding decisions. Since this is a non-competitive grant to a single organization, the ASC and the Appraisal Foundation (TAF) should collaborate on a final set of activities and budget.
3. The ASC should follow progress in the first year of the grant to make determinations for funding in years two and three of the grant.

The purpose of the NOFA Summary is to make funds available to TAF to support both the operations of the Appraiser Qualifications Board (AQB) and Appraisal Standards Board (ASB), including projects and activities that promote innovation and expand positive impact of the AQB, ASB and TAF's grant-eligible activities. Optional activities include the following:

1. Uniform Standards of Professional Appraisal Practice (USPAP) Standards 1-6 Project. This would allow TAF to request funds to make Standards 1-6 publicly available, at no cost, in a searchable, downloadable and Section 508 compliant format.

2. USPAP Publishing and Revenue. TAF can request funds to commission an outside study that includes a review of the current publishing cycle for USPAP and its connection to TAF's revenue needs.
3. AQB/ASB/Board of Trustees Operational Assessment. TAF can request funds to use outside experts to assess structure, operations and programmatic impact of the Boards.
4. Practical Application of Real Estate Appraisal (PAREA). TAF can request funds for an assessment of PAREA to date and additional planning activities.
5. Research and Analytics. TAF can request funds to develop and conduct a comprehensive survey to provide better industry demographic data to the appraisal profession and stakeholders.
6. Other Initiatives. TAF can propose additional areas for grant support.

J. Rives and K. Coughlin asked if there are flexibilities regarding funding. M. Abbott responded that \$1M is an annual cap but any unspent amount would be rolled into the following year. Any unused funds at the end of year three would be added back to the ASC's existing grant funds and reprogrammed into a new NOFA. He added that the ASC has more flexibility than traditional federal grant programs. Future grants could cover five years rather than three. J. Rives asked if the ASC complies with Office of Management and Budget grant guidelines. M. Abbott responded "yes" and the NOFA Summary also complies with procedures as described in the ASC Grants Handbook. J. Rives made a motion to approve

the NOFA Summary totaling \$3M for three years for publication as presented. K. Coughlin seconded and all members present voted to approve.

The Open Session adjourned at 1:50 p.m.

Attachment: Observer List

Meeting:	Appraisal Subcommittee Meeting	Meeting Date:	October 5, 2020
Time:	1:30 PM ET	Location:	Zoom Meeting

Observers	
Name	Affiliation
Justin Kane	American Society of Appraisers
Deanna Ilk	American Society of Farm Managers and Rural Appraisers
Brian Stockman	American Society of Farm Managers and Rural Appraisers
David Bunton	Appraisal Foundation
Kelly Davids	Appraisal Foundation
Lisa Desmarais	Appraisal Foundation
Edna Nkemngu	Appraisal Foundation
Jeff Dickstein	Appraisal Foundation Board of Trustees
Jeremy Gray	Appraisal Foundation Board of Trustees
Robert Taylor	Appraisal Foundation Board of Trustees
Bill Garber	Appraisal Institute
Brian Rodgers	Appraisal Institute
Deana Krumhansl	Consumer Financial Protection Bureau
Orlando Orellano	Consumer Financial Protection Bureau
Shawn Telford	CoreLogic
Rich Foley	Federal Deposit Insurance Corporation
Suzy Gardner	Federal Deposit Insurance Corporation
Lauren Whitaker	Federal Deposit Insurance Corporation

Trevor Feigleson	Federal Reserve Board
Carmen Holly	Federal Reserve Board
David Imhoff	Federal Reserve Board
Matt McQueeney	Federal Reserve Board
Stephen Sousa	Massachusetts Board of Real Estate Appraisers
Jonathan Miller	Miller Samuel, Inc.
James Rist	Minnesota Department of Commerce
Pete Fontana	Montana Board of Real Estate Appraisers
Will Binkley	Office of the Comptroller of the Currency
Stacey Fluellen	Office of the Comptroller of the Currency
Randall Kopfer	Texas Certified General Appraiser
Magdalene Vasquez	Wells Fargo Bank



Appraisal Subcommittee

Federal Financial Institutions Examination Council

TO: ASC Board

FROM: Jim Park, Executive Director *JRP*

VIA: Mark Abbott, Grants Director *MWA*

DATE: March 10, 2021

SUBJECT: Recommendation for Training and Technical Assistance Cooperative Agreement

This memo provides our recommendation for the recipient of the ASC's 2020 Training and Technical Assistance grant competition to support the continued development and administration of training for State Appraiser and AMC Programs.

The ASC received three applications in response to the Notice of Funding Availability (NOFA) published in FY 2020. All three were first assessed for basic compliance. The applications were then reviewed by an outside panel of paid experts in the design and delivery of training and technical assistance and training programs, and then by an internal panel of ASC Policy Managers.

We are recommending the Council on Licensure, Enforcement and Regulation, Inc. (CLEAR) as the recipient of the funds. Both the external and staff review panels ranked this applicant as the top application with scores significantly above the other two applications.

The CLEAR application included a robust plan for conducting the needs assessment and beginning curriculum development in the first year of the award. They presented a timeline of activities that included check-ins with ASC staff and a proven methodology for course development and evaluation. They also presented plans for both synchronous and non-synchronous training and demonstrated their capacity to design learning for professional adults through both in-person and on-line training. In addition, CLEAR staff has the administrative, programmatic and organizational skills to oversee the project, including an instructional designer on staff.

CLEAR has also included the Association of Appraiser Regulatory Officials (AARO) as a strategic partner in its revised application. AARO will provide subject matter experts (SMEs) to support the development of the needs assessment and training curriculum, review draft training materials and host trainings at AARO conferences and online.

We are recommending the Board approve an award of \$1,050,000 over Fiscal Years 2021-2023 with a first-year award of \$349,969 as approved in FY21 Budget. Years two and three of the award will be renewal applications with staff-level approvals only, dependent upon progress towards agreed upon objectives and funds availability.