

FYI

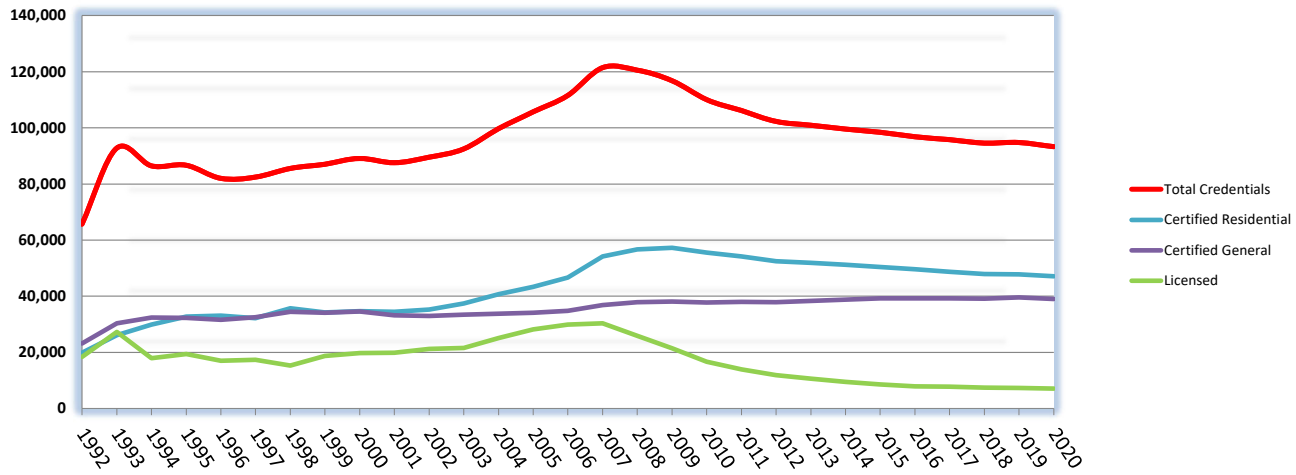
Cover Page

September 15, 2021

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

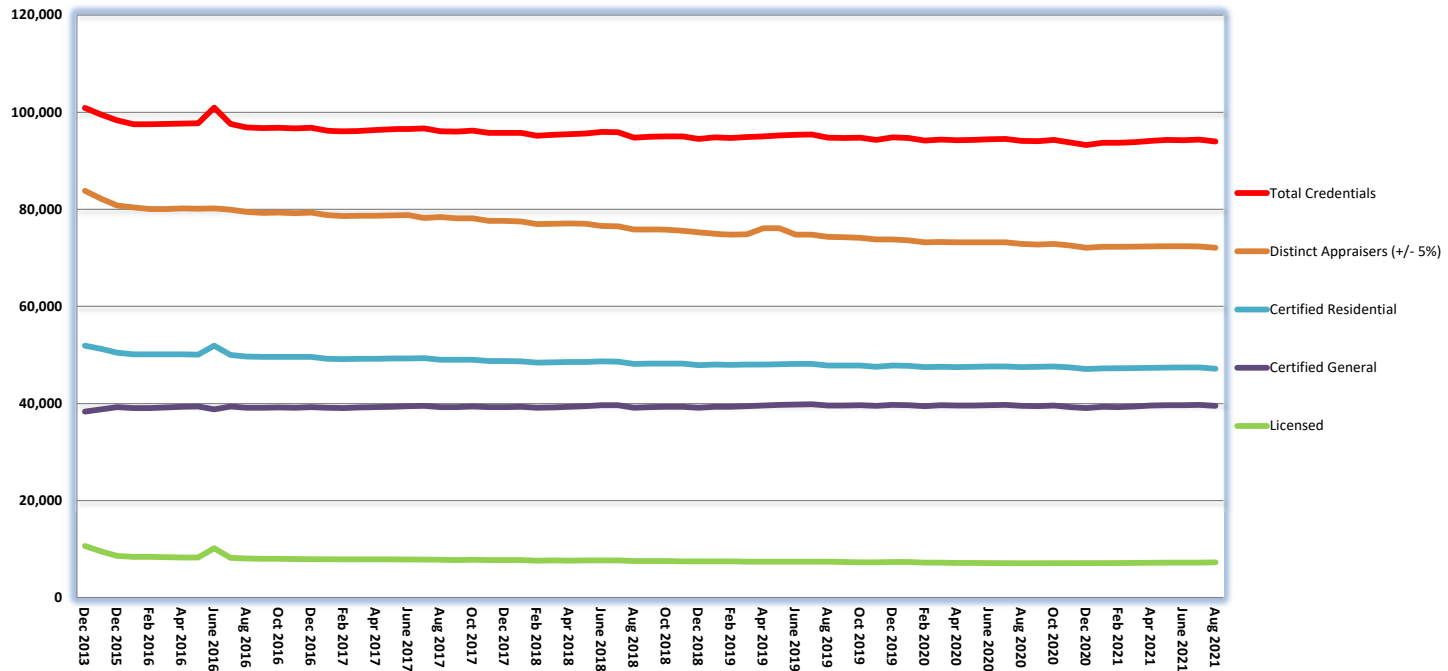
Monthly Appraiser Credential Trends						
Date	Certified General	Certified Residential	Licensed	Transitional	Total Credentials	Appraisers (+/- 5%)
Dec 2013	38,332	51,893	10,648	1	100,874	83,809
Dec 2014	38,777	51,240	9,507	0	99,524	82,164
Dec 2015	39,257	50,472	8,622	0	98,351	80,806
Jan 2016	39,032	50,105	8,378	0	97,515	80,407
Feb 2016	39,027	50,104	8,379	0	97,510	80,062
Mar 2016	39,187	50,107	8,325	0	97,619	80,055
Apr 2016	39,288	50,097	8,294	0	97,679	80,170
May 2016	39,352	50,072	8,277	0	97,701	80,114
June 2016	38,818	51,936	10,202	0	100,956	80,160
July 2016	39,394	50,010	8,196	0	97,600	79,935
Aug 2016	39,099	49,672	8,078	0	96,849	79,441
Sep 2016	39,092	49,622	7,995	0	96,709	79,297
Oct 2016	39,201	49,622	8,001	0	96,824	79,334
Nov 2016	39,128	49,591	7,934	0	96,653	79,219
Dec 2016	39,246	49,631	7,926	0	96,803	79,302
Jan 2017	39,119	49,210	7,899	0	96,228	78,794
Feb 2017	39,029	49,131	7,842	0	96,002	78,577
Mar 2017	39,196	49,173	7,851	0	96,220	78,663
Apr 2017	39,256	49,214	7,854	0	96,324	78,683
May 2017	39,333	49,265	7,852	0	96,450	78,732
June 2017	39,429	49,259	7,855	0	96,543	78,789
July 2017	39,513	49,309	7,833	0	96,655	78,235
Aug 2017	39,265	48,994	7,793	0	96,052	78,386
Sep 2017	39,241	49,005	7,759	0	96,005	78,174
Oct 2017	39,404	49,022	7,778	0	96,204	78,142
Nov 2017	39,229	48,763	7,757	0	95,749	77,596
Dec 2017	39,262	48,720	7,749	0	95,731	77,629
Jan 2018	39,316	48,689	7,744	0	95,749	77,478
Feb 2018	39,087	48,420	7,635	0	95,142	76,968
Mar 2018	39,190	48,492	7,644	0	95,326	77,034
Apr 2018	39,310	48,530	7,628	0	95,468	77,066
May 2018	39,418	48,556	7,637	0	95,611	77,002
June 2018	39,627	48,700	7,638	0	95,965	76,551
July 2018	39,623	48,603	7,643	0	95,869	76,519
Aug 2018	39,126	48,126	7,529	0	94,781	75,825
Sep 2018	39,246	48,195	7,518	0	94,959	75,822
Oct 2018	39,300	48,219	7,514	0	95,033	75,751
Nov 2018	39,302	48,217	7,503	0	95,022	75,548
Dec 2018	39,135	47,908	7,481	0	94,524	75,339
Jan 2019	39,320	47,990	7,483	0	94,793	74,894
Feb 2019	39,305	47,953	7,449	0	94,707	74,793
Mar 2019	39,468	48,007	7,426	0	94,901	74,839
Apr 2019	39,589	48,039	7,413	0	95,041	76,110
May 2019	39,728	48,085	7,424	0	95,237	76,129
June 2019	39,778	48,130	7,424	0	95,332	74,763
July 2019	39,846	48,146	7,411	0	95,403	74,760
Aug 2019	39,551	47,824	7,377	0	94,752	74,332
Sep 2019	39,573	47,836	7,308	0	94,717	74,262
Oct 2019	39,630	47,822	7,299	0	94,751	74,142
Nov 2019	39,481	47,564	7,282	0	94,327	73,780
Dec 2019	39,679	47,828	7,341	0	94,848	73,774
Jan 2020	39,639	47,732	7,307	0	94,678	73,565
Feb 2020	39,448	47,501	7,185	0	94,134	73,170
Mar 2020	39,613	47,555	7,192	0	94,360	73,235
Apr 2020	39,563	47,508	7,161	0	94,232	73,213
May 2020	39,607	47,553	7,158	0	94,318	73,187
June 2020	39,642	47,594	7,167	0	94,403	73,177
July 2020	39,686	47,626	7,160	0	94,472	73,177
Aug 2020	39,502	47,512	7,105	0	94,119	72,886
Sep 2020	39,418	47,542	7,061	0	94,021	72,756
Oct 2020	39,569	47,623	7,104	0	94,296	72,852
Nov 2020	39,260	47,446	7,071	0	93,777	72,559
Dec 2020	39,070	47,073	7,061	0	93,204	72,069
Jan 2021	39,330	47,210	7,138	0	93,678	72,255
Feb 2021	39,278	47,243	7,151	0	93,672	72,253
Mar 2021	39,382	47,294	7,157	0	93,833	72,278
Apr 2021	39,566	47,365	7,201	0	94,132	72,405
May 2021	39,675	47,409	7,214	0	94,298	72,397
June 2021	39,663	47,358	7,206	0	94,227	72,318
July 2021	39,738	47,401	7,221	0	94,360	72,341
Aug 2021	39,512	47,177	7,251	0	93,940	72,084

Yearly Appraiser Credential Trends

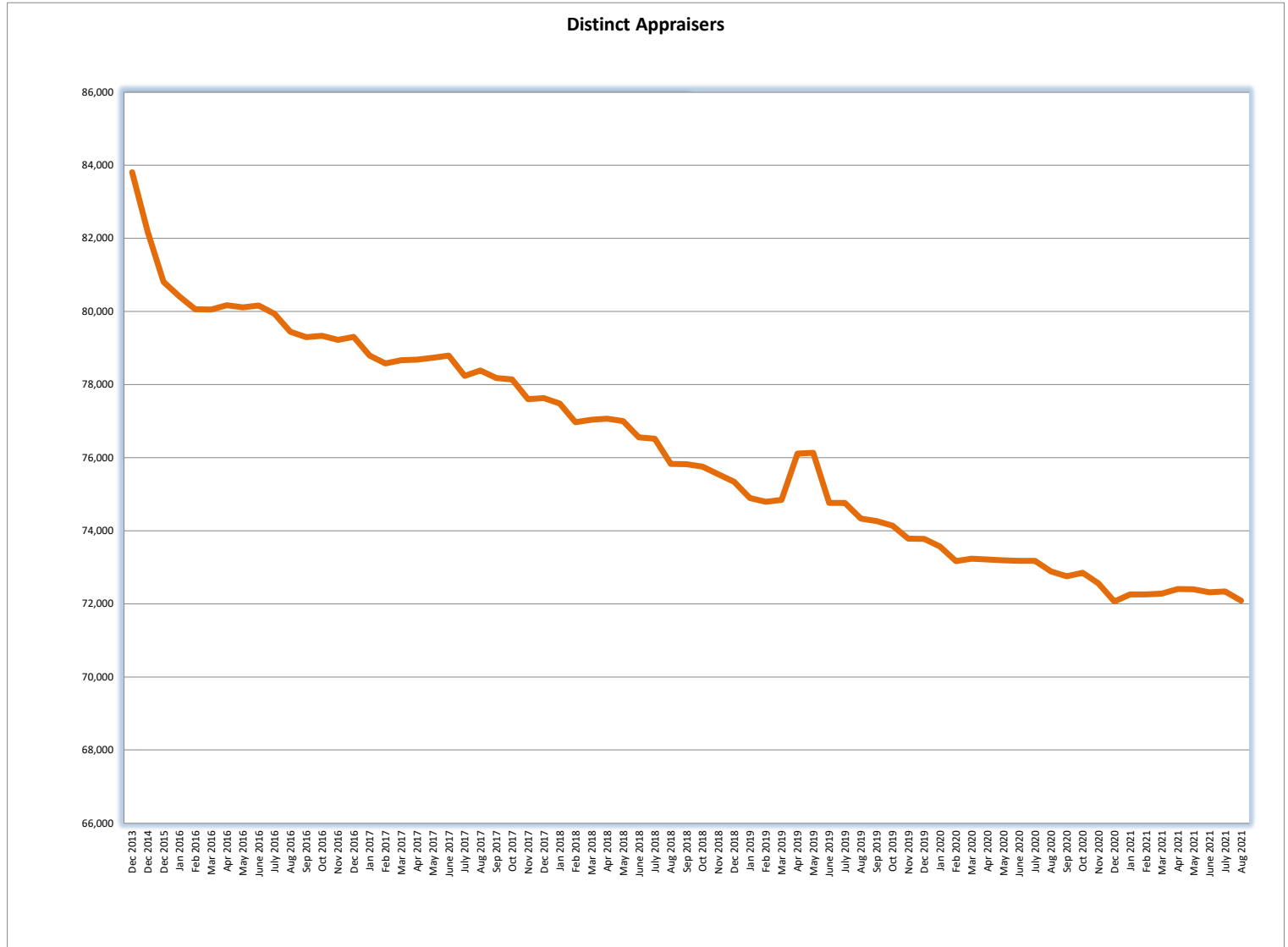


Monthly Appraisers Credential Trends

As of Aug 26, 2021



State or Territory	Number of Distinct Active Appraisers Aug 26, 2021 (+/- 5%)
Alabama	1326
Alaska	201
Arizona	2157
Arkansas	848
California	8780
Colorado	2720
Connecticut	1199
Delaware	546
District Of Columbia	774
Florida	5868
Georgia	3308
Guam	18
Hawaii	498
Idaho	769
Illinois	3455
Indiana	2130
Iowa	1164
Kansas	991
Kentucky	1345
Louisiana	1304
Maine	571
Maryland	2098
Massachusetts	1912
Michigan	2655
Minnesota	1925
Mississippi	960
Missouri	1929
Montana	448
Nebraska	658
Nevada	974
New Hampshire	684
New Jersey	2608
New Mexico	575
New York	3583
North Carolina	2827
North Dakota	310
Northern Mariana Islands	7
Ohio	2822
Oklahoma	1076
Oregon	1420
Pennsylvania	2912
Puerto Rico	309
Rhode Island	428
South Carolina	2161
South Dakota	403
Tennessee	1995
Texas	5391
Utah	1235
Vermont	267
Virgin Islands	23
Virginia	3199
Washington	2583
West Virginia	591
Wisconsin	1891
Wyoming	323
All States and Territories	72084



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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 13, 2021

Via Email: AQB@appraisalfoundation.org

Mr. Mark A. Lewis, Chairman
Appraiser Qualifications Board
1155 15th Street NW, Suite 1111
Washington, DC 20005

Dear Chairman Lewis:

The Appraisal Subcommittee (ASC) staff appreciates the opportunity to comment on the First Exposure Draft of a Proposed General Interpretation of the *Real Property Appraiser Qualification Criteria* (Criteria). These comments reflect the opinions of ASC staff and are not necessarily those of the ASC or its member agencies.

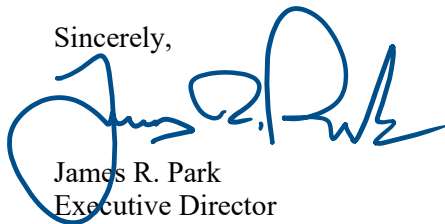
The Criteria requires that education and experience must be completed prior to taking the National Uniform Licensing and Certification Examination (National Exam). The Criteria further requires the applicant to provide reports, certifications or file memoranda, or, if such reports or memoranda are unavailable for good cause, other evidence at the credentialing authority's discretion that the work is compliant with USPAP as part of the State experience verification process. The Criteria does not direct the States as to when and how they verify the applicant's claimed prerequisites.

The proposed interpretation appears to direct States on implementation of the Criteria. This interpretation, if adopted, could prove to be unnecessarily burdensome for States and could impose an additional barrier to entry into the profession by adding time and expense for both the appraiser applicant and the State. States have limited resources and face the challenge of using their resources in ways that best fit their programs. Adding additional barriers to entry into the profession is contrary to current efforts underway to encourage an expanded and more diverse appraiser population.

At the very least, it appears that the proposed interpretation sets new Criteria requirements for States rather than interpreting current minimum Criteria for appraisers, and therefore, would need to be developed as an exposure draft for new Criteria, including an analysis of what the issue/problem is and the impact of the proposed new minimum requirement would be for States and appraiser applicants.

Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 13, 2021

Via Email: AQB@appraisalfoundation.org

Mr. Mark A. Lewis, Chairman
Appraiser Qualifications Board
1155 15th Street NW, Suite 1111
Washington, DC 20005

Dear Chairman Lewis:

The Appraisal Subcommittee (ASC) staff appreciates the opportunity to comment on the Second Exposure Draft of Proposed Changes to the *Real Property Appraiser Qualification Criteria*. These comments reflect the opinions of ASC staff and are not necessarily those of the ASC or its member agencies.

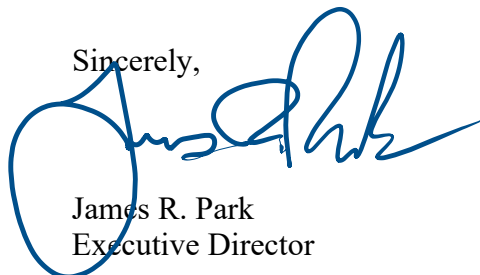
ASC staff generally supports the Second Exposure Draft subject to the following comments and concerns. We support the proposal for States to determine the extent of experience gained while working for a non-traditional client, and the proposal to add Valuation Bias, Fair Housing and/or Equal Opportunity for both Qualifying and Continuing Education.

ASC staff supports expanding independent asynchronous course delivery mechanism approval. Moreover, maintaining an independent third-party review of the delivery mechanism of approved courses avoids any potential appearance of a conflict of interest for courses approved by the Foundation or an affiliate.

Course delivery mechanism review and approval for asynchronous education is complex. It would be useful if the AQB developed written requirements for organizations seeking to qualify for review and approval authority, including procedures to audit and revoke/suspend approved course delivery mechanisms, analogous to the practices of the International Distance Education Certification Center (IDECC).

Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 13, 2021

Via Email

Mr. Jeremy Gray, Chair, Board of Trustees
Ms. Michelle Czekalski Bradley, Chair, Appraisal Standards Board
The Appraisal Foundation
1155 15th Street NW, Suite 1111
Washington, DC 20005

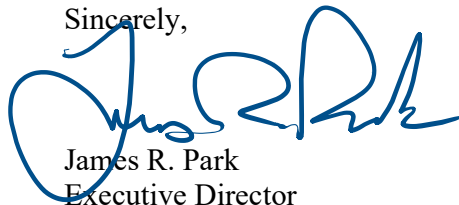
Dear Chair Gray and Chair Bradley:

In my October 1, 2020, letter to the Appraisal Foundation Board of Trustees (BOT), I expressed ASC staff concerns about the lack of real property appraisers on the Appraisal Standards Board (ASB). The resignation of the ASB Chairman a few weeks ago makes the imbalance of real property appraisers compared to other appraisal disciplines more pronounced.

Presently, only two of the six board members are real property appraisers. Given that the ASB develops the generally accepted standards of practice for the real property appraisal profession, its current makeup raises concern. We are interested in how the BOT plans to address the issue to ensure appropriate professional expertise and continuity with real property standards.

A pause in the current exposure draft process could benefit the industry by allowing the BOT time to ensure that the ASB has the appropriate real property appraisal expertise. This is also an excellent opportunity to make a concerted effort to support diversity, equity and inclusion in filling the vacancies on the ASB. Making the ASB more diverse would reinforce the commitment of the BOT to work toward making the appraiser profession more diverse.

Sincerely,



James R. Park
Executive Director



The Appraisal FOUNDATION

Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications

August 17, 2021

Mr. James Park
Executive Director
Appraisal Subcommittee
1325 G Street, NW
Suite 500
Washington, DC 20005

Dear Jim:

Thank you for your August 13, 2021, correspondence regarding the Appraisal Standards Board (ASB).

We appreciate your feedback regarding the makeup of the current ASB. In October of 2020 the Board of Trustees appointed two new members to the ASB with extensive real property experience to ensure real property appraisers were well represented. We tragically lost one of our members in an accident that ultimately claimed his life, and another needed to step down due to increased professional demands.

As the Board of Trustees is now accepting applications from candidates for the ASB and AQB, we are working to increase the number of real property appraisers on the ASB and increase the diversity of both boards. To that end, the Board of Trustees appointed a Task Force on Promoting Board Diversity, which has engaged an outside consultant with expertise in that area to review our entire board selection process. Her findings are to be provided to the Task Force prior to the ASB and AQB selection interviews on Friday, October 22 at the fall meeting of the Board of Trustees in Atlanta. Given the importance of having additional real property appraisers on the ASB, the Board of Trustees may make the new ASB members' terms effective immediately rather than waiting until the start of 2022 as is customary.

In the meantime, the ASB is continuing their work at a judicious pace to ensure an appropriate examination of the issues and a complete public comment period. The Board of Trustees has engaged past ASB Chair Maggie Hambleton, a real property appraiser, to serve as an advisor to the ASB on an interim basis. The ASB issued a discussion draft earlier this summer, which was accompanied by a webinar during which viewers could pose questions to the presenters and engage in a public conversation. An exposure draft is scheduled to be issued later this month and will be followed up by a webinar for the public and a meeting with state appraiser regulators on October 15. In addition, the exposure draft will be sent to all 64,000 individuals on our mailing list to ensure the broadest public exposure. Shortly after that we hope to quickly seat our newest members to the full Appraisal Standards Board to continue this work on the latest edition of USPAP.

August 17, 2021
Page 2

We appreciate the ASC's continued engagement with our boards.

Sincerely,



Jeremy Gray
Chair
Board of Trustees



Michelle Czekalski Bradley
Chair
Appraisal Standards Board

CC:

David S. Bunton, President, The Appraisal Foundation
david@appraisalfoundation.org

Raymond L. Wagester, Chair, Boards Nominating Committee
RWagester@cobank.com

Timothy C. Segerson, Chair, Appraisal Subcommittee
segerson@ncua.gov

**APPRAISAL SUBCOMMITTEE
OPEN SESSION SPECIAL MEETING MINUTES
MAY 14, 2021**

LOCATION: Zoom Meeting

ATTENDEES

ASC MEMBERS: CFPB – John Schroeder
FDIC – John Jilovec
FRB – Keith Coughlin
HUD – Brian Barnes
NCUA – Tim Segerson
OCC – Enice Thomas

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 – Neal Fenochietti
Policy Manager – Jenny Tidwell

OBSERVERS: See attached list

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

REPORTS

- **Chairman**

T. Segerson welcomed observers to the Special Meeting.

- **Executive Director**

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

- There are three proposed bills in Congress that could affect the ASC; two bills are in the House and one is in the Senate. H.R. 2553, Real Estate Valuation Fairness and Improvement Act of 2021 would establish an interagency Task Force in the ASC to analyze Federal collateral underwriting standards and guidance, and for other purposes. This bill passed out of the House Financial Services Committee to the full House. H.R. 7688, Portal for Appraisal Licensing Act would establish a central portal for real estate

appraisers and real estate appraisal management companies (AMCs) to apply for and renew certain licenses, certifications, and registrations. The U.S. Department of Justice must provide access to criminal history information to State officials for required background checks. This bill was introduced in 2020 and it is anticipated that it will be reintroduced in 2021. Another bill would make changes to the ASC and the Federal Housing Administration (FHA). Among other things, it would expand FHA appraiser eligibility to include State licensed appraisers, allow the ASC to reduce annual registry fees for AMCs, include trainee appraisers on the National Registry, clarify that nonprofit organizations or institutions of higher education can obtain an ASC grant and include a member of the U.S. Department of Veterans Affairs and U.S. Department of Agriculture on the ASC Board. He will keep the ASC updated on the progress of these bills.

- The Council on Licensure, Enforcement and Regulations, Inc. (CLEAR), in partnership with the Association of Appraiser Regulatory Officials (AARO), has begun work on the State needs assessment and is developing their first course for State Regulators, which should be available for the Fall AARO conference.
- The AMC Registry is now receiving data from 41 States and the District of Columbia.

- **Grants Director**

J. Park gave the Grants update in M. Abbott's absence. Four States (Arkansas, Hawaii, North Carolina, and Vermont) are joining the eight States that have successfully applied for a grant for operating support. The ASC's goal is to have at least 20 States/Territories with active grants by the end of this fiscal year.

- **Financial Manager**

G. Hull provided the ASC's mid-year financial status for FY21. As of March 31st, the ASC has recognized revenue of \$4.4M representing 43% of the total budgeted FY21 revenue of approximately \$10M. Mid-year AMC registry fees, at \$2.6M, account for 59% of total recognized revenue. ASC expenses are in line with projections. Expenses through March 31st totaled \$4.1M representing 46% of the annual budgeted amount of \$8.9M. T. Segerson asked if AMC revenue will meet the FY21 budget estimate. G. Hull responded that it should be close to the estimate as there are numerous States with renewals in June. T. Segerson asked if the Reserve fund will meet the budget estimate. G. Hull responded that it should be close to the estimate; it will depend on the amount of grant funds awarded this fiscal year.

ACTION ITEMS

- **March 10, 2021 Open Session Minutes**

E. Thomas made a motion to approve the March 10th open session meeting minutes as presented. K. Coughlin seconded and all members present voted to approve.

- **2020 ASC Annual Report**

A. Bohorfoush reported that she incorporated minor corrections received from ASC members and requested approval to finalize the 2020 ASC Annual Report for publication. K. Coughlin moved to approve the 2020 ASC Annual Report as presented. J. Jilovec seconded and all members present voted to approve.

- **Proposed review of the Uniform Standards of Professional Appraisal Practice/Real Property Appraiser Qualification Criteria; focus on Fairness, Equity, Objectivity and Diversity**

J. Park noted current U.S. Bureau of Labor Statistics show that 96.5% of appraisers are white and 70% male. He said that ASC approval is requested for initial budget authority up to \$250,000 to support a comprehensive and independent review of the Uniform Standards of Professional Appraisal Practice (USPAP) and Real Property Appraiser Qualification Criteria (Criteria). The review is to ensure that USPAP and the Criteria do not encourage or systematize bias, and consistently support or promote fairness, equity, objectivity and diversity in both appraisals and the training and credentialing of appraisers. The project would be managed by CLEAR. In March 2021, CLEAR was awarded a three-year cooperative agreement with the ASC to, in part, undertake research on the appraisal and AMC regulatory system. J. Jilovec asked if the ASC would coordinate this project with the Appraisal Foundation (TAF). T. Segerson responded that the intention is to coordinate with the various TAF Boards. J. Park added that CLEAR provides training for various occupations. He feels CLEAR will be a great partner to work with on this project. They will be able to find the appropriate expertise to take an independent and objective look at the Criteria and USPAP to see if there are any opportunities for improvement. K. Coughlin asked how ASC staff arrived at \$250,000 for the budget and if this amount would be increased or if this is the total budget amount. J. Park responded that the initial budget is \$250,000. If additional funds are needed, ASC staff would request approval of the additional funds from the ASC. K. Coughlin asked if CLEAR would ensure a broad-based review of the Criteria and USPAP. J. Park responded “yes”, and this could potentially lead to other aspects of training and education that can be provided to appraisers. J. Jilovec asked if there is a timeline for CLEAR to develop a proposal and find qualified persons to do the review. J. Park responded that ASC staff hopes to accomplish this by the end of the year. T. Segerson added that a detailed proposal will be prepared. The ASC Chairman granted five minutes to D. Bunton to speak on this item. D. Bunton stated that TAF welcomes an external review of the Criteria and USPAP and appreciates the invitation to assist. He added that TAF will publish the results of its Diversity Study of the appraisal profession next week. TAF plans to do another survey on this issue in approximately three years. TAF is also reviewing

language in Advisory Opinion 16 and the Ethics Rule. There have been multiple articles recently on bias and diversity in the appraisal profession. He reported that TAF held a Roundtable last week on this topic. He suggested that the ASC has the authority to track adjudication of appraisal bias complaints filed with a State agency. J. Schroeder and J. Jilovec thanked D. Bunton for his comments and willingness to work with the ASC. T. Segerson said that consumers who feel they have been discriminated against should be given assistance on where to file a complaint and have their case heard. J. Schroeder made a motion to approve the budget authorization request for the Criteria and USPAP Review in the amount of \$250,000. E. Thomas seconded and all members present voted to approve.

The Open Session adjourned at 10:30 a.m. The next regularly scheduled ASC Meeting will be held on June 2, 2021.

Attachment: Observer list

Meeting:	Appraisal Subcommittee Meeting	Meeting Date:	May 14, 2021
Time:	10:00 AM ET	Location:	Zoom Meeting

Observers	
Name	Affiliation
Justin Kane	American Society of Appraisers
JoEllen Alberts	Appraisal Foundation
David Bunton	Appraisal Foundation
Kelly Davids	Appraisal Foundation
Aida Dedajic	Appraisal Foundation
Lisa Desmarais	Appraisal Foundation
Edna Nkemngu	Appraisal Foundation
Jeff Dickstein	Appraisal Foundation Board of Trustees Member
Scott DiBiasio	Appraisal Institute
Bill Garber	Appraisal Institute
Brian Rodgers	Appraisal Institute
Mark Lewis	Appraiser Qualifications Board Chair
John Ryan	Appraiser Qualifications Board Vice Chair
Byron Miller	Appraiser Qualifications Board Member
Shawn Telford	Appraiser Qualifications Board Member
Jerry Yurek	Appraiser Qualifications Board Member
Kelly Luteijn	Arizona Department of Insurance and Financial Institutions
Diana Piechocki	Arkansas Appraiser Licensing and Certification Board

Katherine Owen	Bank of America
Jillian White	Better Mortgage
David Cherner	Clear Capital
Ken Folven	Clear Capital
Jodie Markey	CLEAR, Inc.
Deana Krumhansl	Consumer Financial Protection Bureau
Orlando Orellano	Consumer Financial Protection Bureau
Heather Sullivan	CoreLogic
Laura Febbi	Diversity Marketing and Communications
Richard Foley	Federal Deposit Insurance Corporation
Patrick Mancoske	Federal Deposit Insurance Corporation
Sara Todd	Federal Housing Finance Agency
Trevor Feigleson	Federal Reserve Board
David Imhoff	Federal Reserve Board
Devyn Jeffreis	Federal Reserve Board
Matt McQueeney	Federal Reserve Board
Matt Suntag	Federal Reserve Board
Alan Hummel	First American Mortgage Solutions
Steve Pleger	Georgia Department of Banking and Finance
Steve Sousa	Massachusetts Board of Real Estate Appraisers
James Rist	Minnesota Department of Commerce
Teresa Walker	National Association of Appraisers

Rachel Ackmann	National Credit Union Administration
Will Binkley	Office of the Comptroller of the Currency
Stacey Fluellen	Office of the Comptroller of the Currency
Mark Schiffman	Real Estate Valuation Advocacy Association
Craig Steinley	Steinley Real Estate Appraisals and Consulting
Teresa MacNutt	Terri Mac Company
Jessica Brown	Appraiser Trainee

ETHICS PROGRAM INSPECTION REPORT

Agency: Appraisal Subcommittee

Report No.: 21-39I

Date: August 31, 2021

Period Covered by Review: January 1, 2020 through December 31, 2020

UNITED STATES OFFICE OF
GOVERNMENT ETHICS


 Preventing Conflicts of Interest
 in the Executive Branch

1.0 AGENCY DATA		
EMPLOYEES		
1.1	Number of full-time agency employees.	14
1.2	Number of Presidentially appointed, Senate-confirmed (PAS) public financial disclosure reports required to be filed.	0
1.3	Number of non-PAS public financial disclosure reports required to be filed.	2
1.4	Number of confidential financial disclosure reports required to be filed.	12
ETHICS PROGRAM		
1.5	Title of Designated Agency Ethics Official (DAEO).	General Counsel
1.6	Grade level of DAEO.	GS-15
1.7	Title of Alternate DAEO (ADAEO).	Management and Program Analyst
1.8	Grade level of ADAEO.	GS-13
1.9	Title of the primary, day-to-day ethics program administrator.	General Counsel
1.10	Grade level of the primary, day-to-day ethics program administrator.	GS-15
1.11	Current number of full-time ethics officials.	0
1.12	Current number of part-time ethics officials.	2
1.13	Number of reporting levels between the DAEO and the agency head.	1
COMMENTS		
None		

2.0 LEADERSHIP					
COMPLIANCE REQUIREMENTS			Yes	No	N/A
2.1	OGE has received an up-to-date designation from the agency head naming the DAEO. <i>See</i> 5 C.F.R. § 2638.107(a).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2.2	OGE has received an up-to-date designation from the agency head naming the ADAEO. <i>See</i> 5 C.F.R. § 2638.107(a).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
COMMENTS					
None					

3.0 PUBLIC FINANCIAL DISCLOSURE (OGE Form 278e, OGE Form 278-T)					
COMPLIANCE REQUIREMENTS			Yes	No	N/A
The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C. app. IV, § 402(d)(1).					
3.1	<ul style="list-style-type: none"> • Collection of public financial disclosure reports. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.2	<ul style="list-style-type: none"> • Review/evaluation of public financial disclosure reports. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.3	<ul style="list-style-type: none"> • Public availability of public financial disclosure reports. 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3.4	The agency can demonstrate that late filing fees are collected or, where appropriate, waivers are issued when public filers do not timely file financial disclosure reports.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3.5	Public financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-1.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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3.6	Public financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.603(g)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.7	There is reasonable assurance that the lead human resources official or designee promptly (no later than 15 days after appointment) notifies the DAEO of all appointments to positions that require incumbents to file public financial disclosure reports. <i>See</i> 5 C.F.R. § 2638.105(a)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.8	There is reasonable assurance that the lead human resources official or designee promptly (no later than 15 days after termination) notified the DAEO of terminations of employees in positions that require incumbents to file public financial disclosure reports. <i>See</i> 5 C.F.R. § 2638.105(a)(2).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		%		
3.9	Percentage of sampled non-PAS new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(b).	N/A		
3.10	Percentage of sampled non-PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	100%		
3.11	Percentage of sampled non-PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A		
3.12	Percentage of sampled non-PAS public financial disclosure reports reviewed within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	100%		
3.13	Percentage of sampled non-PAS public financial disclosure reports certified within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	100%		
3.14	Percentage of sampled PAS annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(a).	N/A		
3.15	Percentage of sampled PAS termination reports filed timely. <i>See</i> 5 C.F.R. § 2634.201(e).	N/A		
3.16	Percentage of sampled PAS annual and termination reports reviewed within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	N/A		
3.17	Percentage of sampled PAS annual and termination reports certified within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	N/A		
COMMENTS				
<p>3.4: All reports were filed timely.</p> <p>3.9: No new entrant reports were required to be filed during the period covered by the inspection. The agency did not have any new hires in 2020.</p> <p>3.11: No termination reports were required to be filed during the period covered by the inspection.</p> <p>3.14-3.17: The agency does not have any PAS officials.</p>				

4.0 CONFIDENTIAL FINANCIAL DISCLOSURE				
COMPLIANCE REQUIREMENTS		Yes	No	N/A
The agency has written policies and procedures in place governing: <i>See</i> 5 U.S.C app. IV, § 402(d)(1).				
4.1	• Collection of confidential financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.2	• Review/evaluation of confidential financial disclosure reports.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.3	Confidential financial disclosure reports are securely maintained. <i>See</i> OGE/GOVT-2.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.4	Confidential financial disclosure reports are retained in accordance with the retention requirements. <i>See</i> 5 C.F.R. § 2634.604.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.5	The agency's OGE-approved alternative confidential financial disclosure system complies with plans approved by OGE. <i>See</i> 5 C.F.R. § 2634.905(a).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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4.6	There is reasonable assurance that the lead human resources official or designee promptly (no later than 15 days after appointment) notifies the DAEO of all appointments to positions that require incumbents to file confidential financial disclosure reports. <i>See</i> 5 C.F.R. § 2638.105(a)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		%		
4.7	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	N/A		
4.8	Percentage of sampled confidential annual reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(a).	100%		
4.9	Percentage of sampled reports reviewed within 60 days of receipt. <i>See</i> 5 C.F.R. § 2634.605(a).	100%		
4.10	Percentage of sampled confidential financial disclosure reports certified within 60 days of receipt. <i>See</i> 5 C.F.R. §§ 2634.605(a) and 2634.909(a).	100%		
COMMENTS				
4.5: The agency does not have an OGE-approved alternative confidential financial disclosure system. 4.7: No new entrant reports were required to be filed during the period covered by the inspection.				

5.0	NOTICES TO PROSPECTIVE EMPLOYEES			
COMPLIANCE REQUIREMENTS		Yes	No	N/A
Written offers of employment for positions covered by the Standards of Conduct provide: <i>See</i> 5 C.F.R. § 2638.303.				
5.1	<ul style="list-style-type: none"> A statement regarding the agency's commitment to government ethics. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.2	<ul style="list-style-type: none"> Notice that the individual will be subject to the Standards of Conduct and the criminal conflict of interest statutes as an employee. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.3	<ul style="list-style-type: none"> Contact information for an appropriate agency ethics office or an explanation of how to obtain additional information on applicable ethics requirements. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.4	<ul style="list-style-type: none"> Where applicable, notice of the time frame for completing initial ethics training. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.5	<ul style="list-style-type: none"> Where applicable, a statement regarding financial disclosure requirements and an explanation that new entrant reports must be filed within 30 days of appointment. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.6	The agency has established written procedures for issuing the notice to prospective employees. <i>See</i> 5 C.F.R. § 2638.303(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.7	The agency's written procedures are reviewed by the DAEO each year. <i>See</i> 5 C.F.R. § 2638.303(c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.8	The agency can demonstrate that there is an effective process for ensuring all covered employees receive the required information with their written offer of employment. <i>See</i> 5 C.F.R. § 2638.303.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COMMENTS				
5.1-5.8: The agency has not hired anyone since 2019. The letters sent to prospective employees in 2019 did not include the required information. The agency has since adjusted its written procedures to ensure the required information is included in the future.				

6.0	NOTICES TO NEW SUPERVISORS			
COMPLIANCE REQUIREMENTS		Yes	No	N/A
The agency must provide each employee upon initial appointment to a supervisory position with: <i>See</i> 5 C.F.R. § 2638.306.				
6.1	<ul style="list-style-type: none"> Contact information for the agency's ethics office. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.2	<ul style="list-style-type: none"> The text of 5 C.F.R. § 2638.103. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.3	<ul style="list-style-type: none"> A copy of, a hyperlink to, or the address of a +Web site containing the Principles of Ethical Conduct. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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6.4	<ul style="list-style-type: none"> Other information the DAEO deems necessary. 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6.5	The agency has established written procedures for supervisory ethics notices. <i>See</i> 5 C.F.R. § 2638.306(d).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.6	The agency's written procedures are reviewed by the DAEO each year. <i>See</i> 5 C.F.R. § 2638.306(d).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.7	The agency can demonstrate that there is an effective process for ensuring that new supervisors receive the required information within one year of appointment. <i>See</i> 5 C.F.R. § 2638.306(b).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
COMMENTS				
6.1-6.7: The agency has not hired or promoted anyone into a supervisory position since 2009. However, they have created written procedures for providing the required notices to new supervisors.				

7.0 INITIAL ETHICS TRAINING						
COMPLIANCE REQUIREMENTS				Yes	No	N/A
Each new employee of the agency subject to the Standards of Conduct must complete initial ethics training. <i>See</i> 5 C.F.R. § 2638.304.						
7.1	The training presentation(s) addressed concepts related to conflicts of interest, impartiality, misuse of position and gifts. <i>See</i> 5 C.F.R. § 2638.304(e)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7.2	The agency provided new employees with either the following written materials or written instruction for accessing them: The summary of the Standards of Conduct distributed by the Office of Government Ethics or an equivalent summary prepared by the agency; provisions of any supplemental agency regulation that the DAEO determines to be relevant or a summary of those provisions; such other written materials as the DAEO determines should be included; instructions for contacting the agency's ethics officials. <i>See</i> 5 C.F.R. § 2638.304(e)(2).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7.3	The agency has established written procedures for initial ethics training. <i>See</i> 5 C.F.R. § 2638.304(f).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
7.4	The agency's written procedures are reviewed by the DAEO each year. <i>See</i> 5 C.F.R. § 2638.304(f).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
DATA ANALYSIS				%		
7.5	Percentage of new employees who received initial ethics training. <i>See</i> 5 C.F.R. § 2638.304.			N/A		
7.6	Percentage of new employees who received initial ethics training within three months of appointment. <i>See</i> 5 C.F.R. § 2638.304(b).			N/A		
COMMENTS						
7.5-7.6: The agency did not have any new hires during the inspection period. However, the materials that have been compiled to provide initial ethics training meet applicable requirements.						

8.0 ANNUAL ETHICS TRAINING						
COMPLIANCE REQUIREMENTS				Yes	No	N/A
Each calendar year, public filers, confidential filers, and certain other employees must complete ethics training which meets specified requirements. <i>See</i> 5 C.F.R. §§ 2638.307 and 2638.308.						
8.1	The training presentation(s) addressed concepts related to financial conflicts of interest, impartiality, misuse of position and gifts. <i>See</i> 5 C.F.R. §§ 2638.307(e)(1) and 2638.308(f)(1).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
8.2	The agency provided employees with either the following written materials or written instruction for accessing them: The summary of the Standards of Conduct distributed by the Office of Government Ethics or an equivalent summary prepared by the agency; provisions of any supplemental agency regulation that the DAEO determines to be relevant or a summary of those provisions; such other written materials as the DAEO determines should be included; instructions for contacting the agency's ethics officials. <i>See</i> 5 C.F.R. § 2638.304(e)(2).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

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8.3	The agency's annual ethics training complies with the formatting requirements for public filers, confidential filers, and certain other employees. <i>See</i> 5 C.F.R. §§ 2638.307(d) and 2638.308(e).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.4	The agency's program for annual ethics training complies with the tracking requirements for public filers, confidential filers, and certain other employees. <i>See</i> 5 C.F.R. §§ 2638.307(f) and 2638.308(g).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.5	The agency can demonstrate it has an effective process for ensuring covered public filers, other than those whose pay is set at Level I or Level II of the Executive Schedule, complete live annual ethics training at least once every two years. <i>See</i> 5 C.F.R. § 2638.308(e)(2).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DATA ANALYSIS		Training Format		
		Live	Interactive	
Percentage of public filers who completed annual ethics training before the end of the calendar year. <i>See</i> 5 C.F.R. § 2638.308(a).				
8.6	<ul style="list-style-type: none"> Executive Schedule Level I and Level II. <i>See</i> 5 C.F.R. § 2638.308(e)(1). 	N/A	N/A	
8.7	<ul style="list-style-type: none"> Other PAS and Equivalent. <i>See</i> 5 C.F.R. § 2638.308(e)(2). 	N/A	N/A	
8.8	<ul style="list-style-type: none"> SES and Equivalent. <i>See</i> 5 C.F.R. § 2638.308(e)(3). 	100%	N/A	
Percentage of confidential filers and certain other employees who completed annual ethics training before the end of the calendar year. <i>See</i> 5 C.F.R. § 2638.307(a)(d).				
8.9	<ul style="list-style-type: none"> Employees required to file an annual confidential financial disclosure report. <i>See</i> 5 C.F.R. § 2638.307(a)(1). 	100%	N/A	
8.10	<ul style="list-style-type: none"> Employees appointed by the President. <i>See</i> 5 C.F.R. § 2638.307(a)(2). 	N/A	N/A	
8.11	<ul style="list-style-type: none"> Employees of the Executive Office of the President. <i>See</i> 5 C.F.R. § 2638.307(a)(2). 	N/A	N/A	
8.12	<ul style="list-style-type: none"> Contracting officers described in 41 U.S.C. § 2101. <i>See</i> 5 C.F.R. § 2638.307(a)(3). 	N/A	N/A	
8.13	<ul style="list-style-type: none"> Other employees designated by the head of the agency. <i>See</i> 5 C.F.R. § 2638.307(a)(4). 	N/A	N/A	
COMMENTS				
8.6-8.13: Due to agency size, training is conducted by the ADAEO to each employee. Normally the ADAEO provides in-person training during the ASC staff annual meeting and all attendees sign a sign-in sheet. In 2020, training was done electronically and the ADAEO filed copies of the responses received by the staff.				

9.0 ETHICS ADVICE AND COUNSELING

COMPLIANCE REQUIREMENT		Yes	No	N/A
9.1	Based on a sample collected by OGE, guidance provided by agency ethics officials to employees appears to be consistent with applicable laws and regulations. <i>See</i> 5 C.F.R. § 2638.104(c)(4).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS				
None				

10.0 SPECIAL GOVERNMENT EMPLOYEES (SGE) SERVING ON ADVISORY COMMITTEES AND BOARDS

Confidential Financial Disclosure

10.1	Number of SGEs serving on Advisory Committees and Boards.	0
DATA ANALYSIS		%
10.2	Percentage of sampled confidential new entrant reports filed timely. <i>See</i> 5 C.F.R. § 2634.903(b).	N/A

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10.3	Percentage of sampled reports reviewed within 60 days of receipt but not later than the SGE's first meeting. <i>See 5 C.F.R. § 2634.605(a).</i>	N/A
10.4	Percentage of sampled reports certified within 60 days of receipt. <i>See 5 C.F.R. § 2634.605(a).</i>	N/A

Ethics Training

COMPLIANCE REQUIREMENTS		Yes	No	N/A
Required ethics training must be provided to each SGE. <i>See 5 C.F.R. §§ 2638.304 and 2638.307.</i>				
10.5	The training presentation(s) addressed concepts related to conflicts of interest, impartiality, misuse of position and gifts. <i>See 5 C.F.R. § 2638.304(e)(1).</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10.6	The agency provided employees with either the following written materials or written instruction for accessing them: The summary of the Standards of Conduct distributed by the Office of Government Ethics or an equivalent summary prepared by the agency; provisions of any supplemental agency regulation that the DAEO determines to be relevant or a summary of those provisions; such other written materials as the DAEO determines should be included; instructions for contacting the agency's ethics officials. <i>See 5 C.F.R. § 2638.304(e)(2).</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DATA ANALYSIS		%		
10.7	Percentage of SGEs who received initial ethics training. <i>See 5 C.F.R. § 2638.304.</i>	N/A		
10.8	Percentage of SGEs who received initial ethics training timely. <i>See 5 C.F.R. § 2638.304(b)(2).</i>	N/A		
10.9	Percentage of SGEs who received annual ethics training. <i>See 5 C.F.R. § 2638.307(d)(2).</i>	N/A		
COMMENTS				
10.1-10.9: The agency does not have any SGEs.				

RECOMMENDATIONS

#	Element	RECOMMENDATION	Compliance Due
1	5.1-5.5	<p>RECOMMENDATION: Ensure written offers of employment for positions covered by the Standards of Conduct provide the required information.</p> <p>AGENCY RESPONSE: The ASC's human resources duties are handled by the U.S. General Services Administration's Commissions and Boards Office (CABS). CABS sends out a template new hire letter and forms directly to the new employee on behalf of the ASC. If OGE is amenable, the ASC's ADAEO will send an email to all new employees notifying them of their Ethics responsibilities, a link to the Standards of Conduct, and the contact information for the DAEO and ADAEO. This email would be sent out once the ADAEO is notified that CABS has sent out the new hire letter.</p> <p>OGE COMMENT: OGE acknowledges the Committee's swift response for the recommendation. OGE will assess whether or not this procedure is successful in ensuring written offers of employment for positions covered by the Standards of Conduct provided the required information during the program review follow-up process.</p>	January 14, 2022