

# Briefing Summary Notes Cover Page

June 8, 2022

**APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
MARCH 2, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – John Schroeder  
FDIC – John Jilovec  
FHFA – Julie Giesbrecht  
FRB – Keith Coughlin  
HUD – Bobbi Borland  
NCUA – Tim Segerson (Chair)  
OCC – Enice Thomas

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
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 T. Segerson. The following items were discussed: (1) 7-Hour National USPAP Update Course; (2) 2017-19 TAF Audit Review Update; (3) Discussion/recommendations on NFHA Report; (4) Selection of Vice Chair; and (5) Miscellaneous.

T. Segerson apologized for the last-minute cancellation of the February 23<sup>rd</sup> ASC Special Meeting.

7-Hour National USPAP Update Course

J. Park said that, as discussed in the Report by the National Fair Housing Alliance (NFHA), in its Review of the Uniform Standards of Professional Appraisal Practice (USPAP) and Real Property Appraiser Qualification Criteria (AQB Criteria), the 7-Hour National USPAP Update Course should be revised immediately to ensure the course is comprehensive and contains important elements needed to educate professionals regarding compliance with the letter and spirit of applicable federal, state and local fair housing laws. The letter to the Appraisal Foundation (TAF) has been revised to include edits received from ASC members. Board members discussed various suggestions for additional edits to the draft letter. J. Park added that if TAF refuses to take any action or does not act as swiftly as the ASC thinks that they should, another alternative is to let States decide whether appraisers in their State will be required to take the USPAP course for this cycle. T. Segerson asked what authority the ASC has and would forbearance be provided to the States indefinitely. A. Ritter responded that the ASC has regulatory discretion; ASC staff could notify States that, based on the concerns raised around the course and because USPAP was not updated for 2022, the ASC would leave it up to States on whether appraisers would be

required to take the 7-Hour National USPAP Update Course, or alternatively take a different course to fulfill the hours requirement. K. Coughlin requested that ASC staff prepare a memorandum describing the next steps and the statutory authority to be used. J. Park added that a letter was sent to the Appraiser Qualifications Board (AQB) in March 2021 requesting that they waive the biennial requirement for the course since the 2020-21 USPAP is effective through December 31, 2022. The AQB responded that the ASC should use its regulatory discretion on whether a State would be out of compliance with Title XI. T. Segerson agreed with K. Coughlin that the memorandum to the ASC map out the legal footing and detail the process. J. Giesbrecht added that appraisers who have already taken the course should be notified that remedial materials will be provided to them. She questioned if appraisers who have taken the course will also be required to retake the course when it is revised; also, what will be the next steps for those appraisers and how will this affect course providers that teach this course. T. Segerson asked ASC staff to revise the letter and prepare an analysis and send both to the ASC in advance of the March 9<sup>th</sup> Meeting. J. Park said he would do so. A. Ritter said the analysis will include a recommendation on how to respond to the AQB if they fail to act on this request.

### TAF Audit Review Update

J. Park said that ASC staff is reviewing the draft audit. Once the audit is in final form, the next step is for the Executive Director to prepare the Management Decision. The Executive Director has 180 days from the date of the final report to prepare the Management Decision. If TAF does not appeal the Management Decision, and requested actions are successfully resolved, the audit is considered closed. If TAF does appeal the Management Decision, the appeal would be heard by the ASC Board members. He noted that ASC staff has engaged a grant management/auditing firm, RSM, to review the ASC's Grants Handbook and provide recommendations for improvement based on the provisions of the uniform grant guidance. RSM will also review the executed grant agreements for the last five cycles and provide observations on the compliance requirements noted to be applicable to the grant. RSM will also opine on whether USPAP revenue is program income derived from grant funds as is noted in the draft audit. A report is expected from RSM in the next 30-60 days. TAF does not consider revenue from USPAP sales as program income and asserts that funding received from the ASC was not grant funds. In the future, ASC staff may engage RSM to work on our grants program and financial reporting. K. Coughlin asked if ASC staff could provide members with the draft audit. J. Park responded that based on the process laid out in the Grants Handbook, staff has asked RSM if the draft can be distributed to all ASC Board members. If RSM determines that there is not an issue with sharing the audit report with ASC members he will do so. J. Schroeder felt that RSM should make this determination as its first assignment and acknowledged that he and T. Segerson were able to review the draft audit in their roles as Chair and Vice-Chair. T. Segerson said there is a difference between viewing the report and influencing the appeal process. It should be emphasized to RSM that ASC members do not wish to make any changes to the draft report.

## Discussion/recommendations on NFHA Report

J. Park would like to develop a strategy on how to respond to recommendations in the report acknowledging that several recommendations are outside the authority of the ASC.

## Selection of ASC Vice Chair

T. Segerson reminded ASC members that the Vice Chair position is vacant. He added this position is not appointed by the FFIEC and asked any ASC member interested in the position to let him know. The FFIEC will select a new ASC Chair at its meeting on March 22<sup>nd</sup>. A. Ritter added that the Vice Chair is typically nominated and voted on in an open session ASC Meeting. This item is on the agenda for the March 9<sup>th</sup> Meeting but can be tabled if necessary. T. Segerson agreed that it should be tabled, and he thanked the ASC members and staff for their support during his term.

## Miscellaneous

- Letter from the House Financial Services Committee

T. Segerson referenced the February 22<sup>nd</sup> letter sent from Chairwoman Maxine Waters of the House Committee on Financial Services. The letter included a redacted email from an appraiser implying that appraisers and lenders will double down on discriminatory practices against communities of color by refusing to perform appraisals in those communities. The letter was sent to HUD, ASC, TAF and the Appraisal Institute. He and Jim are drafting a response and will share it with the ASC members. Chairwoman Waters requested that the addressees of the letter coordinate with State appraiser regulatory agencies and boards to conduct a full investigation into the incident described in the email, whether any appraisals may have been improperly or incorrectly taken into consideration and determine what actions should be taken. B. Borland asked how the ASC would respond. T. Segerson answered that the work of the Property Appraisal and Valuation Equity Task Force (PAVE) would be noted as well as the efforts to stop discrimination in the appraisal industry. The ASC will also engage at the State level with regulators.

- PAVE

J. Park reported that the PAVE Deputy Principals met on February 28<sup>th</sup>. The Principals Meeting is scheduled for March 8<sup>th</sup>. The PAVE recommendations are scheduled to be sent to President Biden and released to the public on March 10<sup>th</sup>. T. Segerson said that HUD is developing a roll-out plan with PAVE members. He asked if the ASC should do outreach, seminars, or webinars with the public.

- 2021 ASC Annual Report

J. Park said that work is moving along on Annual Report. Once it is in final form, the ASC can vote via notation vote since the next quarterly ASC Meeting is not until June

8<sup>th</sup>. This has been done in the past. B. Borland thanked A. Bohorfoush for her work on the Annual Report.

The Briefing adjourned at 11:00 a.m.

Attachment: Observer List

<b>Meeting:</b>	<b>Appraisal Subcommittee Briefing</b>	<b>Meeting Date:</b>	March 2, 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	Deana Krumhansl
Consumer Financial Protection Bureau	Orlando Orellano
Dept. of Housing & Urban Development	Brian Barnes
Federal Deposit Insurance Corporation	Luke Brown
Federal Deposit Insurance Corporation	Richard Foley
Federal Deposit Insurance Corporation	Patrick Mancoske
Federal Deposit Insurance Corporation	Mark Mellon
Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Katrina Blodgett
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Keshia King
Federal Reserve Board	Matthew McQueeney
Federal Reserve Board	Derald Seid
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	Joanne Phillips

Affiliation	Name
Office of the Comptroller of the Currency	James Rives

**APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
MARCH 9, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – John Schroeder  
FDIC – John Jilovec  
FHFA – Julie Giesbrecht  
FRB – Keith Coughlin  
HUD – Brian Barnes  
NCUA – Tim Segerson (Chair)  
OCC – Enice Thomas

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
Management and Program Analyst – Lori Schuster  
Administrative Officer – Brian Kelly

**OBSERVERS:** See attached list

The Briefing, held via Zoom, was called to order at 11:00 a.m. by Chair T. Segerson. The following item was discussed: (1) Task Force on Property Appraisal and Valuation Equity (PAVE) Recommendations.

PAVE Recommendations

T. Segerson said that the PAVE Principals met on March 8<sup>th</sup> to discuss legislative strategy that would come out of the PAVE recommendations. There are several recommendations that affect Title XI. He asked J. Park to compile a list of authorities available to the ASC, limits to those authorities and potential legislative changes to Title XI. ASC staff should also keep an inventory of other sections of Title XI that may require legislative amendment in the future. He hopes to complete this request by close of business today as the White House has requested it by Friday, March 11<sup>th</sup>. Chairman Harper would like to review it before it goes to the White House. J. Schroeder asked what efforts have been identified by PAVE other than recommending that Exposure Drafts prepared by the Appraisal Foundation (TAF) Boards should be subject to the Administrative Procedures Act (APA). J. Park responded this is the main issue, but potential legislative reform could clarify ASC authority to take particular actions to monitor and review TAF or to pursue enforcement actions if needed. A. Ritter added that potential legislative reform could be developed more akin to the Securities and Exchange Commission and Financial Accounting Standards Board relationship or Public Company Accounting Oversight Board. As such, any appraisal standards or qualifications criteria proposed by TAF would be subject to vetting by the ASC for a determination as to whether they are “generally accepted” for purposes of a rulemaking in accordance with the APA, after notice and opportunity for comment. T. Segerson noted that the White House wants to move forward aggressively with a legislative package to Congress. Sufficient detail should be included, and Congress will determine whether to hold hearings or deliberations on the suggested legislation. J. Jilovec asked if the ASC will



provide proposed legislative text or just broad ideas. T. Segerson responded that it should include concepts that could be amended. This is more of a high-level document. J. Giesbrecht added that FHFA will be discussing this today internally. K. Coughlin said that the FRB will do all it can within its mandate regarding appraisal bias. Due to the short turn-around time, the FRB will not be able to provide input to this document. He asked that the response note that the recommendations are from the ASC and not the individual ASC member agencies. T. Segerson responded that will be made clear. J. Schroeder asked if the deadline for ASC member review could be extended to noon on March 10<sup>th</sup>. He added that J. Park mentioned that these legislative initiatives may or may not be endorsed by all the agencies. T. Segerson said that Chairman Harper asked to receive the document by Thursday so that it could be reviewed by his office before it was sent to PAVE leadership on Friday. He added that he is aware that not all ASC member agencies will agree with the suggestions. He said this document is only a starting point with revisions being made later with the biggest priorities being submitted to Congress. He would like to get as much as possible to PAVE so that they can work the Departments of Justice, Labor and Veterans Affairs. The ASC would be most impacted by these changes. He agreed to extend the deadline for comment from ASC members to noon on Thursday, March 10<sup>th</sup>. J. Schroeder asked A. Ritter if expanded rulemaking authority would be helpful to the ASC. A. Ritter responded “yes” since the ASC is limited in its rulemaking authority. Currently the ASC has no rulemaking authority regarding TAF oversight. The proposed rulemaking for changes to the temporary waiver process is procedural, not substantive rulemaking. E. Thomas said that OCC will not have time to provide comments. He agreed that language should be included in the memorandum to PAVE that the comments are from the ASC and not necessarily reflective of the individual ASC member agencies. J. Park said that he will send the draft list to the ASC later today.

The Briefing adjourned at 11:30 a.m.

Attachment: Observer List

<b>Meeting:</b>	<b>Appraisal Subcommittee Briefing</b>	<b>Meeting Date:</b>	March 9, 2022
<b>Contact:</b>	Lori Schuster	<b>Location:</b>	Zoom Meeting
<b>Time:</b>	11:00 AM ET	<b>Alternate Contact:</b>	Brian Kelly

<b>Affiliation</b>	<b>Name</b>
Consumer Financial Protection Bureau	Makalia Griffith
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Tim Lambert
Federal Deposit Insurance Corporation	Luke Brown
Federal Deposit Insurance Corporation	Richard Foley
Federal Deposit Insurance Corporation	Tom Lyons
Federal Deposit Insurance Corporation	Patrick Mancoske
Federal Reserve Board	Carmen Holly
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Keshia King
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matthew Suntag
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
Office of the Comptroller of the Currency	Joanne Phillips
Office of the Comptroller of the Currency	James Rives



**APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
MARCH 21, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – John Schroeder  
FDIC – John Jilovec  
FHFA – Julie Giesbrecht  
FRB – Keith Coughlin  
NCUA – Tim Segerson (Chair)  
OCC – Enice Thomas

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
Management and Program Analyst – Lori Schuster  
Administrative Officer – Brian Kelly

**OBSERVERS:** FRB - Devyn Jeffereis  
FRB - Matt Suntag  
OCC – James Rives

The Briefing, held via Zoom, was called to order at 4:00 p.m. by Chair T. Segerson. The following item was discussed: (1) ASC Chair/Vice Chair Appointments.

ASC Chair/Vice Chair Appointments

T. Segerson said the purpose of this Briefing was to provide accurate and updated information to ASC members. He described the process for ASC Chair selection which is a two-year term. His term expires on March 31<sup>st</sup>; and since he plans to retire in December, he chose not to run again. The new CFPB member, Deputy Director Zixta Martinez, has expressed interest in the position and is the only ASC member to do so. He talked with NCUA Chair, Todd Harper, regarding this request and he also reached out to ASC members to see if other members were interested. The ASC submits a recommendation to the FFIEC regarding Chair selection. The FFIEC can accept the recommendation but is not required to do so. Based on his conversations with Chair Harper, there were discussions with FFIEC members and FHFA's Director on this issue. He was not involved in Chair Harper's discussions. He added that one ASC member has expressed interest in the Vice Chair position. As J. Schroeder is now the CFPB alternate, the Vice Chair position is vacant. The Vice Chair appointment can be approved via notation vote. J. Giesbrecht thanked T. Segerson for the update. She was concerned about the accelerated timeline to submit a recommendation to the FFIEC. As the request for Chair nominations was sent to the ASC on March 17<sup>th</sup>, she has not yet been able to share it with FHFA leadership. She would also like information regarding the Vice Chair. K. Coughlin wanted clarification that all ASC members were aware that the new CFPB representative was interested in the ASC Chair position and that no other ASC members were interested in the position. There is a lot of high-profile work facing the ASC and he felt there should be an expectation of experience level for the Chair. E. Thomas

agreed with K. Coughlin's comments. T. Segerson explained that CFPB submitted a letter on February 15<sup>th</sup> changing the CFPB representation on the ASC from John Schroeder and Orlando Orellano as primary and alternate members, respectively, to Director Rohit Chopra and John Schroeder as primary and alternate members, respectively. Some FFIEC members were concerned about the complexity of the CFPB Director serving on both the ASC and FFIEC. A subsequent letter on March 16<sup>th</sup> changed CFPB's representation to Deputy Director Martinez and John Schroeder as primary and alternate members, respectively. CFPB also submitted a request to nominate Zixta Martinez for the ASC Chair position. J. Schroeder apologized for any confusion caused by CFPB's turnover. The CFPB Director has a keen interest in appraisals and the impact they have on the country and wants to bring this issue to the forefront. Deputy Director Martinez has a housing background which would be helpful in her role as Chair. He anticipates continuing to serve as the CFPB alternate to provide continuity. K. Coughlin asked if the ASC needs to vote on the recommendation. T. Segerson responded "no" and added the process is the same as it has been in the past. He added that the FFIEC meets tomorrow, and he will notify the FFIEC that the ASC will send ASC Chair recommendation to them by the end of this week so that a notation vote can be done by the FFIEC to select a new ASC Chair. He is concerned about not having an ASC Chair named by April 1<sup>st</sup>. A. Ritter confirmed that the FFIEC names the ASC Chair, but the ASC members select the Vice Chair, by voting in an Open ASC Meeting or via notation vote. T. Segerson said that B. Borland is interested in serving as Vice Chair and ASC staff could send out a notation vote. He will let the FFIEC know at tomorrow's meeting that the ASC is deliberating on the ASC Chair recommendation. T. Segerson urged ASC members to reach out to their leadership. T. Segerson asked members to respond to him with cc to L. Schuster with their recommendation(s).

The Briefing adjourned at 4:30 p.m.

**APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
APRIL 6, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – John Schroeder  
FDIC – John Jilovec  
FHFA – Julie Giesbrecht  
HUD – Bobbi Borland (Vice Chair)  
NCUA – Tim Segerson  
OCC – Enice Thomas

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
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 J. Park. The following items were discussed: (1) ASC Chair/Vice Chair Update; (2) ASC staff recommendations for addressing NFHA Report; (3) PAVE Task Force Report roll-out; (4) Ending Appraisal Discrimination Act of 2022; (5) Preliminary update on comments received on Temporary Waiver Notice of Proposed Rulemaking; (6) Potential rulemaking related to additional State enforcement authority; and (7) General staff update.

ASC Chair/Vice Chair Update

J. Park announced that the ASC has a new Chair and Vice Chair. The FFIEC selected CFPB Member Zixta Martinez to serve a two-year term as Chair effective on April 1, 2022. The ASC members selected HUD Member Bobbi Borland, via notation vote, to serve as Vice Chair for a two-year term, also effective on April 1<sup>st</sup>. J. Schroeder spoke on behalf of Z. Martinez. He said that Z. Martinez is committed to the work of the ASC. He thanked B. Borland for accepting the role of Vice Chair. B. Borland thanked the ASC for their support.

ASC Staff recommendations for addressing National Fair Housing Alliance (NFHA) Report

J. Park said that the ASC sent a letter to the Appraisal Foundation (TAF) on March 9<sup>th</sup> regarding the Uniform Standards of Professional Appraisal Practice (USPAP) 7-hour course. The ASC requested that TAF address the recommendations in NFHA's Report regarding the course. TAF responded on March 17<sup>th</sup> indicating that they have retained a nationally recognized fair housing and civil rights law firm, Relman Colfax, to assist TAF with its comprehensive review of the USPAP course. TAF did not provide a timeline for the review. J. Park recommended sending a follow-up letter to TAF thanking them for their response and requesting a review timeline with

estimated completion. He would also like to request that TAF pull this course off the market until the review is completed. He added that the ASC is drafting a letter that would let States know that the ASC will not require States to enforce the 7-hour USPAP course requirement at this time. A. Ritter added that States could decide if they want appraisers to make up the 7 hours of education with a different course. J. Park said that he and D. Graves met with Appraiser Qualifications Board (AQB) Chair, John Ryan, last week. J. Park asked J. Ryan if it would be helpful to send such a letter, as discussed above, to TAF. J. Ryan said that it would be helpful. J. Schroeder agreed that the ASC should request a review timeline from TAF and communicate what options the ASC has in the letter. B. Borland wanted to ensure that appraisers would not be affected by any unintended consequences of the ASC's and TAF's actions. E. Thomas asked when a draft letter would be ready for review. J. Park responded he hopes to send it to ASC members early next week. J. Rives suggested that in the letter, the ASC ask for an action plan, budget and expected outcomes rather than just a timeline. J. Schroeder noted that he and T. Segerson met with TAF leadership, and he concurs that Relman Colfax will provide good advice to TAF. J. Park suggested that the ASC send a separate letter asking TAF to respond to the concerns raised in NFHA's Report and what TAF feels is not accurate in the Report. J. Schroeder and E. Thomas agreed that these should be separate letters. E. Thomas reiterated that the ASC needs to ask TAF what they feel is inaccurate in NFHA's Report. J. Park said he would send drafts of both letters to the ASC next week.

#### PAVE Task Force Report roll-out

J. Park said the PAVE Task Force Report was published on March 23<sup>rd</sup>. The Task Force may continue some of the workstreams that were part of the Task Force. More announcements are forthcoming, and he expects discussions to continue with Capitol Hill regarding the current governance structure. J. Rives noted that PAVE members attended the recent annual Fair Housing Ceremony sponsored by HUD. Another Fair Housing Ceremony is planned for the near future to discuss the PAVE Report. He also asked if the return of the Appraisal Institute as a TAF sponsor will have any positive or negative implications. J. Park provided a history of the TAF/Appraisal Institute relationship, and stated he thinks it is good that both are working together again.

#### Ending Appraisal Discrimination Act of 2022

J. Park said that the House Financial Services Committee (Committee) sent him a draft of the proposed bill which he forwarded to ASC members. This is a preliminary draft with limited input from stakeholders. The Committee held a hearing on this bill on March 29<sup>th</sup>. The bill would establish an independent agency to be known as the Federal Residential Valuation Agency (FRVA) and propose a streamlined procedure for reporting discrimination and misconduct in the provision of real estate valuations, including appraisals, and for other purposes. He provided some highlights of this bill including:

- Establishing an Office of Fair Lending in FRVA;
- Transferring responsibility for USPAP and the AQB Criteria from TAF to FRVA;

- Creating a unique identification number for appraisers and appraisal management companies; and
- Creating a public and searchable database of real estate appraisal reports.

Both parties have an interest in improving the process and governance of the appraisal regulatory system. There is some concern on how little oversight authority the ASC has over TAF. The Senate is also working on a bill and there are numerous other pending bills in Congress. Those bills propose adding a representative from the Department of Veterans Affairs and Department of Agriculture to the ASC and development of an Appraisal Portal that would be accessible to appraisers to update their information. J. Giesbrecht asked how this proposed bill would affect TAF. J. Park responded that TAF is a private organization, and they could potentially lose congressional authority to set standards and qualifications. M. McQueeney said it was unclear as to what would happen to the ASC as it currently operates. J. Park responded that the ASC would most likely be sunset and replaced by FRVA which would not be part of the FFIEC. He said there is a lot to be worked out in the proposed bill as it is currently written.

#### Preliminary update on comments received on Temporary Waiver Notice of Proposed Rulemaking

A. Ritter reported that four comment letters were received. Staff will prepare a summary of comments for the ASC. She will work on a Final Rule and hopes to have it ready for the June 8<sup>th</sup> ASC Meeting.

#### Potential rulemaking related to additional State enforcement authority

A. Ritter reported that this rulemaking was a recommendation from the Appraisal Subcommittee Advisory Committee on Regulations (ASCAC) in 2015. She will draft a Notice of Proposed Rulemaking after she completes the Final Rule on Temporary Waiver. Enforcement measures against States would be escalated and would formalize the practice that the ASC has done previously in the Compliance Review process. The Proposed Rule would include aggravated and mitigating circumstances. ASC staff does not anticipate that States will have any issues with the Proposed Rule. J. Schroeder felt this Rulemaking is necessary. J. Jilovec asked when a draft would be ready for ASC review. A. Ritter responded that she hopes to have a draft ready by May. Depending on ASC edits, this could be an action item at the June 8<sup>th</sup> ASC Meeting or a Special Meeting between the June and September Meetings. M. McQueeney asked what would be in the Proposed Rule. A. Ritter responded that the enforcement matrix, as approved by ASCAC, would be part of the Proposed Rule. She will follow up with further information as needed.

#### General Staff Update

J. Park reported on the following:

- The Attorney Advisor position will be posted on USAJobs on April 7<sup>th</sup> through April 22<sup>nd</sup>.



- RSM has been selected to review the TAF audit report. RSM has provided feedback on the ASC Grants Handbook and TAF program income. Auditing rules do not allow auditors to provide comments on an audit report prepared by another firm. They can provide advice on how the ASC should treat the audit. He hopes to have more information for the May 4<sup>th</sup> ASC Briefing. D. Jeffereis asked if RSM provided an opinion on whether the draft audit report could be shared with the ASC members. J. Park responded that he would follow up with RSM on this issue as ASC staff has not discussed this with them yet. The Briefing adjourned at 11:00 a.m.

Attachment: Observer list

<b>Meeting:</b>	<b>Appraisal Subcommittee Briefing</b>	<b>Meeting Date:</b>	April 6, 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	Deana Krumhansl
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	David Uejio
Federal Deposit Insurance Corporation	Richard Foley
Federal Deposit Insurance Corporation	Mark Mellon
Federal Housing Finance Agency	Sara Todd
Federal Reserve Board	Carmen Holly
Federal Reserve Board	David Imhoff
Federal Reserve Board	Devyn Jeffereis
Federal Reserve Board	Keshia King
Federal Reserve Board	Matthew McQueeney
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matt Suntag
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
National Credit Union Administration	JeanMarie Komyathy
Office of the Comptroller of the Currency	Stacey Fluellen
Office of the Comptroller of the Currency	Kevin Lawton

Affiliation	Name
Office of the Comptroller of the Currency	Joanne Phillips
Office of the Comptroller of the Currency	James Rives
Office of the Comptroller of the Currency	Marta Stewart-Bates

**APPRAISAL SUBCOMMITTEE  
SUMMARY BRIEFING NOTES  
MAY 4, 2022**

**ATTENDEES**

**ASC MEMBERS:** CFPB – Zixta Martinez (Chair)  
FDIC – John Jilovec  
FHFA – Julie Giesbrecht  
FRB – Keith Coughlin  
HUD – Bobbi Borland (Vice Chair)  
NCUA – Tim Segerson  
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**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
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. She provided introductory remarks. Her priorities as ASC Chair include a commitment to equity, fairness and diversity in the appraisal profession. She also stated that, as part of its monitor/review authority, it is appropriate for the ASC to work with the Appraisal Foundation (TAF) to revise the USPAP and AQB Criteria. She added that Rohit Chopra, CFPB Director, will act as a liaison between the ASC and FFIEC.

Appraisal Foundation (TAF) Audit Update

J. Park said the draft TAF audit was sent to ASC members as part of the package for this Briefing. The ASC's grant consultant, RSM, is working with ASC staff on the review of the Grants Handbook and will assist with drafting the Management Decision for the audit. K. Coughlin noted the audit appendixes were not attached. A. Ritter responded that ASC staff will forward them to the ASC. K. Coughlin asked what the ASC is required to do at this point. J. Park said that the next step is for the ASC staff to determine how the grants program was managed internally in the past and what expectations, if any, there were regarding TAF's program income. He added that he would like to finalize this audit soon. J. Jilovec asked what the next steps are if the ASC accepts the audit report and issues a Management Decision. J. Park responded that if TAF does not file an appeal on the Management Decision, then the audit report is closed. If TAF files an appeal, the ASC members would hear the appeal. This topic will be added to a future briefing to keep the Board apprised.

### ASC Communication Strategy with TAF

J. Park commented that Chair Martinez referred to this issue in her opening comments. K. Coughlin agreed with the Chair's approach to working with TAF. He asked if staff has discussed the NFHA Report recommendations with TAF. J. Park responded that there has been little communication lately between staff of the ASC and TAF. He and D. Graves attended the TAF Board of Trustees (BOT) Spring Meeting last week and provided a recap: (1) TAF is considering addressing the issues in the PAVE Report but did not mention the NFHA Report; (2) TAF added a minority member to the BOT; and (3) the Chair of the Appraiser Qualifications Board (AQB) was asked to resign. J. Schroeder said that the response to TAF's March 17<sup>th</sup> letter regarding revisions to the USPAP 7-Hour course should request a timeline from TAF and felt that two weeks was a reasonable deadline for a response. A. Ritter said if ASC members are amenable to a 14-day response deadline, staff can revise the letter and send it out by the end of the day. K. Coughlin agreed with this suggestion. J. Park asked if members wanted 14 business or calendar days. Chair Martinez said that CFPB is in favor of sending a letter documenting the ASC's expectations. She defers to ASC staff as to whether it is 14 business or 14 calendar days. ASC members agreed with a 14-day turnaround and left it to the discretion of staff on whether it is 14 calendar or business days. J. Park said he would send the letter today requesting a response from TAF by May 23<sup>rd</sup>.

### Update on Senate Hearing Follow-up Questions

J. Park said staff has incorporated edits from ASC members and the draft was sent to the Office of Management and Budget (OMB) for review. Once it is returned by OMB, he will include it in the next Meeting or Briefing package. K. Coughlin noted that some of the FRB's comments were not included in the draft sent to OMB. J. Park responded that there were conflicting comments from the ASC, so decisions were made at the staff level to determine which edits to incorporate.

### Temporary Waiver Rulemaking

A. Ritter said a chart was provided in the Briefing package that summarized the four comment letters received to the Proposed Rule. She hopes to have a draft ready to send to the ASC in the next couple of weeks. She added that it may not be ready for approval at the June 8<sup>th</sup> ASC Quarterly Meeting.

### State Grant Activity Update

J. Park said that a spreadsheet detailing grant activity was included in the Briefing package. The spreadsheet shows how much grant funding was approved versus how much has been drawn down. J. Jilovec asked if ASC staff could send a monthly update detailing new grant applications received and the progress of current grants. J. Park said he would do so.

### ASC Staff Update

D. Graves said that 70+ applications were received in response to the Attorney Advisor vacancy announcement. Staff is reviewing the applications and hope to schedule interviews in the next couple of weeks. The Program Manager (Policy Manager) vacancy announcement was posted to

USAJobs on May 2<sup>nd</sup> and closes on May 16<sup>th</sup>. She also announced that the Grants Director, Mark Abbott, is leaving the ASC on May 21<sup>st</sup> for employment at another federal agency. The staff has contracted for temporary grants assistance. One Policy Manager will also be temporarily assigned to the Grants Program. Staff is discussing grant needs with RSM and may consider a detail from another federal agency to work part-time on grants. J. Schroeder asked if staff has developed a staffing/reorganization plan. J. Park responded that it is being worked on and will be forwarded to the ASC for review. He said that staff may ask for budget approval to hire a third Attorney Advisor. K. Coughlin said that staff should consider what additional positions would be needed if pending legislation affecting the ASC were to be passed by Congress. J. Park responded that staff is preparing a scalable reorganization chart to take into consideration the pending bills. The size of the agency could double to 25-30 employees if the ASC were to get additional authority.

#### Member Agency Attorney Detail

A. Ritter said a detail request for an Attorney Advisor was shared with the member agencies. This person would work on the enforcement rulemaking. J. Park said that currently no responses have been received. Chair Martinez said the request was shared within CFPB. J. Park said there was not a deadline in the detail request. J. Rives said that more information regarding the detail may be helpful including any other tasks this person would do besides rulemaking.

#### NFHA Report Recommendations

J. Park said a letter to TAF regarding the NFHA recommendations is necessary. J. Schroeder said he is supportive of additional communication with TAF. The letter should clearly lay out what is being requested so that TAF does not misinterpret it. TAF could be given an opportunity to explain what they feel is inaccurate in the Report. K. Coughlin said it may be a good strategy to improve communications at the staff level. J. Schroeder suggested that face-to-face meetings may be more helpful than exchanging letters. J. Park said that staff supports improving communication between TAF and ASC. He feels face-to-face meetings are more beneficial, but some meetings could be held virtually. J. Schroeder felt that a meeting regarding the AQB Chair should occur in person and ASC members agreed.

#### PAVE Task Force Update

J. Park said that PAVE and White House leadership are developing a legislative strategy. This strategy is focused on improving oversight of TAF and in doing so, may give additional oversight authority to the ASC. J. Schroeder said that CFPB has been involved in discussions on potential legislation.

#### ASC Hotline Changes

J. Park reported that the ASC hotline section on the ASC website has been updated; this is part of an action item from the PAVE Task Force. Information regarding bias and discrimination complaints was included as well as contact information on where to file complaints regarding these issues. The ASC website redesign is nearing completion. Staff will be working to add referrals for bias and discrimination to the hotline website once the new website is completed.

He said that member agencies may be contacted for assistance. J. Schroeder said that CFPB would be glad to assist in this endeavor.

#### General Staff Update

J. Park said that he had nothing further to add. J. Rives thanked J. Park for sending out the TAF Report on Automated Valuation Models. Chair Martinez thanked attendees for their time and being actively engaged. She also thanked ASC staff for the comprehensive Briefing materials.

The Briefing adjourned at 11:26 a.m.

Attachment: Observer list

<b>Meeting:</b>	<b>Appraisal Subcommittee Briefing</b>	<b>Meeting Date:</b>	May 4, 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	Paul Hannah
Consumer Financial Protection Bureau	Deana Krumhansl
Consumer Financial Protection Bureau	Orlando Orellano
Consumer Financial Protection Bureau	David Uejio
Dept. of Housing and Urban Development	Barbara Leslie
Federal Deposit Insurance Corporation	Richard Foley
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 Reserve Board	David Imhoff
Federal Reserve Board	Matthew McQueeney
Federal Reserve Board	Derald Seid
Federal Reserve Board	Matthew Suntag
National Credit Union Administration	Rachel Ackmann
National Credit Union Administration	Gira Bose
National Credit Union Administration	JeanMarie Komyathy
Office of the Comptroller of the Currency	Stacey Fluellen



Affiliation	Name
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