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Appraisal Subcommittee

Federal Financial Institutions Examination Council

TO: Appraisal Subcommittee

FROM: Jim Park, Executive Director

DATE: September 1, 2016

RE: September 14, 2016 ASC Meeting Package

The enclosed materials are for the September 14th ASC Meeting.

OPEN SESSION

- Agenda for September 14th ASC Open Session Meeting
- Reports
 - Chairman Lindo – Chairman’s Report
 - Mr. Park – Executive Director’s Report (Report attached)
 - Mr. Hull – Financial Report
 - Mr. Rhoads – Delegated State Compliance Reviews
- July 13th ASC Open Session Meeting Minutes

If you would like a Word version of the Minutes for editing, please let us know. Your edits can be submitted to Lori Schuster (Lori@asc.gov) by close of business, September 12th. A revised draft incorporating any edits received will be provided for the September 14th Meeting.
- The Appraisal Foundation FY17 grant proposal
- The ASC FY17 budget proposal

GRANT REIMBURSEMENTS

- April, May and June 2016 Appraisal Foundation grant reimbursement requests that have been reviewed and approved by the ASC staff

FYI - INFORMATIONAL ITEMS

- The Agreed Upon Procedures Review of the FY15 Appraisal Foundation Grant
- Compliance Review Reports for: Maryland, Massachusetts, Missouri, North Dakota, Oregon, Virginia and Washington
- State Program Status Report
- The Second Exposure Draft of Proposed Changes for the 2018-19 Edition of USPAP. Comments are due to the ASB by October 14, 2016.
- The Summary from the July 15th Appraisal Practices Board Public Meeting
- A guide from the Appraisal Foundation entitled “A Bridge from USPAP to IVS: A guide to producing IVS-compliant appraisals”
- Approved minutes of the open meeting from the May 11th ASC Meeting

BRIEFING SUMMARY NOTES

- Summary notes from the July 13th Briefing

Open Session Cover Page

September 14, 2016



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Appraisal Subcommittee
Federal Financial Institutions Examination Council

Agenda

Date: September 14, 2016
Time: 10:00 a.m.
Location: FRB, International Square
1850 K Street, NW
Washington, DC 20006
Metro Stop: Farragut West - 18th Street Exit

Open Session

Reports

- | | |
|--------------------------------------|-----------|
| • Chairman | A. Lindo |
| • Executive Director | J. Park |
| • Delegated State Compliance Reviews | D. Rhoads |
| • Financial Report | G. Hull |

Action and Discussion Items

- | | |
|--|-----------------|
| • July 13, 2016 Open Session Minutes | A. Lindo |
| • Appraisal Foundation FY17 Grant Proposal | D. Bunton |
| • ASC FY17 Budget Proposal | J. Park/G. Hull |

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

TO: Appraisal Subcommittee

FROM: Jim Park, Executive Director

DATE: August 31, 2016

RE: Executive Director's Report

Appraisal Subcommittee Meetings and Briefings

The next ASC Meeting will be held at 10:00 a.m. September 14, 2016, at the Federal Reserve Board facilities, International Square, 1850 K Street NW, 4th Floor, Washington, DC. There will be an Open session. A Briefing is not currently scheduled to follow the Meeting.

ASC Personnel

Ada Bohorfoush accepted a three-month detail with the ASC as an attorney advisor starting August 22. Dan Rhoads has also announced that he will be retiring as of October 1, 2016. Ada will be working with Dan and Denise to learn his duties relative to Compliance Reviews. She will also be focusing on research regarding potential rulemaking on ASC Advisory Committee recommendations, starting with enforcement. This position was included in the FY16 Budget although it was budgeted for a May 1 start date.

Appraisal Foundation Monitoring and Review

Appraisal Standards Board (ASB)

No meetings of the ASB took place since my last report. However, the ASB did issue the *Second Exposure Draft of Proposed Changes for 2018-19 Edition of the Uniform Standards of Professional Appraisal Practice* (see FYI section of the Meeting package). The proposed changes are in the following areas:

- Definition of report
- Definition of assignment

- Extraordinary assumption
- STANDARD 3, Appraisal Review, Development and Reporting
- STANDARD 6 – Dividing into STANDARD 5, Mass Appraisal, Development and STANDARD 6, Mass Appraisal, Reporting
- Standards Rules 7-2(c), SR 7-5, and 8-2(v)
- Standards Rule 8-3
- Advisory Opinion 37, Computer Assisted Valuation Tools

Staff remains concerned about the proposed changes to the definition of Report. Currently, a Report is any communication of an appraisal or appraisal review to the client. As proposed, a Report would only be so if it includes a signed certification. This could lead to increased requests from clients for preliminary or draft appraisal Reports (completed appraisal without the signed certification) to see if it facilitates the transaction, thereby potentially compromising appraiser independence. Additionally, the ASB is proposing that only the most recent preliminary or draft Report, or the final Report must be retained in the appraiser's workfile. Numerous State regulators and residential appraisers have voiced their opposition to this proposal due to the negative implications for enforcement and conflicts with State law.

Appraiser Qualifications Board (AQB)

Denise Graves and I attended an AQB Meeting August 25 and 26 in Washington, DC. This meeting was devoted to developing the next exposure draft of proposed changes to the *AQB Real Property Appraiser Qualification Criteria*. The AQB will likely continue to proposed alternate paths to certification for licensed appraisers who do not have a 4-year college degree. These alternate paths include passing a series of CLEP (College Level Examination Program) exams or completing college level courses within a set of given subject matter. The AQB will also likely expose reduced experience requirements for all three credential categories. The second exposure draft should be published within the next 30-60 days.

On August 25, the AQB held a webinar to present the potential changes to the Criteria and answer questions from the audience. Over 200 persons logged into the presentation and over 100 questions were asked. Many of the questions asked for clarification regarding the requirements for a Supervisory Appraiser.

Appraisal Practices Board (APB)

Denise Graves monitored the July 14-15 APB meetings. The APB's summary of those meetings can be found in the FYI section of the Meeting package.

Unique Identification Number (UID)

Testing with the States is now completed and we are preparing to launch the new application. Within the next two weeks we plan to notify the States that the UID conversion process is now available for them to either complete themselves or authorize the ASC to make the conversion for them. The ASC already has the social security numbers, which are needed to generate the UID for many States. Full adoption by the States could take a year or more. We will keep the ASC apprised of the progress.

National Registry of Appraisal Management Companies (AMC Registry)

Development of the AMC Registry is in its final stages. This project mostly involved building a new database for the AMC Registry, as well as updating the Appraiser Registry. The existing website will serve both Registries. The AMC Registry should be ready to stand up once the AMC fee rule is in final form.

Other Meetings and Events

On July 12, I gave an ASC update to approximately 200 appraisers, AMC representatives and lenders at the Valuation Expo in Baltimore, MD. I served on a panel with representatives from Fannie Mae and the Louisiana Real Estate Appraisal Board.

On July 28, Alice Ritter and I participated in the annual National Association of Realtors Appraisal Summit in Washington, DC. It was a roundtable discussion on several contemporary valuation issues such as Fannie Mae's Collateral Underwriter results, AMCs and the various ways they are impacting valuations, the new FHA Underwriting and Appraisal Handbook, and the possible shortage of appraisers in rural markets. We gave a brief update on ASC activities focusing on the AMC Registry fee rulemaking.

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
JULY 13, 2016**

LOCATION: Federal Reserve Board – International Square location
1850 K Street NW, Washington, DC 20006

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
CFPB – Mira Marshall
FDIC – Marianne Hatheway
FHFA – Robert Witt
HUD – Ada Bohorfoush
NCUA – Tim Segerson

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Attorney-Advisor – Dan Rhoads
Policy Manager – Claire Brooks
Policy Manager – Vicki Metcalf
Policy Manager – Kristi Klamet
Policy Manager – Neal Fenochietti
Administrative Officer – Brian Kelly

OBSERVERS: Appraisal Foundation – Dave Bunton
Appraisal Foundation – Cathy Johnson
Appraisal Foundation – Edna Nkemngu
CFPB – Deana Krumhansl
FDIC – Suzy Gardner
FDIC – Victor Olshanky
FDIC – Mike Briggs
FDIC – Richard Foley
FDIC – Kimberly Stock
FRB – Gillian Burgess
FRB – Carmen Holly
HUD – Robert Frazier
NAR – Sehar Siddiqi
OCC- Bob Parson
OCC – Joanne Phillips
REVAA – Tom Tilton

The Meeting was called to order at 10:00 a.m. by A. Lindo.

REPORTS

- **Chairman**

A. Lindo welcomed observers to the Meeting.

- **Executive Director**

J. Park reported on ASC staff activities since the ASC's May 11th Meeting. He and V. Metcalf attended the May 12-14 Appraisal Foundation Board of Trustees Meeting in Naples, FL and the June 16-17 Appraisal Standards Board (ASB) Meeting in Indianapolis, IN. He and D. Graves attended the June 23-24 Appraiser Qualifications Board (AQB) Meeting in Las Vegas, NV. On July 12, he provided an ASC Update at the Valuation Expo in Baltimore, MD. A. Ritter also attended the Valuation Expo.

J. Park added that work on the Unique Identifier Project is continuing and staff hopes to have it operational in the next 2-3 months. All States have been contacted and staff believes States will participate voluntarily. Staff is working on the details of the rollout and will share those with the ASC once completed.

J. Park also reported on the development of the AMC Registry. The AMC Registry is in its final stages and should be operational once the AMC registry fee rule is in final form.

- **Delegated State Compliance Reviews**

D. Rhoads reported on State Compliance Reviews completed pursuant to delegated authority since the ASC's May 11th Meeting. Three State Compliance Reviews were finalized and approved by the Executive Director under delegated authority. Arizona was awarded a Finding of "Excellent" and will remain on a two-year Review Cycle. Arkansas and Louisiana were awarded a finding of "Good" and both will remain on a two-year Review Cycle.

- **Financial Manager**

G. Hull reported on the Appraisal Foundation grant submissions. The Appraisal Foundation submitted two grant reimbursement requests covering February 2016 and March 2016. The February request in the amount of \$28,955 was for costs related to a two-day series of work sessions and a public meeting held in Tampa, FL on February 18-19, 2016, ongoing activities of the ASB and AQB, and initial planning of the 2016 Investigator Training courses. The March request in the amount of \$15,895 was for costs related to ongoing activities of the ASB and AQB, and for the ongoing planning of the 2016 Investigator Training courses.

The total FY16 grant budget is \$659,632 and \$499,725 remains unexpended.

A draft copy of the Appraisal Foundation Agreed Upon Procedures Review for the period ending September 30, 2015, was received by ASC staff. Once the Review Report is finalized, a copy will be sent to the ASC members.

ACTION ITEMS

- **May 11, 2016 Open Session Minutes**

M. Marshall made a motion to approve the May 11th open session meeting minutes as presented. A Bohorfoush seconded and all members present voted to approve.

- **Notation Vote to approve the March 9, 2016 ASC Closed Session Minutes**

The notation vote to approve the March 9, 2016 ASC closed session meeting minutes passed by a 7-0 vote on May 11, 2016.

The Open Session adjourned at 10:17 a.m. The next ASC Meeting will be September 14, 2016.



1155 15th Street, NW, Suite 1111

Washington, DC 20005

T 202.347.7722

F 202.347.7727

August 18, 2016

Mr. James Park
Executive Director
Appraisal Subcommittee
Federal Financial Institutions Examination Council
1401 H Street, N.W.
Suite 760
Washington, DC 20005

Dear Jim:

Enclosed is The Appraisal Foundation 2016-2017 Federal Grant Proposal for your review and consideration. We are requesting support in the amount of \$1,074,912 for the period October 1, 2016 through September 30, 2017. Of this total, \$309,085 is for state investigator training and \$765,827 is for Title XI related expenses of the Appraisal Standards Board and Appraiser Qualifications Board.

Some of the key points of our request include:

State Investigator Training: We propose conducting three courses offerings during the grant period, one for each of the three levels. In addition, we are requesting funds to update the courses as they have not been significantly revised in several years and to develop a new course if needed.

Appraiser Qualifications Board: The Board is currently considering possible alternatives to the current experience requirements for each of the three classifications which range from 2,000 hours over 12 months for the state licensed category to 3,000 hours over 30 months for the state certified general category. The board is looking at such alternatives as allowing experience in related professions, being able to take a comprehensive test in lieu of experience hours and taking more case study courses in lieu of experience hours. They want to ensure that the experience requirement does not become a barrier to entering the profession. There is a significant amount of stakeholder interest in this endeavor.

In addition, the Board will be updating the National Uniform Appraiser Licensing and Certification Examination.

Mr. James Park
August 18, 2016
Page Two

Appraisal Standards Board: This grant period will be when the Board adopts proposed changes to USPAP for the 2018-2019 edition of USPAP. A description of their current focus is included in the attached Statement of Work.

We appreciate the support provided by the Appraisal Subcommittee over the years and look forward to our meeting next month to address any questions you may have. In the meantime, please do not hesitate to call Cathy Johnson, Vice President of Finance and Administration or me, should you have any questions about our proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "David S. Bunton". The signature is fluid and cursive, with a long horizontal stroke at the end.

David S. Bunton
President

Attachments



THE APPRAISAL FOUNDATION

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

2016-2017 Grant Proposal

Appraisal Subcommittee
1401 H. Street, NW, Suite 760
Washington, DC 20005

August 17, 2016

**THE APPRAISAL FOUNDATION
2016-2017 GRANT PROPOSAL
TO
THE APPRAISAL SUBCOMMITTEE**

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**THE APPRAISAL FOUNDATION
FEDERAL GRANT PROPOSAL
OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017**

STATEMENT OF WORK

INTRODUCTION

The Appraisal Foundation is pleased to have been the recipient of Federal grants which have assisted in funding many of the programs of the Appraisal Standards Board and the Appraiser Qualifications Board over the past twenty-five years.

During this time of rapid development and change in the appraisal profession and in appraisal regulation, The Appraisal Foundation has matured into an objective, representative organization that interacts with all sectors of the market impacted by valuation.

The Appraisal Foundation appreciates the opportunity to submit this 2016 grant proposal to the Appraisal Subcommittee.

THE APPRAISER QUALIFICATIONS BOARD

BACKGROUND:

Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the AQB establishes the minimum education, experience and examination requirements for real property appraisers to obtain a state certification.

This authority was expanded by the enactment of the Dodd-Frank Financial Reform Act in July of 2010. States having a Licensed Residential category must, at a minimum, meet the AQB qualification criteria. The same is true of states with a Trainee category. In addition, any guidance issued by the AQB relating to Supervisory Appraisers must be adhered to by the states.

The AQB is currently engaged in the implementation and monitoring of the following grant-funded endeavors:

- I. *The Real Property Appraiser Qualification Criteria*
- II. *The National Uniform Licensing and Certification Examinations*

The AQB also performs ancillary duties related to real property and produces personal property appraiser qualifications. Although they are not currently funded by the grant, they are being provided for informational purposes.

- I. *The Course Approval Program*
- II. *The University Degree Review Program*
- III. *The Program to Improve USPAP Education*

2017-18 BUSINESS PLAN FOR THE APPRAISER QUALIFICATIONS BOARD

MAJOR ISSUES FOR THE BOARD

- I. *The Real Property Appraiser Qualification Criteria (Criteria)*

As reported in prior business plan documents, in December 2011, the Board adopted revisions to the *Criteria* with an effective date of January 1, 2015. In addition, the Board also adopted background check requirements that become effective on January 1, 2017.

Since these revisions to the *Criteria* were adopted, the Board has made efforts to assist appraisers, users of appraisal services, education providers, state appraiser regulatory agencies, and others in properly understanding these changes. The Board will continue using printed publications, video presentations, webinars, and other means to assist in the implementation process.

In response to concerns the Board heard about difficulty in earning the experience necessary to obtain a real property appraiser credential, in 2015 the Board commenced an examination of an "alternative track." To that end, the Board:

- Published a Concept Paper July 2015
- Held a public hearing in Washington, DC in October 2015
- Published a Discussion Draft in February 2016
- Held a public meeting in Phoenix, Arizona in April 2016 (in conjunction with the spring conference of the Association of Appraiser Regulatory Officials)
- Published the First Exposure Draft of Proposed Changes to the *Criteria* in May 2016
- Held a public meeting in Las Vegas, Nevada in June 2016
- Adopted changes to the Supervisory Appraiser jurisdictional requirements that became effective on July 1, 2016
- Scheduled an online Public Briefing in August 2016

The feedback the Board has received from these outreach efforts has been significant: over 700 separate written comments have been received; over 1,000 individuals responded to surveys conducted by appraiser trade associations and coalitions; and hundreds of people have attended the Board's public meetings.

The Board intends to publish a Second Exposure of Proposed Changes to the *Criteria* in late summer/early fall.

II. The Personal Property Appraiser Qualification Criteria

The *Personal Property Appraiser Qualification Criteria* is a voluntary set of criteria, except for personal property appraisers who are members of sponsoring organizations of The Appraisal Foundation.

As reported in prior business plan documents, in March 2015, the Board adopted changes to the *Personal Property Criteria* that become effective on January 1, 2018.

III. National Uniform Licensing and Certification Examinations

In order for an individual to become a credentialed real property appraiser, Title XI of FIRREA requires that they must pass an examination that has been developed or approved by the AQB.

As reported in prior business plans, the *National Uniform Licensing and Certification Examinations* were implemented on January 1st, 2008, in conjunction with the updated (2008) *Criteria*. As expected, pass rates began very low initially (overall 44% for first-time test takers) but have gradually increased over time, as more candidates have completed the 2008 educational requirements that the exams were based on.

In 2014, the number of first-time test takers was 2,630, a 73% increase over the number from 2013. This was due, in large part, to applicants wishing to obtain a credential prior to the increased qualification requirements which became effective on January 1, 2015. In 2015, the number of first-time test takers was 973, again reflecting a significant decline due to the “rush” of individuals trying to become credentialed prior to 2015.

The overall pass rate for first-time test takers in 2015 was 63%, as compared to 64% for first-time test takers in 2014.

As with prior years, the Board will again oversee drafting of additional exam questions by its ongoing groups of Subject Matter Experts (SMEs). New forms of each exam for each classification will be put into use as of January 1, 2017 (the process will be repeated for 2018).

IV. *Program to Improve USPAP Education*

To improve the quality and uniformity of USPAP education, the AQB requires the following:

- All applicants for a credential are required to successfully complete the 15-hour *National USPAP Course* (or its equivalent), taught by an AQB Certified USPAP Instructor who is also a state-certified appraiser in good standing.
- All currently licensed and certified appraisers are required to complete the 7-hour *National USPAP Update Course* (or its equivalent) every two years. This course must also be taught by an AQB Certified USPAP Instructor who is also a state-certified appraiser in good standing.

As in prior years, the AQB continues to monitor and improve this program. The focus of the Board for the 2018-19 edition of USPAP will include the following:

- Coordinate with its sister Board, the ASB, regarding the learning objectives and design for the 7-hour *National USPAP Update Course*.
- Continue to monitor and improve procedures that ensure AQB Certified USPAP Instructors are meeting contractual commitments. Understanding and complying with these commitments represents a significant portion of the complaints received about Instructors.
- Updating the classroom and online edition of the USPAP courses to incorporate the revisions for the 2018-19 edition of USPAP, as well as

updating the Instructor Certification Course (ICC) and Instructor Recertification Course (IRC). Continue to review and approve equivalent USPAP courses.

- Continue activities as *The Program to Improve USPAP Education's* controlling authority. This includes making policy decisions and serving as the appellate body for any disputes that arise regarding instructor applications, instructor conduct, examination issues, and other administrative issues.

V. Course Approval Program

The AQB will continue to administer the Course Approval Program in 2017-18. This program reviews and approves USPAP equivalent courses as well as appraisal courses and seminars for both qualifying and continuing education. Currently, approximately 292 qualifying and continuing education courses are approved through CAP, which includes 13 USPAP courses. In addition, there are currently five USPAP courses that are for personal property or business valuation.

VI. University Degree Review Program

The AQB will continue to evaluate graduate and undergraduate degree programs in real estate to determine the applicability of the courses towards the Required Core Curriculum contained in the *Real Property Appraiser Qualification Criteria*.

To date, the Board has evaluated and approved a total of eight undergraduate college and university programs. Five graduate programs have been reviewed and approved.

- **Undergraduate Degrees**
 - Colorado State University
 - Indiana University
 - Lehigh University
 - Texas A&M University
 - University of Denver
 - University of Northern Iowa
 - University of Wisconsin - Madison
 - Virginia Commonwealth University
- **Graduate Degrees**
 - Texas A&M University
 - University of Denver
 - University of Florida
 - University of Wisconsin - Madison
 - Virginia Commonwealth University

2016/2017 MEETING SCHEDULE

Although the Board is scheduled for the three public meetings shown below, if additional meetings with input from the public are deemed necessary, the Board may consider alternative formats, such as webinars.

- November 17-18, 2016, St. Louis, MO 63101
- April 6-7, 2017, Tampa, FL (in conjunction with the Spring AARO Conference)
- September 14-15, 2017 Minneapolis, MN

Please note that due to the grant year of October 1 through September 30, our 2015-2016 grant covered one AQB Meeting and the 2016-2017 grant covers three meetings.

2016/2017 AQB DELIVERABLES

The following deliverables will be made available to the Appraisal Subcommittee as the result of the Appraiser Qualifications Board's efforts:

- Meeting announcements and preliminary agendas
- Approved minutes of all meetings of the Board
- AQB Q & A's
- Executive Summaries of all meetings of the Board
- Exposure drafts of proposed Interpretations
- Exposure drafts and any adopted changes to the *Real Property Appraiser Qualification Criteria*.
- All documents associated with the development and administration of the state examinations.

THE APPRAISAL STANDARDS BOARD

BACKGROUND:

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 mandated that, with regard to federally related transactions, "real estate appraisals be performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of The Appraisal Foundation."

This authority was expanded by the enactment of the Dodd-Frank Financial Reform Act in July of 2010. Federal financial institutions regulatory agencies rulemaking relating to appraisal standards must now include that "such appraisals shall be subject to appropriate review for compliance with the *Uniform Standards of Professional Appraisal Practice* (USPAP)."

The Appraisal Standards Board (ASB) adopted USPAP at its first meeting in January 1989. These Standards are periodically reviewed and updated to reflect the evolving needs of the marketplace and the regulatory community.

In addition to the Standards, the ASB also issues Statements on Standards, which have the same weight as a Standard. Non-binding guidance is offered by the ASB in the form of Advisory Opinions and Frequently Asked Questions.

RESPONSIBILITIES:

The Appraisal Standards Board (ASB) is charged with two main functions:

1. Write, edit, publish, and interpret the *Uniform Standards of Professional Appraisal Practice* (USPAP); and
2. Provide educational materials for practitioners, users of appraisal services, regulators and the public on USPAP.

Outline of Board Agenda

I. USPAP ISSUES TO BE ADDRESSED

At least one topic, communication/reporting, has been identified in prior business plans, and continues to be an issue the ASB is addressing for the 2018-19 edition of USPAP. To determine additional areas of USPAP that may need revision, on January 15, 2016, the Board issued a Discussion Draft seeking input from appraisers, educators, regulators, and various users of appraisal services.

Based on feedback received from the Discussion Draft, the ASB began to review and prioritize the issues, in order to determine what additional areas of USPAP should be considered for revision in the 2018-19 edition.

Exposure Drafts and Publication Schedule

The current USPAP edition is valid through December 31, 2017. The next edition of USPAP will be effective from January 1, 2018 through December 31, 2019.

The Board met in Tampa, Florida on January 18-19, 2016, where it deliberated over feedback received from the Discussion Draft. The Board decided to move forward with potential revisions to USPAP in the following areas:

- Communication of Assignment Results (the Board formed a working group to review this topic), including potential revisions to the:
 - Definition of *report*
 - Conduct section of the ETHICS RULE
 - RECORD KEEPING RULE
- Definition of *assignment*
- *Assumptions and Extraordinary Assumptions*
- Possible splitting of STANDARD 3, *Appraisal Review, Development and Reporting*, into two separate standards: STANDARD 3, *Appraisal Review, Development*; and STANDARD 4, *Appraisal Review, Reporting*
- Revisions to STANDARD 6, *Mass Appraisal, Development and Reporting* (the Board also formed a working group to review this topic), including the possibility of splitting STANDARD 6, *Mass Appraisal, Development and Reporting*, into two separate standards: STANDARD 5, *Mass Appraisal, Development*; and STANDARD 6, *Mass Appraisal, Reporting*
- Standards Rules 7-2(c), 7-5, and 8-2(v)
- Review of Advisory Opinions 1, 18, 20, 21 and 31, and possible creation of new Advisory Opinion 37, *Computer Assisted Valuation Tools*

On April 13, 2016, the Board subsequently issued its First Exposure Draft of Proposed Revisions for the 2018-19 edition of USPAP. The Board accepted written comments through June 10, 2016, as well as verbal comments at its public meeting on June 17, 2016, in Indianapolis, Indiana.

After deliberating over the feedback received, the Board elected to issue the Second Exposure Draft of proposed revisions on August 16, 2016. The Board will accept written comments through October 14, 2016, and verbal comments at its public meeting on October 21, 2016, in Washington, DC.

Following the October meeting, the Board will deliberate over the comments received, and likely issue a Third Exposure Draft of proposed revisions in late 2016. The goal will again be for the Board to receive written comments prior to its public meeting in early February 2017, where it intends to ultimately adopt any revisions for the 2018-19 edition of USPAP.

II. USPAP DOCUMENT

In addition to incorporating any adopted revisions in the applicable portions of USPAP, the Board will also need to update the Advisory Opinions and *Frequently Asked Questions*.

USPAP Frequently Asked Questions

- Collect and prepare any published USPAP Q&As for the *Frequently Asked Questions* section of the 2018-19 USPAP publication
- Remove FAQs from the 2016-17 edition that are no longer applicable
- Revise or update other FAQs as appropriate

USPAP Promulgation

- Write USPAP Q&As for publication on an as-needed basis
- Issue other communications regarding the 2018-19 edition of USPAP
- On a daily basis provide answers to USPAP questions addressed to the Board/staff via telephone, email, fax, or regular mail

III. USPAP EDUCATION

In addition to making revisions to the USPAP document, the Board also must make revisions to the USPAP content in a number of courses.

Program to Improve USPAP Education

- Continue to work with the AQB to revise the 7- and 15-Hour National USPAP Courses (both classroom and online), as well as The Appraisal Foundation's USPAP Courses for Business Valuation, Personal Property, and Mass Appraisal
- Continue to work with the AQB to update the USPAP Instructor Certification Course, and the USPAP Instructor Recertification Course
- Ensure instructors are available for the AQB Instructor Certification Course, tentatively scheduled for spring 2018

- Ensure reviewers are available for 7- and 15-Hour National USPAP Course equivalency review
- Provide an ASB representative to participate in the Instructor Disciplinary Review Panel
- Identify and address other areas where there is a demand for USPAP related education

Outreach

- Report to and meet with the standing committees of TAFAC and IAC on matters related to USPAP
- Provide speakers and programs for special events, as requested, for state appraiser regulatory agencies, professional appraiser organizations, educational providers, etc.
- Provide direct and immediate feedback to all individuals who contact the Board with questions and/or comments.

Additional Responsibilities

- *Investigator Training Course*
 - Review TAF/AARO investigator training courses for USPAP accuracy, prior to completion
- *AQB National Examinations*
 - Continue to assist AQB in evaluating USPAP questions for the examination test question bank
- *Complimentary and Supporting Work with the Appraisal Practices Board (APB)*
 - As required retain open dialog with the APB to ensure that issues that may come to the attention of either Board, are appropriately shared and addressed to meet public and professional expectations
- *International Valuation Standards Committee (IVSC)*
 - Interact with the IVSC on USPAP/IVS comparisons to identify commonalities and differences for each to consider

IV. 2016/2017 MEETING SCHEDULE

- October 20-21, 2016, Washington, DC (in conjunction with AARO)
- January 26-27 or February 2-3, 2017, Dallas, TX
- June 15-16 or June 22-23, 2017, Denver, CO

V. 2016/2017 DELIVERABLES

The following deliverables will be made available to the Appraisal Subcommittee as the result of the Appraisal Standards Board's efforts:

- Meeting announcements and preliminary agendas
- Approved minutes of all meetings of the Board
- Executive Summaries of all meetings of the Board
- Position papers and white papers emanating from any "Work Group" process
- Exposure drafts of proposed Standards Revisions and Statements
- Advisory Opinions approved
- Standards Revisions adopted
- USPAP Q&As
- All Documents sent to The Appraisal Foundation Advisory Council and the Industry Advisory Council

FOUNDATION PROJECTS TO IMPROVE
THE REAL PROPERTY APPRAISER REGULATORY SYSTEM

The Appraisal Foundation continues to have a good working relationship with state appraiser regulators and the Association of Appraiser Regulatory Officials (AARO). The Foundation continues to participate in the programs of the AARO Spring and Fall Conferences.

State Investigator Training

Since 2009, we have conducted 24 State Investigator Training Course offerings attended by more than 819 attendees (state investigators, attorneys, administrative/support staff, and board members). 433 attendees have taken Level I, 299 have taken Level II, and 87 have taken the newly added Level III course. 54 of the 55 jurisdictions that regulate appraisers have participated in at least one Level I course, 49 have participated in at least one Level II course, and 34 have participated in at least one Level III course. (Appendix II)

In the fall of 2014 we did the initial offering of the Level III class. We had 39 students from 22 jurisdictions attend and their evaluations of the course were consistent with the very high ones that we have traditionally received from Levels I and II.

In 2015, due to increased demand for Level III, we increased the class size from 40 to 50. All 50 spots were filled by attendees from 29 states and jurisdictions.

In 2016, all three levels were held in the center of the country - St. Louis, Missouri. This central location with easy access to the airport and downtown, received great feedback from the attendees. The great meeting space and hotel amenities made the training much more productive. Two new instructors were chosen from a pool of applicants to attend the 2016 training, and serve as potential backup instructors for future offerings.

The Steering Committee had a call and discussed the future of the Investigator Training. Since the program is such a success, they decided to keep the framework of the training but update the materials and improve on the cohesion between all three levels for the 2018 course offerings. All of the Investigator Training instructors and backup instructors will meet to form a plan of action for 2018 changes to the Investigator Training program.

This project is a great example of how The Appraisal Foundation, AARO and the Appraisal Subcommittee can cooperatively produce a successful program. Much of what we do at the Foundation takes many years to make an impact. With this program,

we have professionally trained a corps of hundreds of people in just a few short years. This has made a significant impact on promoting consistency in enforcement.

Attached please find two documents:

- A listing of all of the state investigator training sessions conducted over the past eight years. (Appendix I)
- An historical state-by-state breakdown of attendees. (Appendix II)

While not part of this grant request, the following is being provided for informational purposes:

Remedial/Corrective Education

Initially referred to as “remedial” education, a survey of state appraiser regulators indicated that the preferred term is “corrective” education. We have four courses that have been developed:

- Scope of Work: Appraisals and Inspections
- Appraiser Self-Protection: Documentation and Record Keeping
- Report Certifications: What Am I Signing and Why?
- Residential Report Writing vs Form Filling

These four-hour online courses will be available for purchase later this month via the Foundation website and are not eligible for continuing education credit.

These courses were originally designed to assist state appraiser regulators with education-related disciplinary actions. We have recently learned that providers of appraisal services that maintain panels or lists of appraisers, such as lenders and appraisal management companies, are interested in requiring their appraisers to attend these classes when warranted in order to remain in good standing with them.

Consistent Enforcement Task Force

In 2009, The Appraisal Foundation established a Consistent Enforcement Task Force. The charge of this Task Force was to consider the need for developing a set of voluntary disciplinary guidelines for use by State Appraiser Regulatory Agencies when enforcing the *Uniform Standards of Professional Appraisal Practice* (USPAP).

A *Voluntary Disciplinary Action Matrix* was developed in August 2010 for use by state appraiser regulatory agencies. A copy of the document is available on our website and is currently being updated to reflect the 2016 edition of USPAP.

Foundation YouTube Channel

The Appraisal Foundation has produced a number of informational videos for state regulators and consumers. All of our videos are currently included on our YouTube Channel and include topics such as USPAP Updates, an Overview of the State Regulatory System, Green Buildings and New Homebuyer Q&As. The Foundation plans to continue to add video clips to its YouTube channel in 2016 and 2017.

KEY PERSONNEL:

David Layne, Chair, Board of Trustees:

David Layne has forty plus years' experience in all phases of right of way acquisition. Since 1992, he has owned Layne Consulting Services, a company engaged in real property appraisal review, appraisal and business education, and right of way acquisition. He is a former Director of New York State Department of Transportation's Property Management Bureau. He is expert in the implementation of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act.

Dave has a BA in American History (Hobart College), an MA in Business and Policy Studies (SUNY), a CAS (post master's degree) in Adult Education (Syracuse University), and a Certification in Teaching English as a Foreign Language (University of Miami).

Dave holds the ASA designation with the American Society of Appraisers, the IAO designation with the Institute of Assessing Officers, and the SR/WA designation with the IRWA. He is a Certified General Real Estate Appraiser in New York State, a Master Instructor with the International Right of Way Association, and an Appraisal Qualification Board (AQB) Certified USPAP Instructor.

David S. Bunton, President:

Mr. Bunton has served as the senior staff member of The Appraisal Foundation since May of 1990. As President, he is the chief executive officer of the Foundation. Prior to joining The Appraisal Foundation, he served as the Vice President of Government Affairs and Communications for the Federal Asset Disposition Association. He also previously served as a legislative assistant in the United States Senate for eight years and was a Congressional Chief of Staff in the United States House of Representatives for four years.

Mr. Bunton holds a BA degree in Government and Politics from the University of Maryland.

Maggie Hambleton, Chair, Appraisal Standards Board:

Maggie is president of Hambleton, Inc., a real property appraisal firm in Columbus, OH. She has been in practice for over 40 years, specializing in the valuation of residential properties, with an emphasis on litigation support. She holds the SRA designation from the Appraisal Institute. Her clients include banks, attorneys, city, county, state and federal agencies, and individuals.

She is a past member of the Ohio Real Estate Appraisal Board from November 2001 through June 2009, serving as its chair in 2006, 2008 and 2009. In addition to her daily appraisal practice, she is an AQB Certified USPAP Instructor, and has been active in teaching appraisal courses on a national level. She has been involved in education for appraisers for over 30 years, writing courses and assisting in the development of curriculum for the certification programs for appraisers. She has served as a developer for both the 7-Hour and 15-Hour USPAP courses since 2006. Mrs. Hambleton currently serves as chair of the Appraisal Standards Board (ASB) of The Appraisal Foundation, and is in her sixth year as a member of the ASB.

Joseph C. Traynor, Chair, Appraiser Qualifications Board:

Joseph C. Traynor is a certified general appraiser in Indianapolis, Indiana and is the owner and president of Traynor & Associates, Inc. Traynor & Associates is a real estate valuation firm engaged in commercial and eminent domain valuation.

Traynor has served as the 1996 President as the Metropolitan Indianapolis Board of Realtors (MIBOR) and as the 2001 President of the Indiana Association of Realtors. Joe served as the 2003 Appraisal Chair for the National Association of Realtors (NAR) and was the Region 7 (Illinois, Indiana and Wisconsin) vice president in 2004. He was appointed by the NAR to the Appraisal Foundation's Board of Trustees in 2005 and served until December 2012. Joe served as the 2011 Chairman of the Appraisal Foundation's Board of Trustees.

Former Indiana Governor Mitch Daniels appointed Traynor to the Indiana Appraiser Certification and Licensure Board in 2006. He served as chairman of the board in 2008 and 2009 and served as a board member until 2014. He was appointed to the Appraiser Qualifications Board (AQB) for a three year term in 2014.

Kelly Davids, Vice President, Operations

Kelly Davids assists in managing the day-to-day operations of the Foundation, leading special projects and focusing on strategic initiatives. Prior to joining the Foundation, Davids was Superintendent of the Ohio Division of Real Estate &

Professional Licensing, the chief regulator for Ohio's appraisers. Her experience includes working in senior-level positions for two Ohio Governors and serving multiple terms in elected office. Davids holds a Master's degree in Public Policy and Management from The Ohio State University.

John S. Brennan, Director of Appraisal Issues

Prior to his current position, John spent 8 years as the Chief of Licensing and Enforcement for the California Office of Real Estate Appraisers (OREA). In that role, John administered the California real estate appraiser licensing program, issuing licenses to applicants that met both federal and state requirements. John was also responsible for the enforcement program; educating and/or disciplining licensees who violated law, regulations or USPAP.

John has been in the appraisal profession for over 30 years. Prior to joining OREA in February 1995, he appraised both residential and non-residential real estate, covering a wide variety of property types. He also previously managed an appraisal department for a major national financial institution. John is a Certified General appraiser and an AQB Certified USPAP Instructor.

A native Californian, John relocated from southern California to the Sacramento area in 1991. He holds a bachelor's degree in business administration from California State University, Long Beach, and an associate degree in business administration from El Camino Community College in Torrance.

Cathy Johnson, VP Finance and Administration:

Ms. Johnson was the Controller for The Appraisal Foundation from 1991 - 1995. After serving as the Vice President of Finance for the American Gear Manufacturer's Association, she rejoined the staff in May of 2001. Ms. Johnson brings to the Foundation over thirty-five years of experience in both the profit and not-for-profit arenas. She holds a Certified Public Accountant certificate from the Commonwealth of Virginia, has a BS degree from George Mason University and an MBA from Marymount University in Arlington, Virginia.

Edna Nkemngu, Associate Director of Finance and Administration:

Ms. Nkemngu has been part of The Appraisal Foundation since 2006 when she started as the Foundation's Staff Accountant. She has worked closely with Ms. Johnson the last ten years preparing monthly financial statements and performing other accounting and general administrative functions. She holds a BS in Accounting from the University of Buea in Cameroon, an MSc. in Accounting and Information Technology from the University of Maryland University College and is a Certified Public Accountant licensed by the Commonwealth of Virginia. It is anticipated that Ms. Nkemngu will replace Ms. Johnson when she retires in 2017.

CONCLUSION:

The Appraisal Foundation sincerely appreciates the financial support we have received from the Appraisal Subcommittee. Grant funds supporting the work of the Boards provide invaluable assistance and contribute greatly to the Foundation's ability to effectively serve the public. We are confident that the work of the Foundation supported by the 2017 grant will be well received and will provide important assistance to appraisers, regulators, users of appraisal services and consumers.

Grant Application Budget Worksheet Summary

The Appraisal Foundation 1155 15th Street, N.W. Suite 1111 Washington, DC 20005	October 1, 2016 - September 30, 2017			
Budget Category	AQB	ASB	INVESTIGATOR TRAINING	Total Budget Estimate
Personnel (Direct Labor)	\$60,784	\$99,793	\$17,126	\$177,703
AV Rental (Included in Travel/Meeting)	\$0	\$0	\$0	\$0
Travel & Meeting	\$106,000	\$81,000	\$217,280	\$404,280
Consultants	\$81,350	\$60,000	\$44,000	\$185,350
Contracts and Sub-Grants	\$50,530	\$0	\$0	\$50,530
Other Direct Costs	\$30,000	\$10,150	\$10,818	\$50,968
Indirect Costs **	\$70,491	\$115,729	\$19,861	\$206,080
Total:	\$399,155	\$366,672	\$309,085	\$1,074,912

Grant Application Detailed Budget Worksheet

The Appraisal Foundation
1155 15th Street, N.W. Suite 1111
Washington, DC 20005

October 1, 2016 - September 30, 2017

Category: Appraiser Qualifications Board

1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost
President	62	\$133.33	\$8,266
Director of Research and Technical Issues	318	\$80.77	\$25,685
Qualifications Administrator	650	\$41.28	\$26,832
			\$0
Total Direct Labor Cost			\$60,784
			Estimated Cost
2. AV Rental For Meetings			
Included in Travel /Meeting costs			
Total AV Rental for Meetings			\$0
3. Travel			
3a. Transportation - Airfare			
	Trips	Fare	Estimated Cost
November 2016 Board Meeting - 6 members + 3 Staff	9	\$600.00	\$5,400
April 2017 Board Meeting - 6 Members + 3 Staff	9	\$600.00	\$5,400
September 2017 Board Meeting - 6 Members + 3 Staff	9	\$600.00	\$5,400
Chair Travel to two 3-Day BOT Meetings	2	\$600.00	\$1,200
Chair Travel to one 2-Day Executive Committee Meeting	1	\$600.00	\$600
Chair Travel to one 1-day TAFAC Meetings	1	\$600.00	\$600
Chair Travel to one 1-day IAC Meetings	1	\$600.00	\$600
Board Member travel to four 1-day Speaking Engagements	4	\$600.00	\$2,400
Board Member travel for University Degree Program Reviews two for 5 Trips	10	\$600.00	\$6,000
Board Member travel for three Exam Site Visits	3	\$600.00	\$1,800
Certified General Subject Matter Expert Meeting - 7 Subject Matter Experts	7	\$600.00	\$4,200
Certified Residential Subject Matter Expert Meeting - 7 Subject Matter Experts	7	\$600.00	\$4,200
Licensed Residential Subject Matter Expert Meeting - 7 Subject Matter Experts	7	\$600.00	\$4,200
			\$0
Subtotal - Transportation - Airfare			\$42,000
3b. Per Diem or Subsistence			
	Days	Rate per Day	Estimated Cost
November 2016 Board Meeting - 6 Members + 3 Staff	27	\$260.00	\$7,020
April 2017 Board Meeting - 6 Members + 3 Staff	27	\$260.00	\$7,020
September 2017 Board Meeting - 6 Members + 3 Staff	27	\$260.00	\$7,020
Chair Travel to two 3-Day BOT Meetings	6	\$260.00	\$1,560
Chair Travel to one 2-Day Executive Committee Meeting	2	\$260.00	\$520
Chair Travel to one 1-day TAFAC Meetings	1	\$260.00	\$260
Chair Travel to one 1-day IAC Meetings	1	\$260.00	\$260
Board Member travel to four 1-day Speaking Engagements	4	\$260.00	\$1,040
Board Member travel for University Degree Program Reviews two for 5 Trips	10	\$260.00	\$2,600
Board Member travel for three Exam Site Visits	3	\$260.00	\$780
Certified General Subject Matter Expert Meeting - 7 Subject Matter Experts	7	\$260.00	\$1,820
Certified Residential Subject Matter Expert Meeting - 7 Subject Matter Experts	7	\$260.00	\$1,820
Licensed Residential Subject Matter Expert Meeting - 7 Subject Matter Experts	7	\$260.00	\$1,820
Subtotal - Per Diem or Subsistence			\$33,540

Grant Application Detailed Budget Worksheet

The Appraisal Foundation
1155 15th Street, N.W. Suite 1111
Washington, DC 20005

October 1, 2016 - September 30, 2017

Category: Appraiser Qualifications Board

3c. Meeting Costs - Hotel Charges	Quantity	Unit Cost	Estimated Cost	
November 2016 Board Meeting - 6 Members + 3 Staff	1	\$3,750.00	\$3,750	
April 2017 Board Meeting - 6 Members + 3 Staff	1	\$3,750.00	\$3,750	
September 2017 Board Meeting - 6 Members + 3 Staff	1	\$3,750.00	\$3,750	
Certified General Subject Matter Expert Meeting - 7 Subject Matter Experts	1	\$3,737.00	\$3,737	
Certified Residential Subject Matter Expert Meeting - 7 Subject Matter Experts	1	\$3,737.00	\$3,737	
Licensed Residential Subject Matter Expert Meeting - 7 Subject Matter Experts	1	\$3,736.00	\$3,736	
Audio/Visual Rental for 6 Meetings	6	\$1,333.33	\$8,000	
Subtotal - Meeting Costs			\$30,460	
Total Travel Cost			\$106,000	
4. Consultants	Days	Rate per Day	Estimated Cost	
Board Chair	130	\$75.00	\$9,750	
Board Members - Criteria	400	\$75.00	\$30,000	
Board Members - Degree Review Program	200	\$75.00	\$15,000	
Board Members - Exam Meetings	180	\$75.00	\$13,500	
Subject Matter Experts for Exam Development	53	\$200.00	\$10,600	
Subject Matter Experts for Exam Development - 500 Questions @ \$5.00 each			\$2,500	
			\$0	
Total Consultants Cost			\$81,350	
5. Contracts and Sub-Grantees (List individually)	Quantity	Unit Cost	Estimated Cost	
Exam Psychometric Consultant			\$50,530	
			\$0	
Total Subcontracts Cost			\$50,530	
6. Other Direct Costs	Quantity	Unit Cost	Estimated Cost	
Office Supplies - SME Manuals	1	1000	\$1,000	
Postage and Delivery - Meetings, Speaking Events and SME Manuals	1	1000	\$1,000	
Printing - Criteria Booklets	1	10000	\$10,000	
Legal	60	300	\$18,000	
			\$0	
Total Other Direct Costs			\$30,000	
Subtotal of Direct Costs			\$328,664	
7. Indirect Costs	Type	Rate	Base	Estimated Cost
Calculated on Labor Costs	Fringe	29.40%	\$60,784.32	\$17,871
Calculated on Labor Costs	Overhead	66.90%	\$78,654.91	\$52,620
Total Indirect Costs				\$70,491
Total Estimated Costs (Subtotal Direct + Total Indirect)				\$399,155

Grant Application Detailed Budget Worksheet

The Appraisal Foundation
1155 15th Street, N.W. Suite 1111
Washington, DC 20005

October 1, 2016 - September 30, 2017

Category: Appraiser Qualifications Board

Summary of AQB Estimated Costs	Estimated Cost
Personnel (Direct Labor)	\$60,784
AV Rental for Meetings	\$0
Travel	\$106,000
Consultants	\$81,350
Contracts and Sub-Grants	\$50,530
Other Direct Costs	\$30,000
Indirect Costs	\$70,491
Total:	\$399,155

Grant Application Detailed Budget Worksheet

The Appraisal Foundation
1155 15th Street, N.W. Suite 1111
Washington, DC 20005

October 1, 2016 - September 30, 2017

Category: Appraisal Standards Board

1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost
President	83	\$133.33	\$11,066
Director of Research and Technical Issues	710	\$80.77	\$57,347
Standards Administrator	1,200	\$26.15	\$31,380
Total Direct Labor Cost			\$99,793
2. AV Rental For Meetings			Estimated Cost
Included in Travel/Meeting Costs			
Total AV Rental for Meetings			\$0
3. Travel			
3a. Transportation - Airfare	Trips	Fare	Estimated Cost
October 2016 Board Meeting - 8 Members + 3 Staff	11	\$600.00	\$6,600
January/February 2017 Board Meeting - 8 Members + 3 Staff	11	\$600.00	\$6,600
June 2017 Board Meeting - 8 Members + 3 Staff	11	\$600.00	\$6,600
Chair Travel to two 3-Day BOT Meetings	2	\$600.00	\$1,200
Chair Travel to one 2-Day Executive Committee Meetings	1	\$600.00	\$600
Chair Travel to three 1-day TAFAC Meetings	3	\$600.00	\$1,800
Chair Travel to one 1-day IAC Meetings (1 included in ASB Travel)	0	\$600.00	\$0
Board Member travel to four 1-day Speaking Engagements	4	\$600.00	\$2,400
Subtotal - Transportation - Airfare			\$25,800
3b. Per Diem or Subsistence	Days	Rate per Day	Estimated Cost
October 2016 Board Meeting - 8 Members + 3 Staff	33	\$260.00	\$8,580
January/February 2017 Board Meeting - 8 Members + 3 Staff	33	\$260.00	\$8,580
June 2017 Board Meeting - 8 Members + 3 Staff	33	\$260.00	\$8,580
Chair Travel to two 3-Day BOT Meetings	6	\$260.00	\$1,560
Chair Travel to one 2-Day Executive Committee Meetings	2	\$260.00	\$520
Chair Travel to three 1-day TAFAC Meetings	3	\$260.00	\$780
Chair Travel to one 1-day IAC Meetings (1 included in ASB Travel)	0	\$260.00	\$0
Board Member travel to four 1-day Speaking Engagements	4	\$260.00	\$1,040
Subtotal - Per Diem or Subsistence			\$29,640
3c. Meeting Costs - Hotel Charges	Quantity	Unit Cost	Estimated Cost
October 2016 Board Meeting - 8 Members + 3 Staff	1	\$6,920.00	\$6,920
January/February 2017 Board Meeting - 8 Members + 3 Staff	1	\$6,920.00	\$6,920
June 2017 Board Meeting - 8 Members + 3 Staff	1	\$6,920.00	\$6,920
Audio/Visual Rental for 3 meetings	3	\$1,600.00	\$4,800
			\$0
Subtotal - Meeting Costs			\$25,560
Total Travel Cost			\$81,000

Grant Application Detailed Budget Worksheet

The Appraisal Foundation
1155 15th Street, N.W. Suite 1111
Washington, DC 20005

October 1, 2016 - September 30, 2017

Category: Appraisal Standards Board

4. Consultants	Days	Rate per Hour/Review	Estimated Cost	
Board Chair	150	\$75.00	\$11,250	
Board Members	650	\$75.00	\$48,750	
Total Consultants Cost			\$60,000	
5. Contracts and Sub-Grantees (List individually)	Quantity	Unit Cost	Estimated Cost	
Total Subcontracts Cost			\$0	
6. Other Direct Costs	Quantity	Unit Cost	Estimated Cost	
Office Supplies	1	\$100	\$100	
Postage and Delivery	1	550	\$550	
Printing	1	500	\$500	
Legal	30	300	\$9,000	
			\$0	
Total Other Direct Costs			\$10,150	
Subtotal of Direct Costs			\$250,943	
7. Indirect Costs	Type	Rate	Base	Estimated Cost
Calculated on Labor Costs	Fringe	29.40%	\$99,793.09	\$29,339
Calculated on Labor Costs	Overhead	66.90%	\$129,132.26	\$86,389
Total Indirect Costs				\$115,729
Total Estimated Costs (Subtotal Direct + Total Indirect)				\$366,672

Summary of ASB Estimated Costs	Estimated Cost
Personnel (Direct Labor)	\$99,793
AV Rental for Meetings	\$0
Travel	\$81,000
Consultants	\$60,000
Contracts and Sub-Grants	\$0
Other Direct Costs	\$10,150
Indirect Costs	\$115,729
Total:	\$366,672

Grant Application Detailed Budget Worksheet

The Appraisal Foundation
1155 15th Street, N.W. Suite 1111
Washington, DC 20005

October 1, 2016 - September 30, 2017

Category: Investigator Training

1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost
Steering Committee/Oversight (President)	33	\$133.33	\$4,400
Steering Committee/Oversight (VP Operations)	50	\$58.97	\$2,949
Standards Administrator	300	\$26.15	\$7,845
Director of Publications	20	\$47.97	\$959
Meeting Planning	25	\$38.97	\$974
Total Direct Labor Cost			\$17,126
2. AV Rental For Meetings			Estimated Cost
Included in Travel/Meeting expense			\$0
			\$0
			\$0
Total AV Rental for Meetings			\$0
3. Travel			
3a. Transportation - Airfare			
	Trips	Fare	Estimated Cost
Investigator Training Session	53	\$600.00	\$31,800
Investigator Training Session	53	\$600.00	\$31,800
Investigator Training Session (50 students, 2 instructors and 1 staff person)	53	\$600.00	\$31,800
			\$0
			\$0
			\$0
Subtotal - Transportation - Airfare			\$95,400
3b. Per Diem or Subsistence			
	Days	Rate per Day	Estimated Cost
Investigator Training Session (2.5 days)	132.5	\$260.00	\$34,450
Investigator Training Session (2.5 days)	132.5	\$260.00	\$34,450
Investigator Training Session (2.5 days) (50 students, 2 instructors and 1 staff person)	132.5	\$260.00	\$34,450
			\$0
			\$0
Subtotal - Per Diem or Subsistence			\$103,350
3c. Meeting Costs - Hotel Charges			
	Quantity	Unit Cost	Estimated Cost
Investigator Training Session	1	\$4,576.00	\$4,576
Investigator Training Session	1	\$4,577.00	\$4,577
Investigator Training Session	1	\$4,577.00	\$4,577
Audio/Visual Rental for 3 Sessions	3	\$1,600.00	\$4,800
Potential additional meetings, meals, extra students, etc.			\$0
Subtotal - Meeting Costs			\$18,530
Total Travel Cost			\$217,280

Grant Application Detailed Budget Worksheet

The Appraisal Foundation
1155 15th Street, N.W. Suite 1111
Washington, DC 20005

October 1, 2016 - September 30, 2017

Category: Investigator Training

4. Consultants	Days	Rate per Day	Estimated Cost	
Facilitators for 3 Classes	6	\$3,000.00	\$18,000	
Developer to update existing classes			\$6,000	
Potential New Course Development			\$20,000	
			\$0	
			\$0	
Total Consultants Cost			\$44,000	
5. Contracts and Sub-Grantees (List individually)	Quantity	Unit Cost	Estimated Cost	
Total Subcontracts Cost			\$0	
6. Other Direct Costs	Quantity	Unit Cost	Estimated Cost	
Printing of Training Materials	120	75	\$9,000	
Mailing of Training Materials	120	15	\$1,818	
			\$0	
			\$0	
			\$0	
Total Other Direct Costs			\$10,818	
Subtotal of Direct Costs			\$289,224	
7. Indirect Costs	Type	Rate	Base	Estimated Cost
Calculated on Labor Costs	Fringe	29.40%	\$17,126.04	\$5,035
Calculated on Labor Costs	Overhead	66.90%	\$22,161.10	\$14,826
Total Indirect Costs				\$19,861
Total Estimated Costs (Subtotal Direct + Total Indirect)				\$309,085

Summary of Investigator Training Estimated Costs	Estimated Cost
Personnel (Direct Labor)	\$17,126
AV Rental for Meetings	\$0
Travel	\$217,280
Consultants	\$44,000
Contracts and Sub-Grants	\$0
Other Direct Costs	\$10,818
Indirect Costs	\$19,861
Total:	\$309,085

2016 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	May 23-25, 2016	St. Louis, MO	49 attendees 22 states	Tom Lewis, Larry Disney
Level 2	Aug 1-3, 2016	St. Louis, MO	34 attendees 24 states	Dennis Badger, Don Rodgers
Level 3	Sept 19-21, 2016	St. Louis, MO	TBD	Tom Lewis, Larry Disney

2015 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	March 9-11, 2015	San Antonio, TX	42 attendees 26 states	Tom Lewis, Larry Disney
Level 2	April 20-22, 2015	Salt Lake City, UT	37 attendees 22 states	Dennis Badger, Don Rodgers
Level 3	September 28-30, 2015	Raleigh, NC	50 attendees 29 states	Tom Lewis, Maggie Hambleton

2014 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	May 19-21, 2014	Baltimore, MD	36 attendees, 21 states	Larry Disney, Tom Lewis
Level 2	June 9-11, 2014	Dallas, TX	23 attendees, 17 states	Dennis Badger, Don Rodgers
Level 3	Sept 8-10, 2014	San Diego, CA	39 attendees 22 states	Tom Lewis, Maggie Hambleton

2013 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	June 27-29, 2013	Denver, CO	46 attendees 30 states	Tom Lewis, Don Rodgers
Level 2	August 15-17, 2013	Chicago, IL	35 attendees 26 states	Dennis Badger, Larry Disney

2012 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	June 28-30th	Scottsdale, AZ	37	Dennis Badger, Nikole Avers

			24 different states & territories	
Level 2	Aug 16-18th	Tampa, FL	33 19 different states & territories	Tom Lewis, Larry Disney
Level 3	Offered in 2012	Video taping	34 - 7/11/12	Dennis Badger, Tom Lewis

2011 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	Sept. 29-Oct. 1	Chicago, IL	40 23 different states & territories	Dennis Badger, Tom Lewis
Level 2	Oct. 6-8 th	Scottsdale, AZ	23 16 different states & territories	Dennis Badger, Tom Lewis
Level 3	Taped in 2011	Video taping		Dennis Badger, Tom Lewis

2010 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	August 5-7 th	Chicago, IL	40 attendees 28 states	Dennis Badger, Tom Lewis
Level 2	September 9-11 th	Washington, DC	33 attendees 15 states	Dennis Badger, Tom Lewis
Level 2	October 28-30 th	Dallas, TX	40 attendees 21 states	Dennis Badger, Tom Lewis
Level 2	November 11-13 th	Scottsdale, AZ	40 attendees 24 states	Dennis Badger, Tom Lewis

2009 Investigator Training Courses

Course	Date	Location	Number of attendees and states	Instructors
Level 1	March 19-21 st	Scottsdale, AZ	37 attendees 10 states	Dennis Badger; Tom Lewis
Level 1	June 4-6 th	Dallas, TX	40 attendees 13 states	Dennis Badger, Tom Lewis
Level 1	August 6-8 th	Washington, DC	39 attendees 13 states	Dennis Badger, Tom Lewis
Level 1	November 12-14 th	Chicago, IL	40 attendees 13 states	Dennis Badger, Tom Lewis

	Level 1	Level 2	Level 3
Alabama	8	5	
Alaska	2	2	
Arizona	23	15	2
Arkansas	4	3	2
California	19	18	4
Colorado	12	11	4
Connecticut	3	2	2
Delaware	10	5	
District of Columbia (DC)	4	1	
Florida	16	16	4
Guam	6		
Georgia	7	4	3
Hawaii	5	4	
Idaho	13		
Illinois	14	9	2
Indiana	11	8	1
Iowa	5	4	2
Kansas	9	7	3
Kentucky	14	10	3
Louisiana	10	9	3
Maine			
Maryland	5	4	4
Massachusetts	7	4	1
Michigan	12	3	1
Minnesota	10	9	2
Mississippi	8	5	2
Missouri	2	4	2
Montana	11	3	1
Nebraska	10	6	
Nevada	1	1	
New Hampshire	16	11	7
New Jersey	4	5	1
New Mexico	6	2	
New York	7	8	3
North Carolina	4	4	3
North Dakota	6	5	4
Ohio	15	10	2
Oklahoma	5	3	1
Oregon	7	6	2

Pennsylvania	6	1	
Puerto Rico	2	2	
Rhode Island	1		
Saipan	1		
South Carolina	5	3	2
South Dakota	7	7	4
Tennessee	11	8	3
Texas	15	14	4
U.S. Virgin Islands	4	3	
Utah	5	4	
Vermont	7	5	
Virginia	11	8	
Washington	11	12	2
West Virginia	6	2	1
Wisconsin	7	1	
Wyoming	3	3	
TOTAL	433	299	87
Unique States or Territories	54	49	34

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

To: Appraisal Subcommittee

From: Jim Park, Executive Director

RE: Fiscal Year 2017 (FY17) Budget Proposal

Date: September 14, 2016

Over the past week, staff met with representatives from each available member agency separately to discuss the preliminary draft FY17 Budget. Based on those discussions, and to address concerns expressed with respect to an overall loss of \$677,882 and the proposed increase in the State grant at a time when revenue is declining and expenses are increasing, staff is proposing two budget options for consideration. Option A is the preliminary draft FY17 Budget (with revisions). Option B is essentially the same operating budget, but the State and Appraisal Foundation grants are pared back. This option would yield a budgeted loss of \$305,595.

Either option would maintain a one-year operating reserve. Option A, or the preliminary draft FY17 Budget, reflects declining revenue and increasing expenses, and anticipates the downward trend for revenue from the Appraiser Registry will continue into the foreseeable future. However, we do anticipate revenue from the AMC Registry in FY18 and almost certainly by FY19. While revenue estimates vary, it is possible that ASC revenue from the AMC Registry could increase overall annual revenue substantially given that 39 States currently have AMC programs and more States are likely to establish AMC Programs over the next two years. The anticipated increased revenue led us to propose more aggressive grant funding in Option A, and in particular to support State appraiser regulatory programs.

FY17 Budget Proposal Summary

The FY17 Budget Proposal requests operating expenses of \$3,198,235 which is a 10% decrease from the \$3,569,875 budgeted in FY16 and 3% greater than the projected actual FY16 expenses of \$3,112,383. The most significant difference with this proposed budget versus previous ASC budgets is the increased emphasis on State grants. Otherwise, both options to the budget would provide the funds needed to continue the ongoing work of the agency as well as continuing to implement Dodd-Frank Act (DFA) requirements and improve the agency's efficiency and effectiveness. Additionally, both options allow the ASC to maintain a one-year operating reserve (\$3.8-\$4.1 million). If fully implemented, Option A would draw ASC reserves down \$605,595 to \$3,815,767, and Option B would draw the reserve down by \$305,595 to \$4,115,767.

Below is a synopsis of the FY17 Budget Proposal.

Option A

- Projected Revenue (less PAYGO) – \$3,451,725
- Operating Expenses – \$3,198,235
- State Grants
 - Investigator Training - \$309,085
 - USPAP Education - \$100,000
 - Integrating Simple Object Access Protocol (SOAP) - \$100,000
- Appraisal Foundation Grant –\$350,000
- Net Income – (\$605,595)
- Projected Net Assets (reserves end of FY16) – \$4,421,363
- Projected Net Assets (reserves end of FY17) – \$3,815,767

Option B

- Projected Revenue (less PAYGO) – \$3,451,725
- Operating Expenses – \$3,198,235
- State Grants
 - Investigator Training - \$309,085
- Appraisal Foundation Grant –\$250,000
- Net Income – (\$305,595)
- Projected Net Assets (reserves end of FY16) – \$4,421,363
- Projected Net Assets (reserves end of FY17) – \$4,115,767

Please note that in both Options A and B the preliminary proposal included \$20,000 in carry over funds from FY16 for the research and development of a more robust ASC State Grant program and the \$25,000 proposed to fund development of State Education Program have been removed. They were removed in lieu of hiring the proposed Grants Administrator who will take the lead in expanding the ASC's grant program.

Revenue

FY17 revenue is projected to be \$3,451,725, including an anticipated PAYGO deduction of \$357,025. This projection is based on the following assumptions:

- Annual Appraiser Registry Fee of \$40 per State credential
- An average of 95,220 credentials on the Appraiser Registry throughout FY17
- No AMC Registry fees collected in FY17

Since 2010, the number of credentials on the Appraiser Registry has declined 1%-3% annually. Given the lack of new entrants and the number of appraisers leaving the profession, we are projecting an additional 2.5% decline over FY17 to 95,220 credentials on the Appraiser Registry by the end of FY17.

ASC Operating Expenditures

Personnel Compensation

The FY17 Budget Proposal includes fourteen full-time employees (FTEs), including the addition of one FTE to be added mid-year. Staff proposes a Grants Administrator to assist with the anticipated increased grant making needs once the AMC Registry is operational.

A cost of living increase of 1.6% has been included in the salary projections based upon the President's proposed FY17 increase. Within grade increases (WGI) are included in the salary figures for three staff based on the dates of the projected increases.

\$11,000 is requested for ASC staff training in FY17. This represents a 57% increase over the FY16 training budget of \$7,000. There are two main reasons for the requested increase. In FY16 the \$7,000 budget was insufficient to meet some training requests and we are anticipating 2 additional FTEs (one new FTE and one replacement). In FY16, out of the \$7,000 budgeted, \$5,130 or 73% was utilized.

Individual Performance Awards totaling \$20,438 were approved and paid during FY16; the projected cash awards amount for FY17 is \$21,045. This represents a 3% increase over cash awards paid during FY16 and is due to WGIs.

Personnel Benefits

Through July 2016, personnel benefits (i.e. health insurance, retirement and the monthly public transportation subsidy) accounted for approximately 23.6% of total agency personnel services costs with a 25% budgeted amount. For FY17, we are estimating a rate of 27% for personnel benefits, representing a 6% increase over the FY16 estimated rate.

A transportation subsidy of \$14,040 is proposed for FY17. Nine staff persons are expected to use this benefit at a monthly rate of \$130 per person. This represents a 13% increase of the FY16 budgeted amount of \$115 per month for nine persons.

Transportation of Things

This reflects UPS shipping services under the GSA contract, as well as local courier deliveries. In FY16, we estimated the amount of these services at \$1,152. Due to increases in publication notices, we project these costs to increase to approximately \$1,300. During FY17, we expect some increases in rulemaking and publication notices. Therefore, we estimate \$1,400 or an 8% increase in the cost of these services.

Special Projects

Appraisal Complaint National Hotline

The Hotline has been in operation since March 15, 2013. The projected monthly cost to operate the Hotline is \$265 or \$3,180 annually.

Rulemaking

\$10,000 is budgeted for expenditures associated with the publication notices and Federal Register printing costs for Rulemaking and other activities pursuant to the DFA.

Travel

Similar to previous years, the majority of travel is related to oversight of the State appraiser regulatory programs and monitoring of the Appraisal Foundation. In FY16, 146 trips were budgeted and 116 are projected to be taken. For FY17, we are budgeting for 134 trips. In FY17, we anticipate a 7% decrease in the average cost per trip based on actual FY16 expenses. Actual travel expenses for FY16 are projected to be over \$84,000 or 35% below budget for the following reasons. Staff took 30 fewer trips than budgeted and the average cost of the trips taken was approximately \$240 less than budget on average.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
						(C)+(D)+(E)	(A)*(F)				(G)+(H)+(I)
	No. of Trips	Average # of Days	Airfare	Hotels	M&IE	Average Cost Per Trip	Sub-Total Expense	Local Travel	Car Rental	Guam & CNMI *	Total Expense
FY 16 Travel Expenses (Budgeted)	146	4	\$700	\$560	\$380	\$1,640	\$239,440	\$410	\$4,290		\$244,140
FY 17 Travel Expenses (Budgeted)	134	4	\$410	\$535	\$455	\$1,400	\$187,600	\$410	\$3,790	\$0	\$191,800

The table above presents a summary of the FY17 and FY16 budgets for travel expenses.

In summary, for FY17 we estimate the following:

- \$1,400 average trip expense
 - \$410 average air fare charges
 - \$535 for an average hotel stay (consisting of 4 nights at \$134 per night)
 - \$455 for M&IE (consisting of \$91 per day for 5 days)

In comparison, the FY16 budget included the following:

- \$1,640 average trip expense
 - \$700 average air fare charges
 - \$560 for an average hotel stay (consisting of 4 nights at \$160 per night)
 - \$380 for M&IE (consisting of \$76 per day for 5 days)

The rental car budget is decreased from \$4,290 in FY16 to \$3,790 in FY17. Based on actual FY16 car rentals, we estimate fewer FY17 trips to locations requiring a rental car. Local travel reimbursements (parking and taxis) remain constant at \$410 in FY17 from FY16.

FY17 Travel			
Trips	Persons	Total Trips	Purpose
27.5	2	55	Compliance Reviews - 3 days, 2 people
3	1	3	Follow-up Compliance Reviews
10	1	10	Supervising/Training - Exec. Dir.(2)/Dep. Exec Dir (5)/Other(3)
12	1	12	Priority Contact Visit
2	2	4	Policy Manager meetings in DC
9	2	18	Appraisal Foundation Meetings (APB, ASB, AQB, BOT)
1	10	10	Conference Attendance (AARO-Spring)
1	2	2	Conference Attendance (AARO-in DC)
2	1	2	ARELLO Mid-Year and Annual Conference
3	2	6	AF Investigator Training
1	7	7	Grant Education Development Session
5	1	5	Speaking Engagements
		134	

The table above presents a summary of anticipated FY17 trips, including:

Compliance Reviews: 28 State Compliance Reviews are budgeted. Each Compliance Review includes at least two Policy Managers. Additionally, ten supervisory trips are budgeted for the Executive Director, Deputy Executive Director and Attorney-Advisor. Travel expense estimates are based on government contract air fares (if available), lodging and per diem. FY17 airfare expenses are projected to be lower than airfares in FY16.

Follow-up Reviews: Three Follow-up Reviews are anticipated in FY17, comparable to the same number in FY16.

Supervising/Training: Ten Reviews are anticipated in FY17, comparable to nine in FY16.

Priority State Contacts: Twelve Priority Contact visits are anticipated in FY17, as opposed to seventeen in FY16.

Policy Manager Meetings in DC: Two Policy Manager meetings will be held in DC. Each meeting is scheduled for two days in length, requiring travel for two Policy Managers. All other staff required to attend are in the local area.

Appraisal Foundation Meetings (ASB, AQB, APB and BOT): Nine Appraisal Foundation board meetings are scheduled for FY17. Two ASC staff members generally monitor the ASB, AQB and BOT meetings and one will monitor the APB meetings.

Conference Attendance: The FY17 budget includes travel for two out-of-town staff to attend the Association of Appraiser Regulatory Officials (AARO) Fall 2016 Conference in DC. The other eight staff will not require reimbursement for travel since they are in the local area. Ten staff persons will attend the Spring 2017 AARO Conference in Tampa, FL. One staff member is budgeted to attend the Mid-Year and Annual Conference of the Association of Real Estate Licensing Law Officials.

Training Attendance: The budget includes travel for three trips for two staff members to attend three State Investigator Training Courses.

Grant Education Development Workshop: The budget includes travel for five Investigator Training instructors and two Steering Committee members to attend a Grant Education Development Workshop.

Speaking Engagements: Similar to FY16, five out-of-town speaking engagements are projected in FY17.

Rent, Communications and Utilities

Rent

FY17 will be the ninth year of a ten-year lease for our office space. The current rent amount for FY16 is \$20,392 per month for a total of \$244,703 annually. In FY17, we are expecting a slight escalation to roughly \$20,541 per month or \$246,494 annually.

Telephone Service (Office and cellular)

Telephone service charges for FY17 are budgeted at \$35,514 representing a 30% decrease from the budgeted FY16 amount of \$50,190.

Cellular Telephone

There are twelve employees who are provided a cell phone and air card for internet access. The average monthly cost for all cell phones and air cards in FY17 will be approximately \$1,215 for a total annual cost of \$14,578 compared to \$1,337 per month in FY16 for a total annual amount of \$16,044 representing a 10% cost reduction.

Office Phone System

The lease for the voice over internet protocol (VOIP) service expires in September 2018. This lease consists of: (1) VOIP service budgeted at \$19,456 annually; (2) Analog phone service (for fax machine) budgeted at \$480 annually; and (3) \$1,000 for conference calls, mainly for conference calls with the ASC, ASC staff and the States.

Postage

For FY17, \$41 per month was budgeted.

Westlaw

This service provides legal research tools and is estimated to cost \$10,800 for FY17. The cost for this service in FY16 was \$10,300.

Parking

One parking space is provided at \$290 per month.

Printing and Reproduction

Federal Register printing expenses for FY17 are estimated to be \$10,000. The ASC publishes ASC Meeting Notices and will be publishing additional items this year relating to rulemaking. \$2,000 is also budgeted for printing in the Code of Federal Regulations.

The copier lease expense for FY17 is estimated to be \$4,885. A \$15,610 expense is included for printing and layout of the Annual Report, as well as other miscellaneous printing jobs such as business cards. This amount remains unchanged from the FY16 budget.

Contracted Services

GSA

Financial services, previously provided by GSA, have been modified to include the USDA. The Service Level Agreement (SLA) amount for USDA/GSA support shows a 48% cost increase for these services over the FY16 budgeted amount of \$46,640. Given the uncertainty of the actual increase in FY17, a 4% cost increase is budgeted over the FY16 actual amount of \$69,116 for these services, or \$71,976.

ASC Audit and Appraisal Foundation Grant Review

Based on prior years' cost increases, we anticipate a 3% increase for the ASC annual audit fees, increasing the cost in FY17 to approximately \$19,570. We also anticipate an increase of 3% for the FY17 Appraisal Foundation Grant Review (\$7,500 to \$7,725).

Contracted Legal Services

The amount of \$80,000 was budgeted for the potential cost of detailing an attorney from a member agency to provide legal assistance with rulemaking in FY16. Since the initiation of the detail took more time than anticipated, for FY17, we have budgeted \$42,565 or 53% of the FY16 approved cost.

Federal Docket Management System (FDMS)

The ASC has a Memorandum of Understanding with the FFIEC to share the costs of the FDMS. We anticipate the same amount of \$10,000 in FY17 expenses as was budgeted and approved in FY16.

IT Services

IT Contracted Services

- **Website Hosting, Internet Connectivity and Managed DNS Services:** The FY17 Budget Proposal contains \$37,108 or \$3,092 monthly to host the ASC Website and provide the internet connection. In FY16 the amount budgeted for these services was \$29,100 or \$2,425 per month. This represents a 27.5% increase over FY16.
- **Design Consultation:** 57 hours at \$140/hour totaling roughly \$8,000 annually.
- **Microsoft Office 365 Cloud Back-up and Disaster Recovery:** \$30,000 total annually.
- **OnPar 365 Support:** \$3,900 annually.
- **Project Fund Appropriation:** Contingency amount of \$30,000 budgeted to cover anticipated expenses for projects not covered under Firm-Fixed Price contract or IT Projects line item categories.

Maintenance of Website and National Registry

We anticipate \$30,000 in FY17 expenses for this bundled service. This amount represents a 50% decrease of the FY16 contracted amount of \$60,000. The anticipated decreased cost is due to the expected completion of the rebuild of the Appraiser Registry.

Help Desk Services

For FY17, \$42,000 is budgeted for the IT contractor to provide help desk services on an as-needed basis. This is a 14% reduction of the FY16 approved amount of \$48,750. This decrease is based on actual time and expenses incurred in FY16.

Hardware

FY17 hardware costs (computer and printers) are estimated at \$4,000. The ASC purchased new staff laptops in FY16, thereby reducing this line item for FY17.

License and SSL Renewals

\$1,724 is budgeted for FY17 software license and renewals. This represents a 72% reduction in the FY16 budgeted amount of \$6,134.

IT Projects

Since IT Projects are under completion and operational efficiencies (cloud migration, MS Office 365 implementation, National Registry redesigns, new server purchases) are being realized, we expect FY17 and subsequent fiscal years' expenditures, for these categories, to decrease.

- **Unique Identifier Number**

We estimate \$7,500 to complete the design and roll-out of the unique identification number for the Appraiser Registry.

- **ASC Website Redesign**

We estimate \$125,000 to develop and launch the new ASC Website. The newly designed website will increase functionality for both State Users and the General Public. The current website has been in effect since 2009 and the proposed rebuild will allow the ASC to maintain 508 Compliance and ensure that the Registry is available to all users. This should be a one-year budget project.

- **SOAP Consultation Services**

Simple Object Access Protocol (SOAP) allows States to update the National Registry in real time. Due to an increased interest in SOAP in FY17, we are estimating \$15,000 in expenses to assist States in integrating the SOAP system into their database platforms. In FY16, we budgeted \$30,000, but discovered the time required to implement the SOAP process is significantly less than expected.

These are consultative services not considered to be part of the State grants.

- **Compliance Review Application**

This project is meant to automate the State Compliance Review process. If approved, it will allow ASC staff the ability to create electronic Compliance Review Reports as well as provide a database of all Compliance Review related materials. We expect to begin this project very early in FY17. The estimated cost to develop this software is \$15,000.

Supplies

Anticipated FY17 office supply expenses are projected at \$16,000 representing a 16% reduction from the FY16 budgeted amount of \$19,000.

Miscellaneous

The budgeted amount for FY17 is \$21,000. This covers Bar dues for legal staff, staff professional appraisal credentials and other miscellaneous expenses. \$10,000 is also included for spring and fall 2017 AARO registration fees. Additional furniture purchases for the office are also planned.

Federal Grants

State Grant(s)

Option A

The ASC could begin expanding the State Grant Program outside of the State Investigator Training Program. For FY17, ASC staff included \$100,000 to assist States with the cost of integrating their systems with the National Registry through SOAP. SOAP allows States to update appraiser records in the National Registry in a real-time basis. Timely updates of appraiser records are important so that lenders, consumers and other users of appraisal services can verify that an appraiser's credential is active and if that appraiser has any current public disciplinary actions. The cost for each State could vary significantly. However, we are estimating the average cost per State to be approximately \$10,000 - \$15,000.

Staff also recommends that the ASC consider budgeting \$100,000 to reimburse States for staff or board members to complete the 7-hour or 15-hour National USPAP Courses. The ASC Policy Statements require that individuals reviewing complaints and appraisal experience submissions be knowledgeable in USPAP.

None of these funds will be expended until the ASC has approved new policies and procedures to administer the grants.

ASC staff recommends continuing to make grant funds available for the State Investigator Training Program. The FY17 Budget Proposal includes \$309,085 to fund the Program in FY17.

Option B

Option B removes the \$100,000 budgeted to assist States with the cost of integrating their systems with the National Registry through SOAP and the \$100,000 to reimburse State board members and staff for USPAP education. Under this option, staff would still request the authority to hire a Grants Administrator. New grant development (outside of Investigator Training) would wait until this individual developed a more robust overall grant program.

Appraisal Foundation Grant

The Foundation is requesting \$765,827 in grant funding for FY17. Staff is recommending that the ASC approve \$350,000 (Option A) or \$250,000 (Option B) of their request. This is consistent with the Foundation grants over the past two years. Either amount adequately defrays the Foundation's grant-eligible expenses.

Sequestration

According to the Office of Management and Budget (OMB), sequestration for FY17 will be 6.9% of available cash receipts. Applying the 6.9% sequestration against the estimated available receipts for FY17 of \$3,451,725 would produce a FY17 sequestered amount of \$238,169. Based on total receipts collected in FY16, we estimate our FY16 available receipts, subject to sequestration, to be \$3,502,287. Therefore, the application of a 6.8% reduction against the available receipts is projected to be \$238,155. The amount of total receipts consists of payments remitted by the States for registry fee payments during a given fiscal year (including incremental and deferred amounts). The total of available receipts consists of receipts collected, less the PAYGO requirement amount (25% of the \$15 incremental fee). We have confirmed with the OMB that due to the establishment of (legal) justification for access to ASC sequestered funds, all funds sequestered in current years will, in fact, be made available in subsequent fiscal years.

Conclusion

The FY17 Operating Budget Proposal reflects anticipated operating expenses that are slightly increased over the projected actual FY16 expenses and significantly below the FY16 Budget. The budgeted FY17 increase over the projected FY16 expenses is mainly due to increased personnel expenses (one additional FTE). It should also be noted that we are projecting overall FY16 expenses to be less than budget due to cost savings and time delays on several IT projects.

If the FY17 Operating Budget is approved as proposed, and the Board selects Option A the overall budgeted loss would be \$605,595. If the Board selects Option B the budgeted loss would be \$305,595. In either case, the ASC would maintain a one-year operating reserve.

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Attachments:

FY17 Proposed Budget Spreadsheets (Option A & Option B)
ASC Reserves and Revenue Chart 2012 – 2017
ASC Staff Organizational Chart

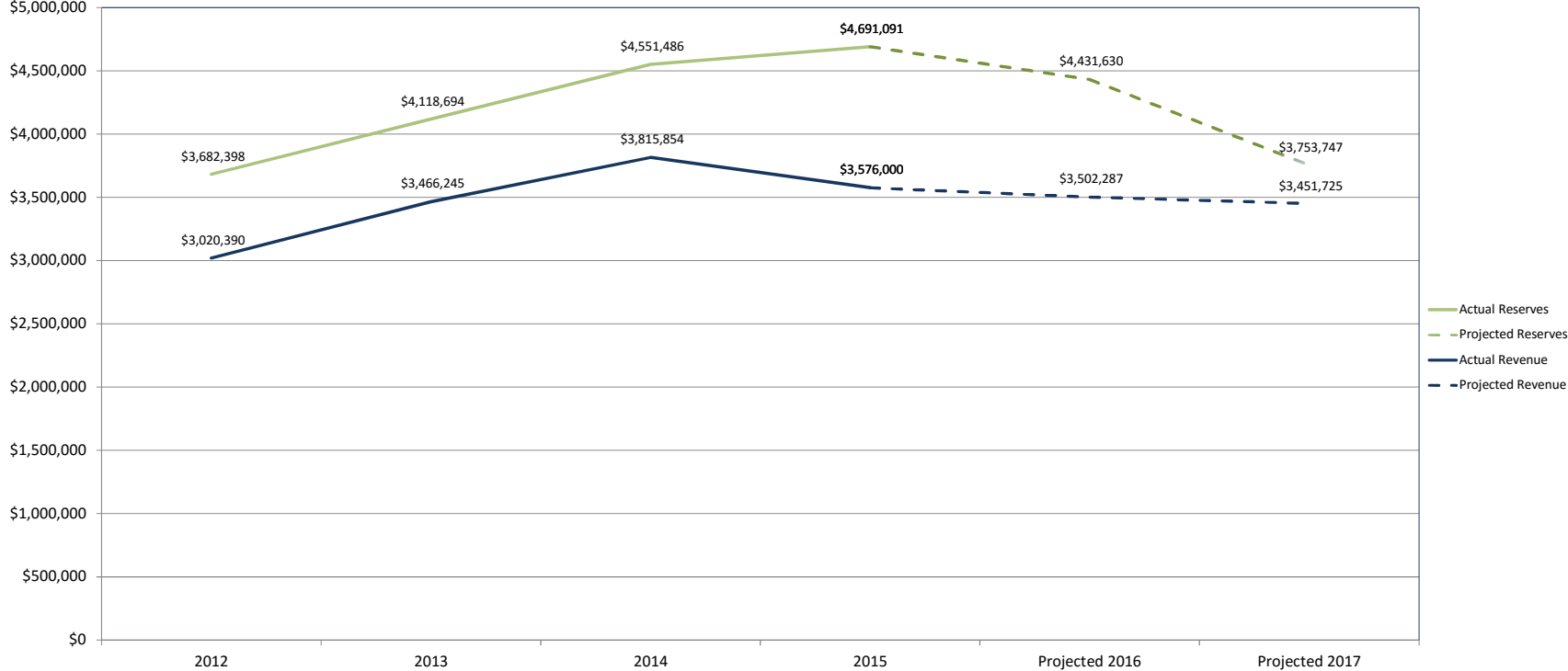
**ASC FY17 Proposed Budget
Option A**

	Budget FY17	Approved Budget FY16	Projected FY16	Diff. FY16 Budg. Vs Proj.	Approved Budget FY15	Actual FY15
Estimated Revenues:						
Registry Fees	\$ 3,808,800	\$ 3,960,000	\$ 3,864,806	\$ (95,194)	\$ 3,950,993	\$ 3,928,688
Less 25% Pay-Go Requirement	\$ 357,075	\$ 371,250	\$ 362,519	\$ (8,731)	\$ 370,406	\$ 352,688
Total Revenues	\$ 3,451,725	\$ 3,588,750	\$ 3,502,287	\$ (86,463)	\$ 3,580,587	\$ 3,576,000
Expenses:						
Personnel Compensation:						
Salaries	\$ 1,632,086	\$ 1,667,570	\$ 1,640,101	\$ 27,469	\$ 1,507,556	\$ 1,493,710
Personnel Benefits	\$ 446,345	\$ 422,204	\$ 418,511	\$ 3,694	\$ 473,820	\$ 435,048
Training	\$ 11,000	\$ 7,000	\$ 5,130	\$ 1,870	\$ 10,000	\$ 7,628
Cash Awards	\$ 21,045	\$ 21,248	\$ 20,438	\$ 810	\$ 20,895	\$ 18,922
Transportation Subsidy	\$ 14,040	\$ 12,420	\$ 6,848	\$ 5,572	\$ 16,200	\$ 7,520
Total Compensation:	\$ 2,124,516	\$ 2,130,442	\$ 2,091,028	\$ 39,414	\$ 2,028,471	\$ 1,962,827
Transportation of Things:	\$ 1,400	\$ 1,152	\$ 1,300	\$ (148)	\$ 2,260	\$ 1,108
Special Projects:						
Dodd-Frank Hotline	\$ 3,180	\$ 3,180	\$ 4,630	\$ (1,450)	\$ 3,180	\$ 3,180
Rulemaking pursuant to DFA (publication notices, printing, etc.)	\$ 10,000	\$ 25,000	\$ 19,000	\$ 6,000	\$ 120,000	\$ 82,442
State Grant Policies & Procedures	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	\$ -
Travel:						
Compliance Review	\$ 77,000	\$ 103,320	\$ 85,363	\$ 17,957	\$ 91,780	\$ 89,492
Follow-up Review	\$ 4,200	\$ 4,920	\$ 3,064	\$ 1,856	\$ 5,295	\$ 6,490
Supervising/Training	\$ 14,000	\$ 14,760	\$ 2,881	\$ 11,879	\$ 15,885	\$ 23
Priority Contact/EWS	\$ 16,800	\$ 27,880	\$ 2,388	\$ 25,492	\$ 17,650	\$ 11,126
Policy Manager Spring Meeting	\$ 5,600	\$ 6,560	\$ 3,024	\$ 3,536	\$ 7,060	\$ 6,395
Appraisal Foundation Meetings	\$ 25,200	\$ 29,520	\$ 21,495	\$ 8,025	\$ 31,770	\$ 21,698
Conferences:						
AARO - Spring	\$ 14,000	\$ 16,400	\$ 16,406	\$ (6)	\$ 15,885	\$ 18,772
AARO - Fall	\$ 2,800	\$ 3,280	\$ 3,933	\$ (653)	\$ 3,530	\$ 4,897
ARELLO Conference	\$ 2,800	\$ 3,280	\$ 1,500	\$ 1,780	\$ 3,530	\$ 132
Investigator Training -Staff Travel	\$ 8,400	\$ 9,840	\$ 1,895	\$ 7,945	\$ 10,590	\$ 4,985
Grant Education Development	\$ 9,800	\$ 11,480	\$ 7,449	\$ 4,031	\$ 12,355	\$ -
Speaking engagements	\$ 7,000	\$ 8,200	\$ 5,857	\$ 2,343	\$ 8,825	\$ 7,857
Car Rental & Local Travel	\$ 4,200	\$ 4,700	\$ 4,743	\$ (43)	\$ 2,995	\$ 3,696
Total Travel:	\$ 191,800	\$ 244,140	\$ 160,000	\$ 84,140	\$ 227,150	\$ 175,563
Rent, Comm., & Utilities:						
Rent	\$ 246,494	\$ 245,357	\$ 241,680	\$ 3,677	\$ 245,258	\$ 230,453
Telephone Service (incl. office & cell phones)	\$ 35,514	\$ 50,190	\$ 40,689	\$ 9,501	\$ 54,616	\$ 42,981
Postal service	\$ 488	\$ 480	\$ 739	\$ (259)	\$ 460	\$ 457
WestLaw	\$ 10,802	\$ 10,300	\$ 10,000	\$ 300	\$ 9,516	\$ 9,989
Parking	\$ 3,478	\$ 3,420	\$ 4,672	\$ (1,252)	\$ 3,360	\$ 3,078
Total Rent, Comm, Utilities:	\$ 296,776	\$ 309,747	\$ 297,779	\$ 11,968	\$ 313,210	\$ 286,957
Printing and Reproduction:						
Federal Register/CFR	\$ 12,000	\$ 17,000	\$ 6,396	\$ 10,604	\$ 17,000	\$ 4,678
Copying	\$ 4,885	\$ 4,800	\$ 5,820	\$ (1,020)	\$ 4,740	\$ 3,941
Printing	\$ 15,610	\$ 15,610	\$ 13,363	\$ 2,247	\$ 16,500	\$ 15,049
Total Printing & Copying:	\$ 32,495	\$ 37,410	\$ 25,579	\$ 11,831	\$ 38,240	\$ 23,669
Contracted Services:						
GSA	\$ 71,976	\$ 46,640	\$ 69,116	\$ (22,476)	\$ 45,860	\$ 44,239
OPM Survey (Perf. Appraisal Mgt.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,630
Annual audit of ASC	\$ 19,570	\$ 19,000	\$ 19,500	\$ (500)	\$ 18,525	\$ 18,500
State Education Development Program	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -
Contracted Legal Svcs	\$ 42,565	\$ 80,000	\$ 15,000	\$ 65,000	\$ -	\$ -
Review of AF Grant	\$ 7,725	\$ 6,630	\$ 7,500	\$ (870)	\$ 6,000	\$ 6,500
FDMS	\$ 10,000	\$ 10,000	\$ 7,062	\$ 2,938	\$ 8,000	\$ 5,000
Total Other Services:	\$ 151,836	\$ 237,270	\$ 118,178	\$ 119,092	\$ 78,385	\$ 101,869
IT Services:						
IT Contracted Services	\$ 109,008	\$ 171,400	\$ 106,942	\$ 64,458	\$ 82,821	\$ 40,203
Maint. of Website & National Registry	\$ 30,000	\$ 60,000	\$ 44,919	\$ 15,081	\$ -	\$ 22,348
Help Desk Services	\$ 42,000	\$ 48,750	\$ 52,332	\$ (3,582)	\$ 35,000	\$ 58,533
Total IT Contracted Services:	\$ 181,008	\$ 280,150	\$ 204,194	\$ 75,956	\$ 117,821	\$ 121,084
Hardware	\$ 4,000	\$ 25,000	\$ 25,247	\$ (247)	\$ 7,150	\$ 10,862
Servers & Software	\$ -	\$ 15,000	\$ 21,517	\$ (6,517)	\$ 24,700	\$ 10,913
License & SSL Renewals	\$ 1,724	\$ 6,134	\$ 4,804	\$ 1,330	\$ 5,069	\$ 6,753
Total Ongoing Annual Services:	\$ 186,732	\$ 326,284	\$ 255,762	\$ 70,522	\$ 154,740	\$ 149,613
IT Projects:						
National Registry of AMC's	\$ -	\$ 75,000	\$ 50,000	\$ 25,000	\$ 75,000	\$ 23,800
Unique Identifier Number	\$ 7,500	\$ 15,000	\$ 15,000	\$ -	\$ 50,000	\$ 34,506
Rebuild of National Registry of Appraisers	\$ -	\$ 75,000	\$ 50,000	\$ 25,000	\$ 75,000	\$ -
ASC Website Redesign	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -
SOAP Consultation Services	\$ 15,000	\$ 30,000	\$ 3,025	\$ 26,975	\$ 30,000	\$ 3,836
Compliance Review Application	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total IT Projects:	\$ 162,500	\$ 195,000	\$ 118,025	\$ 76,975	\$ 230,000	\$ 62,142
Total Computer Services:	\$ 349,232	\$ 521,284	\$ 373,787	\$ 147,497	\$ 384,740	\$ 211,755
Supplies and Materials:	\$ 16,000	\$ 19,000	\$ 19,000	\$ -	\$ 21,300	\$ 14,763
Miscellaneous:	\$ 21,000	\$ 21,250	\$ 2,102	\$ 19,148	\$ 6,200	\$ 3,261
Total Operating Budget	\$ 3,198,235	\$ 3,569,875	\$ 3,112,383	\$ 457,491	\$ 3,243,136	\$ 2,867,395
Federal Grants:						
AF Grant	\$ 350,000	\$ 350,000	\$ 350,000	\$ -	\$ 250,000	\$ 250,000
USPAP Education	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
SOAP Grants to States	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
Investigator Training	\$ 309,085	\$ 309,632	\$ 309,632	\$ -	\$ 319,000	\$ 319,000
Total Federal Grants	\$ 859,085	\$ 659,632	\$ 659,632	\$ -	\$ 569,000	\$ 569,000
2017 Total Expenses	\$ 4,057,320	\$ 4,229,507	\$ 3,772,015	\$ 457,491	\$ 3,812,136	\$ 3,436,395
Revenue Less Expenses	(\$605,595)	(\$640,757)	(\$269,728)	\$371,028	(\$231,549)	\$139,605
Reserve Balance	3,815,767		4,421,363			4,691,091

**ASC FY17 Proposed Budget
Option B**

	Budget FY17	Approved Budget FY16	Projected FY16	Diff. FY16 Budg. Vs Proj.	Approved Budget FY15	Actual FY15
Estimated Revenues:						
Registry Fees	\$ 3,808,800	\$ 3,960,000	\$ 3,864,806	\$ (95,194)	\$ 3,950,993	\$ 3,928,688
Less 25% Pay-Go Requirement	\$ 357,075	\$ 371,250	\$ 362,519	\$ (8,731)	\$ 370,406	\$ 352,688
Total Revenues	\$ 3,451,725	\$ 3,588,750	\$ 3,502,287	\$ (86,463)	\$ 3,580,587	\$ 3,576,000
Expenses:						
Personnel Compensation:						
Salaries	\$ 1,632,086	\$ 1,667,570	\$ 1,640,101	\$ 27,469	\$ 1,507,556	\$ 1,493,710
Personnel Benefits	\$ 446,345	\$ 422,204	\$ 418,511	\$ 3,694	\$ 473,820	\$ 435,048
Training	\$ 11,000	\$ 7,000	\$ 5,130	\$ 1,870	\$ 10,000	\$ 7,628
Cash Awards	\$ 21,045	\$ 21,248	\$ 20,438	\$ 810	\$ 20,895	\$ 18,922
Transportation Subsidy	\$ 14,040	\$ 12,420	\$ 6,848	\$ 5,572	\$ 16,200	\$ 7,520
Total Compensation:	\$ 2,124,516	\$ 2,130,442	\$ 2,091,028	\$ 39,414	\$ 2,028,471	\$ 1,962,827
Transportation of Things:	\$ 1,400	\$ 1,152	\$ 1,300	\$ (148)	\$ 2,260	\$ 1,108
Special Projects:						
Dodd-Frank Hotline	\$ 3,180	\$ 3,180	\$ 4,630	\$ (1,450)	\$ 3,180	\$ 3,180
Rulemaking pursuant to DFA (publication notices, printing, etc.)	\$ 10,000	\$ 25,000	\$ 19,000	\$ 6,000	\$ 120,000	\$ 82,442
State Grant Policies & Procedures	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ 20,000	\$ -
Travel:						
Compliance Review	\$ 77,000	\$ 103,320	\$ 85,363	\$ 17,957	\$ 91,780	\$ 89,492
Follow-up Review	\$ 4,200	\$ 4,920	\$ 3,064	\$ 1,856	\$ 5,295	\$ 6,490
Supervising/Training	\$ 14,000	\$ 14,760	\$ 2,881	\$ 11,879	\$ 15,885	\$ 23
Priority Contact/EWS	\$ 16,800	\$ 27,880	\$ 2,388	\$ 25,492	\$ 17,650	\$ 11,126
Policy Manager Spring Meeting	\$ 5,600	\$ 6,560	\$ 3,024	\$ 3,536	\$ 7,060	\$ 6,395
Appraisal Foundation Meetings	\$ 25,200	\$ 29,520	\$ 21,495	\$ 8,025	\$ 31,770	\$ 21,698
Conferences:						
AARO - Spring	\$ 14,000	\$ 16,400	\$ 16,406	\$ (6)	\$ 15,885	\$ 18,772
AARO - Fall	\$ 2,800	\$ 3,280	\$ 3,933	\$ (653)	\$ 3,530	\$ 4,897
ARELLO Conference	\$ 2,800	\$ 3,280	\$ 1,500	\$ 1,780	\$ 3,530	\$ 132
Investigator Training -Staff Travel	\$ 8,400	\$ 9,840	\$ 1,895	\$ 7,945	\$ 10,590	\$ 4,985
Grant Education Development	\$ 9,800	\$ 11,480	\$ 7,449	\$ 4,031	\$ 12,355	\$ -
Speaking engagements	\$ 7,000	\$ 8,200	\$ 5,857	\$ 2,343	\$ 8,825	\$ 7,857
Car Rental & Local Travel	\$ 4,200	\$ 4,700	\$ 4,743	\$ (43)	\$ 2,995	\$ 3,696
Total Travel:	\$ 191,800	\$ 244,140	\$ 160,000	\$ 84,140	\$ 227,150	\$ 175,563
Rent, Comm., & Utilities:						
Rent	\$ 246,494	\$ 245,357	\$ 241,680	\$ 3,677	\$ 245,258	\$ 230,453
Telephone Service (incl. office & cell phones)	\$ 35,514	\$ 50,190	\$ 40,689	\$ 9,501	\$ 54,616	\$ 42,981
Postal service	\$ 488	\$ 480	\$ 739	\$ (259)	\$ 460	\$ 457
WestLaw	\$ 10,802	\$ 10,300	\$ 10,000	\$ 300	\$ 9,516	\$ 9,989
Parking	\$ 3,478	\$ 3,420	\$ 4,672	\$ (1,252)	\$ 3,360	\$ 3,078
Total Rent, Comm, Utilities:	\$ 296,776	\$ 309,747	\$ 297,779	\$ 11,968	\$ 313,210	\$ 286,957
Printing and Reproduction:						
Federal Register/CFR	\$ 12,000	\$ 17,000	\$ 6,396	\$ 10,604	\$ 17,000	\$ 4,678
Copying	\$ 4,885	\$ 4,800	\$ 5,820	\$ (1,020)	\$ 4,740	\$ 3,941
Printing	\$ 15,610	\$ 15,610	\$ 13,363	\$ 2,247	\$ 16,500	\$ 15,049
Total Printing & Copying:	\$ 32,495	\$ 37,410	\$ 25,579	\$ 11,831	\$ 38,240	\$ 23,669
Contracted Services:						
GSA	\$ 71,976	\$ 46,640	\$ 69,116	\$ (22,476)	\$ 45,860	\$ 44,239
OPM Survey (Perf. Appraisal Mgt.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,630
Annual audit of ASC	\$ 19,570	\$ 19,000	\$ 19,500	\$ (500)	\$ 18,525	\$ 18,500
State Education Development Program	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -
Contracted Legal Svcs	\$ 42,565	\$ 80,000	\$ 15,000	\$ 65,000	\$ -	\$ -
Review of AF Grant	\$ 7,725	\$ 6,630	\$ 7,500	\$ (870)	\$ 6,000	\$ 6,500
FDMS	\$ 10,000	\$ 10,000	\$ 7,062	\$ 2,938	\$ 8,000	\$ 5,000
Total Other Services:	\$ 151,836	\$ 237,270	\$ 118,178	\$ 119,092	\$ 78,385	\$ 101,869
IT Services:						
IT Contracted Services	\$ 109,008	\$ 171,400	\$ 106,942	\$ 64,458	\$ 82,821	\$ 40,203
Maint. of Website & National Registry	\$ 30,000	\$ 60,000	\$ 44,919	\$ 15,081	\$ -	\$ 22,348
Help Desk Services	\$ 42,000	\$ 48,750	\$ 52,332	\$ (3,582)	\$ 35,000	\$ 58,533
Total IT Contracted Services:	\$ 181,008	\$ 280,150	\$ 204,194	\$ 75,956	\$ 117,821	\$ 121,084
Hardware	\$ 4,000	\$ 25,000	\$ 25,247	\$ (247)	\$ 7,150	\$ 10,862
Servers & Software	\$ -	\$ 15,000	\$ 21,517	\$ (6,517)	\$ 24,700	\$ 10,913
License & SSL Renewals	\$ 1,724	\$ 6,134	\$ 4,804	\$ 1,330	\$ 5,069	\$ 6,753
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Total Federal Grants	\$ 559,085	\$ 659,632	\$ 659,632	\$ -	\$ 569,000	\$ 569,000
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Revenue Less Expenses	(\$305,595)	(\$640,757)	(\$269,728)	\$371,028	(\$231,549)	\$139,605
Reserve Balance	4,115,767		4,421,363			4,691,091

Appraisal Subcommittee Reserves & Revenue (2012 - 2017)



Appraisal Subcommittee Organizational Chart

