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Appraisal Subcommittee
*Federal Financial Institutions Examination
Council*

Briefing Agenda

Date: August 23, 2018
Time: 10:00 a.m.
Location: ASC Office Building
1401 H Street NW, 1st Floor Conference Center
Washington, DC 20005

Briefing Topic(s)

FY19 Appraisal Foundation Grant Proposal	J. Park
○ Foundation Grant for ASB and AQB	
○ State Grant for State Investigator Training	
Appraisal Foundation FY18 State Investigator Training Grant Reprogramming Request	J. Park

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

Memorandum

To: Appraisal Subcommittee

From: Jim Park, Executive Director

RE: Appraisal Foundation Grant Proposal FY19

Date: August 16, 2018

Attached is the Appraisal Foundation FY19 Grant Proposal requesting funding in the amount of \$1,010,000. Of this total, \$280,000 is requested for State investigator training and \$730,000 is requested for grant-eligible activities of the Appraisal Standards Board and Appraiser Qualifications Board. This will be discussed at the August 23rd ASC Briefing.



August 6, 2018

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 2018-2019 Federal Grant Proposal for your review and consideration. We are requesting support in the amount of \$1,010,000 for the period October 1, 2018 through September 30, 2019. Of this total, \$730,000 is for Title XI related expenses of the Appraisal Standards Board (ASB) and Appraiser Qualifications Board (AQB) and \$280,000 is for state investigator training.

Key points of our request include:

Appraiser Qualifications Board: After receiving the largest amount of public input in its history, the AQB adopted revisions to the *Criteria* on February 1, 2018, which became effective on May 1, 2018. Updates include:

- Removal of the college-level education requirement for the Licensed Residential classification;
- Establishment of alternatives to the Bachelor's Degree requirement for the Certified Residential classification;
- Creation of an alternative track for competent and ethical Licensed Residential appraisers to move to the Certified Residential classification without satisfying the college-level education requirement; and

- Reduction in the experience hour requirements for the Licensed Residential, Certified Residential, and Certified General classifications.

This action has been well-received by all major stakeholders and the AQB is now working with the state appraiser regulators toward smooth implementation.

The AQB also opted to continue a more rigorous examination of the *Practical Applications of Real Estate Appraisal* (PAREA) concept. This project will be a major focus for 2018-19, and possibly beyond. If adopted, PAREA could allow individuals an alternative method to obtain much of the experience required (perhaps 75%) to obtain a credential, which has been a significant hurdle under the current supervisor/trainee mentorship model. Through the use of on-line simulated properties, trainees could be exposed to an almost unlimited number of valuation conditions.

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

Appraisal Standards Board: The ASB conducted a comprehensive survey of stakeholders late last year to determine a) what areas of USPAP need further clarification, and b) what emerging issues currently not addressed by USPAP should be included in the next edition of USPAP. Taking that input into consideration, the ASB is currently in the process of issuing a series of exposure drafts for possible revisions to the next edition of USPAP. A major concept being exposed is changing the current two reporting formats to a single list of elements that must be addressed in an appraisal report. The change under consideration would also provide the appraiser with more latitude regarding intended users of the report.

State Investigator Training: The current series of Investigator Training courses receives excellent ratings by attendees, with a combined average score of 4.6 out of 5 in post-program surveys. Likewise, the course instructors receive very high marks, averaging 4.81 on a 5-point scale. Due to this continued success, we propose conducting three course offerings during the 2018-19 grant cycle, one for each of the three levels. Since enrollment in recent years for the upper levels has been below the 50-student capacity, we are reducing the anticipated number of students for two of the three levels. This results in a \$30,000 reduction of the investigator training funding request from the \$310,000 awarded last year.

Mr. James Park
August 6, 2018
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We appreciate the support provided by the Appraisal Subcommittee over the years and look forward to our meeting later this month. In the meantime, please do not hesitate to contact Edna Nkemngu, Director 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

Enclosure



THE APPRAISAL FOUNDATION

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

2018-2019 Grant Proposal

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

August 6, 2018

**THE APPRAISAL FOUNDATION
2018-2019 GRANT PROPOSAL
TO
THE APPRAISAL SUBCOMMITTEE**

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**THE APPRAISAL FOUNDATION
FEDERAL GRANT PROPOSAL
OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019**

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-seven 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 appraisal.

The Appraisal Foundation appreciates the opportunity to submit this 2018-2019 grant proposal to the Appraisal Subcommittee.

STATEMENT OF WORK - 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 license or 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 Program to Improve USPAP Education*
- II. *The Course Approval Program*
- III. *The University Degree Review Program*
- IV. *The Personal Property Qualification Criteria*

Following is the AQB business plan for the 2018-19 time frame.

MAJOR ISSUES FOR THE BOARD

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

As reported previously, the AQB adopted the following revisions to the *Criteria* on February 1, 2018, which became effective on May 1, 2018:

- Removal of college-level education requirement for the Licensed Residential classification;
- Alternatives to the Bachelor's Degree requirement for the Certified Residential classification;

- Creation of an alternative track for competent and ethical Licensed Residential appraisers to move to the Certified Residential classification without satisfying the college-level education requirement; and
- Revisions to the experience requirements for the Licensed Residential, Certified Residential, and Certified General classifications.

The AQB also opted to continue a more vigorous examination of the *Practical Applications of Real Estate Appraisal* (PAREA) concept, which will be a major focus for 2018-19, and possibly beyond. If adopted, PAREA could allow individuals an alternative method to obtain much of the experience required (perhaps 75%) to obtain a credential, which has been a significant hurdle under the current supervisor/trainee mentorship model. Through the use of on-line simulated properties, trainees could be exposed to an almost unlimited number of valuation issues.

In addition to PAREA, the AQB will continue assisting appraisers, users of appraisal services, education providers, state appraiser regulatory agencies, and others with properly understanding the May 1, 2018 *Criteria* changes.

II. *National Uniform Licensing and Certification Examinations*

As reported in prior business plans, the *National Uniform Licensing and Certification Examinations* were implemented on January 1, 2008, in conjunction with the updated (2008) *Criteria*.

As with prior years, the Board will again oversee drafting of additional exam questions by its ongoing groups of Subject Matter Experts (SMEs). The Board meets face-to-face with its SMEs and exam consultant every two years. The next face-to-face meeting will occur in 2019.

New forms of the exam for each classification are put into use on January 1 each year.

III. *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 2018-19 will include the following:

- 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.
- 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.
- After adoption of any changes to USPAP by the Appraisal Standards Board (ASB) in early 2019, the AQB will work with the ASB to ensure the Instructor Recertification Course and Instructor Certification Course are updated by the required deadlines.

IV. Course Approval Program

The AQB will continue to administer the Course Approval Program in 2018-19. This program reviews and approves USPAP equivalent courses as well as appraisal courses and seminars for both qualifying and continuing education. As of July 31, 2018, there are over 300 qualifying and continuing education courses approved through CAP.

V. 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 nine undergraduate college and university programs. Six graduate programs have been reviewed and approved. Additional schools are currently being reviewed.

VI. 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, the *Personal Property Criteria* became effective on January 1, 2018. The Board will be responsive to any questions or issues that arise as a result.

VII. Veterans Outreach

On November 30, 2017, the Appraisal Subcommittee wrote the Foundation and encouraged us, and in particular the AQB, to explore opportunities to bring military service veterans into a career in real estate appraisal following their military service. The Board of Trustees fully endorsed this idea and appointed a Veterans Outreach Task Force, which includes a member of the AQB. We have met with numerous service organizations as well as the Department of Veterans Affairs.

2018-19 MEETING SCHEDULE

Beginning this year, all public meetings of the AQB are being live steamed. This has resulted in at least a tenfold increase in the number of individuals observing the meetings. In addition to the meetings shown below, if additional meetings are deemed necessary, the Board will schedule such meetings (including offering alternative formats, such as webinars) when necessary.

September 27-28, 2018	Raleigh, North Carolina
May 2-3, 2019	Denver, Colorado (held in conjunction with the Spring meeting of the Association of Appraiser Regulatory Officials)
Fall 2019	TBD

In addition to the meetings identified above, the Board will conduct monthly conference call meetings in the months where it does not otherwise meet.

2018/2019 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.

STATEMENT OF WORK - 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 non-binding guidance 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.

**2018-2019 BUSINESS PLAN
FOR THE
APPRAISAL STANDARDS BOARD**

I. USPAP Issues to be Addressed

On February 3, 2017, the ASB adopted revisions for the 2018-19 edition of USPAP. The Board incorporated those revisions into USPAP, the Advisory Opinions and *Frequently Asked Questions*, and the 2018-19 edition of USPAP was available to the public by the October 1, 2017 deadline.

To assist in determining what changes, if any, are appropriate for the 2020-21 edition of USPAP, the Board issued a survey to 500 key stakeholders in early September 2017, containing a list of potential areas for revision, along with background and rationale to support consideration of the issues.

Using responses from the survey, the Board published a Discussion Draft document on January 30, 2018, asking for feedback on potential revisions to the following areas of USPAP:

- Reporting Options
- Scope of Work Rule
- Comments in Standards Rules
- Definitions
- Review of Advisory Opinions
- Other edits to improve clarity and enforceability of USPAP

The Board accepted written comments on the Discussion Draft through April 6, as well as verbal comments at its public meeting on April 20.

After carefully examining the feedback received from the Discussion Draft, the ASB issued its First Exposure Draft of Proposed Changes for the 2020-21 edition of USPAP on May 22, accepting written comments through July 15. The ASB intends to publish the Second Exposure Draft in mid-August, with additional exposure drafts to follow as needed. This exposure and comment period will run through 2018, with the adoption of any changes occurring in early 2019. Changes for the 2020-21 edition of USPAP will be adopted in early 2019. USPAP and the related courses will be available to the public by October 1, 2019.

A significant issue that faces the Board (as well as The Appraisal Foundation) is the frequency of change in USPAP. Based on feedback from the Board's constituents, it is envisioned that USPAP will change from a two-year cycle to a four-year cycle in the

future. The precise timing of this change remains uncertain; however, planning and preparation are currently being evaluated.

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 2020-21 USPAP publication
- Remove FAQs from the 2018-19 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 for the 2018-19 USPAP document, the Board also updated the USPAP content for various educational offerings. After adoption of any revisions for the 2020-21 edition of USPAP in early 2019, the Board will:

- Provide instructors for a Spring 2020 offering of the Instructor Certification Course.
- 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, including webinars hosted by TAF.

IV. 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.

V. Additional Responsibilities

The Board will also continue to perform ancillary services such as:

- *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
- *International Valuation Standards Committee (IVSC)*
 - The Board will continue to work with the IVSC to evaluate international valuation standards

2018-19 MEETING SCHEDULE

Beginning this year, all public meetings of the ASB are being live steamed. This has resulted in at least a tenfold increase in the number of individuals observing the meetings. The following meetings are currently scheduled for the Board:

October 18-19, 2018	Washington, DC (in conjunction with IAC and AARO)
Early 2019	TBD
October 17-18, 2019	Washington, DC (in conjunction with IAC and AARO)

In addition to the meetings identified above, the Board will conduct monthly conference call meetings in the months where it does not otherwise meet.

2018-19 DLIVERABLES

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

The Appraisal Foundation (Foundation) and the Association for Appraiser Regulatory Officials (AARO) are committed to continuing joint efforts to train state regulators. On July 20, 2017, the organizations renewed and signed the Memorandum of Understanding for the *Collaboration for Appraiser Regulator Training (CART)* agreement covering the next three years.

Since 2009, under the guidance of a joint Foundation-AARO steering committee, we have conducted 29 State Investigator Training Course offerings attended by more than 1022 attendees (state investigators, attorneys, administrative/support staff, and board members). 524 attendees have taken Level I, 344 have taken Level II, and 154 have taken the Level III course that was added as an offering in 2014^[1]. 54 of the 55 jurisdictions that regulate appraisers have participated in at least one Level I course, 51 have participated in at least one Level II course, and 39 have participated in at least one Level III course. (Appendix II)

Since 2017, all three levels have been held in Tampa, Florida. The hotel in Tampa meets all training site requirements including a safe location, hotel rooms at government per diem rates, great meeting spaces, affordable lunch options, close proximity to the airport and restaurants, and a very attentive hotel staff. The student evaluations reflect a high rating for the location and the hotel. The hotel was great to work with when disaster struck. The originally scheduled Level 3 training in Tampa on September 11-13, 2017 was rescheduled for December 3-5, 2017 due to Hurricane Irma. The 2019 site selection process will take seasonal weather activity into consideration.

Breakout sessions were added to the Level II and III courses in 2017. Designed to satisfy the attendees' requests for more case studies, real life examples, and discussions, the breakout sessions gave smaller groups more interactive time with each other in facilitated study. The breakouts remained a feature in 2018 and continue to receive high

^[1] The 2018 Level III course is scheduled for August 27-29, 2018. There are 22 students from 14 states registered to attend.

ratings from attendees and instructors in post-course surveys. From the comments received:

- *Networking with other regulatory officials was excellent.*
- *Open dialogue with participants was very helpful. I liked learning how investigators in other jurisdictions perform investigations.*
- *Really like the charts matrix, USPAP book, hands on and practical items that I can take back with me to be used in my investigations. Also enjoy the decision from other state investigators/representatives*

In 2018, the courses continue to be led by a team of two instructors. The instructor team meets prior to the beginning of each course to prepare and determine which sections each will lead as well as the logistics for the breakout sessions. Instructors continue to receive very high scores in post-course student surveys. The average instructor score is 4.81 on a 5-point scale.

As the program matures, we will continue to review data and survey information and accordingly make adjustments. An area of adjustment needed in the upcoming grant cycle is in the amount of funding requested. After a surge in attendees over the last couple of years, program attendance is beginning to level off. In 2018, the Level II and Level III attendee numbers have declined, and therefore we are budgeting for 40 instead of 50 attendees for those levels in 2019. As state reimbursement for attendee travel is the primary driver of the cost for investigator training, the 2019 grant request is significantly less.

With the end of the first decade of the Investigator Training program upon us, the Foundation with the encouragement of the Appraisal Subcommittee, is seeking the insight of a professional trained in instructional design. An instructional designer reviews course delivery mechanisms, information sequences, and overall course design through the lens of optimizing student learning. In that regard, David Layne, an experienced and trained instructional designer, will attend the Level III course in August of 2018. He will then provide his observations and suggestions to the Steering Committee. The 2019 grant proposal includes funding should his recommendation be that updates to the courses would make the training more robust and effective.

The success of the Investigator Training program is manifested through the collaborative efforts of the Foundation, AARO and the Appraisal Subcommittee. With this program, a corps of hundreds of people from across the country have been professionally trained and armed with the knowledge needed to increase consistency in enforcement.

Attached please find two documents:

- A listing of all of the investigator training sessions conducted over the past ten 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:

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 are available for purchase via the Foundation website and are not eligible for continuing education credit. To date, about 20 state appraiser regulatory agencies have used this disciplinary option.

We are currently surveying state appraiser regulators to identify topics for additional courses.

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 has been updated to reflect the 2018 edition of USPAP.

Foundation YouTube Channel

The Appraisal Foundation has produced a series of video training sessions, some designed specifically for state appraiser regulators and others for all appraisers. We

have videos entitled “2018-2019 USPAP Update for State Appraiser Regulators” and “A Mock Administrative Law Hearing” which were both recorded at AARO Conferences.

Other videos include:

- Understanding the Real Property Appraiser Regulatory System
- The AQB Real Property Appraiser Qualification Criteria Changes Effective 2015
- The Responsibilities of the Appraisal Practices Board
- An Introduction to Green Buildings and Their Valuation.

KEY PERSONNEL:

Adam Johnston, Chair, Board of Trustees:

Adam Johnston is the Chief Appraiser and Director of Investigations, Appraisals & Ops Shared Services of Genworth Financial in Raleigh, North Carolina.

As Chief Appraiser of the U.S. Mortgage Insurance operations of Genworth Financial, Adam leads a team of licensed appraisers in providing quality assurance and subject matter expertise to all functions of U.S. Mortgage Insurance Operations. In addition, he leads functional teams that provide fraud/compliance investigation, project management, process improvement, and policies & procedures documentation services across Genworth's U.S. Mortgage Insurance organization. Prior to Genworth, Adam's roles include serving as a Chief Appraiser of a national settlement services company, owning a small appraisal firm, and working for a regional bank as a staff appraiser.

Adam is a frequent speaker at mortgage events, he also teaches courses for loan officers and underwriters.

Adam holds the SRA designation and the AI-RRS Review designation with the Appraisal Institute.

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.

Mark A. Lewis, Chair, Appraiser Qualifications Board:

Mark A. Lewis, ARA, RPRA has been engaged in real estate appraisals and consultation since 1984. Mark began his appraisal career as a contract appraiser for Dickerson-Seely & Associates, Inc., a full service appraisal firm in Lufkin, Texas. Today he and Scott Seely own and manage the firm, now known as Lewis & Seely Appraisals, Inc.

Mark joined the American Society of Farm Managers and Rural Appraisers (ASFMRA) in 1996 and earned his ARA designation in 1999 and his RPRA designation in 2014. He has served ASFMRA as President of the Texas Chapter, Chair of the Appraisal Education/Accreditation Committee, and District V Experience Review Chairman. In 2007, he was awarded the H. E. "Bulk" Stalcup Excellence in Education Award by ASFMRA. He is presently Vice-Chair of the Appraiser Qualifications Board (AQB) of The Appraisal Foundation. On a local level, he has also served as President of the Lufkin Multiple Listing Service and Chair of the Grievance Committee for the Lufkin Association of Realtors.

Mark has been lead instructor for many of ASFMRA's core courses and was actively involved in the writing and design of the current Cost, Sales Comparison, and Income Approach courses. He has also taught and authored many seminars on various subjects through the years and is an AQB Certified USPAP Instructor.

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.

Kelly Davids, Vice President

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.

Edna Nkemngu, 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. Prior to serving at The Foundation, Ms. Nkemngu worked as an accountant for a sole proprietorship. 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.

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 2018-19 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, 2018 - September 30, 2019			
Budget Category	AQB	ASB	INVESTIGATOR TRAINING	Total Budget Estimate
Personnel (Direct Labor)	\$68,280	\$115,414	\$25,252	\$208,946
Travel	\$76,020	\$61,380	\$177,540	\$314,940
Consultants	\$76,850	\$45,900	\$28,000	\$150,750
Contracts and Sub-Grants	\$50,000	\$0	\$0	\$50,000
Other Direct Costs	\$17,666	\$5,462	\$19,924	\$43,052
Indirect Costs **	\$79,184	\$133,844	\$29,284	\$242,312
Total:	\$368,000	\$362,000	\$280,000	\$1,010,000

Grant Application Detailed Budget Worksheet

The Appraisal Foundation 1155 15th Street, N.W. Suite 1111 Washington, DC 20005		October 1, 2018 - September 30, 2019	
Category: Appraiser Qualifications Board			
1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost
President	70	\$133.33	\$9,333
Director of Appraisal Issues	275	\$84.36	\$23,199
Qualifications Board Manager	825	\$43.33	\$35,747
Total Direct Labor Cost			\$68,280
2. AV Rental For Meetings			Estimated Cost
Included in Board Travel/Meeting Costs			\$0
Total AV Rental for Meetings			\$0
3. Travel			
3a. Transportation - Airfare	Trips	Fare	Estimated Cost
May 2019 Board Meeting - 8 Members + 5 Staff	13	\$500.00	\$6,500
Certified General Subject Matter Expert Meeting	7	\$500.00	\$3,500
Certified Residential Subject Matter Expert Meeting	7	\$500.00	\$3,500
Licensed Residential Subject Matter Expert Meeting	7	\$500.00	\$3,500
Chair Travel to two 3-Day BOT Meetings	2	\$500.00	\$1,000
Chair Travel to 2 IAC Meetings	2	\$500.00	\$1,000
Chair Travel to 2 TAFAC Meetings and 1 joint IAC/TAFAC meeting	3	\$500.00	\$1,500
Board Member travel to six 1-day Speaking Engagements	6	\$500.00	\$3,000
Board Member travel for University Degree Program Reviews two for 3 Trips	6	\$500.00	\$3,000
Board Member travel for three Exam Site Visits	3	\$500.00	\$1,500
Subtotal - Transportation - Airfare			\$28,000
3b. Per Diem or Subsistence	Days	Rate per Day	Estimated Cost
May 2019 Board Meeting - 8 Members + 5 Staff	39	\$260.00	\$10,140
Certified General Subject Matter Expert Meeting	7	\$260.00	\$1,820
Certified Residential Subject Matter Expert Meeting	7	\$260.00	\$1,820
Licensed Residential Subject Matter Expert Meeting	7	\$260.00	\$1,820
Chair Travel to two 3-Day BOT Meetings	6	\$260.00	\$1,560
Chair Travel to 2 IAC Meetings	2	\$260.00	\$520
Chair Travel to 2 TAFAC Meetings and 1 joint IAC/TAFAC meeting	3	\$260.00	\$780
Board Member travel to six 1-day Speaking Engagements	6	\$260.00	\$1,560
Board Member travel for University Degree Program Reviews two for 3 Trips	6	\$260.00	\$1,560
Board Member travel for three Exam Site Visits	3	\$260.00	\$780
Subtotal - Per Diem or Subsistence			\$20,020
3c. Meeting Costs - Hotel Charges	Quantity	Unit Cost	Estimated Cost
May Board Meeting - 8 Members + 5 Staff	1	\$9,000.00	\$9,000
Certified General Subject Matter Expert Meeting	1	\$3,000.00	\$3,000
Certified Residential Subject Matter Expert Meeting	1	\$3,000.00	\$3,000
Licensed Residential Subject Matter Expert Meeting	1	\$3,000.00	\$3,000
Audio/Visual Rental for 4 Meetings	4	\$2,500.00	\$10,000
Subtotal - Meeting Costs			\$28,000
Total Travel Cost			\$76,020

Grant Application Detailed Budget Worksheet

The Appraisal Foundation 1155 15th Street, N.W. Suite 1111 Washington, DC 20005	October 1, 2018 - September 30, 2019			
Category: Appraiser Qualifications Board				
4. Consultants	Days	Rate per Day	Estimated Cost	
Board Chair	100	\$75.00	\$7,500	
Board Members - Criteria	600	\$75.00	\$45,000	
Board Members - Degree Review Program	100	\$75.00	\$7,500	
Board Members - Exam Meetings	58	\$75.00	\$4,350	
Subject Matter Experts for Exam Development			\$10,000	
Subject Matter Experts for Exam Development - 500 Questions @ \$5.00 each			\$2,500	
			\$0	
Total Consultants Cost			\$76,850	
5. Contracts and Sub-Grantees (List individually)	Quantity	Unit Cost	Estimated Cost	
Exam Psychometric Consultant			\$50,000	
Total Subcontracts Cost			\$50,000	
6. Other Direct Costs	Quantity	Unit Cost	Estimated Cost	
Office Supplies			\$4,000	
Postage & Delivery			\$166	
Printing - Criteria Booklets			\$10,000	
Legal			\$3,000	
Dues, Subscriptions, Registrations			\$500	
Total Other Direct Costs			\$17,666	
Subtotal of Direct Costs			\$288,816	
7. Indirect Costs	Type	Rate	Base	Estimated Cost
Calculated on Labor Costs	Fringe	29.40%	\$68,280.35	\$20,074
Calculated on Labor Costs	Overhead	66.90%	\$88,354.77	\$59,109
Total Indirect Costs				\$79,184
Total Estimated Costs (Subtotal Direct + Total Indirect)				\$368,000

Summary of AQB Estimated Costs	Estimated Cost
Personnel (Direct Labor)	\$68,280
Travel	\$76,020
Consultants	\$76,850
Contracts and Sub-Grants	\$50,000
Other Direct Costs	\$17,666
Indirect Costs	\$79,184
Total:	\$368,000

Grant Application Detailed Budget Worksheet

The Appraisal Foundation 1155 15th Street, N.W. Suite 1111 Washington, DC 20005		October 1, 2018 - September 30, 2019	
Category: Appraisal Standards Board			
1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost
President	70	\$133.33	\$9,333
Director of Appraisal Issues	700	\$84.36	\$59,052
Standards Board Manager	1,310	\$35.90	\$47,029
Total Direct Labor Cost			\$115,414
2. AV Rental For Meetings			Estimated Cost
Included in Board Travel/Meeting Costs			\$0
Total AV Rental for Meetings			\$0
3. Travel			
3a. Transportation - Airfare	Trips	Fare	Estimated Cost
October 2018 Board Meeting - 8 Members + 5 Staff	13	\$500.00	\$6,500
1st Qtr 2019 Board Meeting - 8 Members + 5 Staff	13	\$500.00	\$6,500
Chair Travel to two 3-Day BOT Meetings	2	\$500.00	\$1,000
Chair Travel to 1 IAC Meeting (2 included in ASB travel)	1	\$500.00	\$500
Chair Travel to 2 TAFAC Meetings and 1 joint IAC/TAFAC meeting	3	\$500.00	\$1,500
Board Member travel to six 1-day Speaking Engagements	6	\$500.00	\$3,000
Subtotal - Transportation - Airfare			\$19,000
3b. Per Diem or Subsistence	Days	Rate per Day	Estimated Cost
October 2018 Board Meeting - 8 Members + 5 Staff	39	\$260.00	\$10,140
1st Qtr 2019 Board Meeting - 8 Members + 5 Staff	39	\$260.00	\$10,140
Chair Travel to two 3-Day BOT Meetings	6	\$260.00	\$1,560
Chair Travel to 1 IAC Meeting (2 included in ASB travel)	1	\$260.00	\$260
Chair Travel to 2 TAFAC Meetings and 1 joint IAC/TAFAC meeting	3	\$260.00	\$780
Board Member travel to six 1-day Speaking Engagements	6	\$260.00	\$1,560
Subtotal - Per Diem or Subsistence			\$22,880
3c. Meeting Costs - Hotel Charges	Quantity	Unit Cost	Estimated Cost
October 2018 Board Meeting - 8 Members + 5 Staff	1	\$6,000.00	\$6,000
1st Qtr 2019 Board Meeting - 8 Members + 5 Staff	1	\$6,000.00	\$6,000
Audio/Visual	2	\$3,750.00	\$7,500
Subtotal - Meeting Costs			\$19,500
Total Travel Cost			\$61,380

Grant Application Detailed Budget Worksheet

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

October 1, 2018 - September 30, 2019

Category: Appraisal Standards Board

4. Consultants	Days	Rate per Hour/Review	Estimated Cost	
Board Chair	112	\$75.00	\$8,400	
Board Members	500	\$75.00	\$37,500	
Total Consultants Cost			\$45,900	
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	
Legal			\$2,000	
Postage & Delivery			\$1,000	
Printing			\$1,500	
Office Supplies			\$462	
Dues, Subscriptions, Registrations			\$500	
Total Other Direct Costs			\$5,462	
Subtotal of Direct Costs			\$228,156	
7. Indirect Costs	Type	Rate	Base	Estimated Cost
Calculated on Labor Costs	Fringe	29.40%	\$115,414.10	\$33,932
Calculated on Labor Costs	Overhead	66.90%	\$149,345.85	\$99,912
Total Indirect Costs				\$133,844
Total Estimated Costs (Subtotal Direct + Total Indirect)				\$362,000

Summary of ASB Estimated Costs	Estimated Cost
Personnel (Direct Labor)	\$115,414
Travel	\$61,380
Consultants	\$45,900
Contracts and Sub-Grants	\$0
Other Direct Costs	\$5,462
Indirect Costs	\$133,844
Total:	\$362,000

Grant Application Detailed Budget Worksheet

The Appraisal Foundation 1155 15th Street, N.W. Suite 1111 Washington, DC 20005		October 1, 2018 - September 30, 2019	
Category: Investigator Training			
1. Personnel (Direct Labor)	Estimated Hours	Rate per Hour	Estimated Cost
President	45	\$133.33	\$5,933
Steering Committee/Oversight (VP)	65	\$84.62	\$5,458
Steering Committee/Oversight (Director of Appraisal Issues)	30	\$84.36	\$2,531
Director of Publications	29	\$50.26	\$1,458
Standards Board Program Manager	275	\$35.90	\$9,873
Total Direct Labor Cost			\$25,252
2. AV Rental For Meetings			Estimated Cost
Included in hotel charges			\$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	43	\$600.00	\$25,800
Investigator Training Session (50 students level I, 40 students Levels II and III, 2 instructors and 1 staff person)	43	\$600.00	\$25,800
Subtotal - Transportation - Airfare			\$83,400
3b. Per Diem or Subsistence	Quantity	Rate per Day	Estimated Cost
Investigator Training Session (3 days)	53	\$260.00	\$13,780
Investigator Training Session (3 days)	43	\$260.00	\$11,180
Investigator Training Session (3 days) (50 students level I, 40 students Levels II and III, 2 instructors and 1 staff person)	43	\$260.00	\$11,180
Subtotal - Per Diem or Subsistence			\$36,140
3c. Meeting Costs - Hotel Charges	Quantity	Unit Cost	Estimated Cost
Investigator Training Session	1	\$16,000.00	\$16,000
Investigator Training Session	1	\$13,500.00	\$13,500
Investigator Training Session	1	\$13,500.00	\$13,500
Audio/Visual Rental for 3 Sessions	3	\$5,000.00	\$15,000
Subtotal - Meeting Costs			\$58,000
Total Travel Cost			\$177,540

Grant Application Detailed Budget Worksheet

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

October 1, 2018 - September 30, 2019

Category: Investigator Training

4. Consultants	Days	Rate per Day	Estimated Cost	
Facilitators for 3 Classes	6	\$3,000.00	\$18,000	
Instructional design and update to existing courses			\$10,000	
Total Consultants Cost			\$28,000	
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	140	120	\$16,800	
Mailing of Training Materials	140		\$3,124	
Total Other Direct Costs			\$19,924	
Subtotal of Direct Costs			\$250,716	
7. Indirect Costs	Type	Rate	Base	Estimated Cost
Calculated on Labor Costs	Fringe	29.40%	\$25,252.02	\$7,424
Calculated on Labor Costs	Overhead	66.90%	\$32,676.11	\$21,860
Total Indirect Costs				\$29,284
Total Estimated Costs (Subtotal Direct + Total Indirect)				\$280,000

Summary of Investigator Training Estimated Costs	Estimated Cost
Personnel (Direct Labor)	\$25,252
Travel	\$177,540
Consultants	\$28,000
Contracts and Sub-Grants	\$0
Other Direct Costs	\$19,924
Indirect Costs	\$29,284
Total:	\$280,000

2018 Investigator Training Courses

Course	Date	Location	Attendees & States	Instructors
Level 1	June 4-6, 2018	Tampa, FL	43 attendees 26 states	Tom Lewis, Larry Disney
Level 2	July 9-11, 2018	Tampa, FL	26 attendees 20 states	Don Rodgers, Larry Disney
Level 3	August 27-29, 2019	Tampa, FL	__ attendees __ states	Tom Lewis, Larry Disney

2017 Investigator Training Courses

Course	Date	Location	Attendees & States	Instructors
Level 1	May 8-10, 2017	Tampa, FL	48 attendees 29 states	Tom Lewis, Larry Disney
Level 2	July 10-12, 2017	Tampa, FL	45 attendees 26 states	Dennis Badger, Don Rodgers, Deloris L. Kraft- Longoria
Level 3	December 4-6, 2017	Tampa, FL	32 Attendees 23 states	Tom Lewis, Larry Disney, Craig Steinley

2016 Investigator Training Courses

Course	Date	Location	Attendees & 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	37 attendees 22 states	Tom Lewis, Larry Disney

2015 Investigator Training Courses

Course	Date	Location	Attendees & States	Instructors
Level 1	March 9-11, 2015	San Antonio, TX	42 attendees 26 states	Tom Lewis, Larry Disney

Appendix I

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	Attendees & 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	Attendees & States	Instructors
Level 1	June 27-29	Denver, CO	46 attendees 30 states	Tom Lewis, Don Rodgers
Level 2	August 15-17	Chicago, IL	35 attendees 26 states	Dennis Badger, Larry Disney

2012 Investigator Training Courses

Course	Date	Location	Attendees & States	Instructors
Level 1	June 28-30th	Scottsdale, AZ	37 24 different states & territories	Dennis Badger, Nikole Avers
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

Appendix I

Course	Date	Location	Attendees & 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	Attendees & 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	Attendees & 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

Appendix II

	Level 1	Level 2	Level 3
Alabama	10	5	4
Alaska	6	2	
Arizona	27	15	4
Arkansas	6	3	2
California	21	18	9
Colorado	13	11	6
Connecticut	3	2	2
Delaware	13	5	1
District of Columbia (DC)	5	1	
Florida	25	16	11
Guam	6	1	
Georgia	8	4	3
Hawaii	7	4	
Idaho	13		
Illinois	18	9	6
Indiana	15	8	1
Iowa	9	4	5
Kansas	11	7	4
Kentucky	14	10	4
Louisiana	10	9	4
Maine			
Maryland	5	4	4
Massachusetts	7	4	1
Michigan	12	3	1
Minnesota	13	9	2
Mississippi	8	5	3
Missouri	2	4	3
Montana	14	3	1
Nebraska	11	6	2
Nevada	3	1	
New Hampshire	19	11	8
New Jersey	4	5	3
New Mexico	8	2	1
New York	11	8	6
North Carolina	4	4	3
North Dakota	9	5	5
Ohio	18	10	6

Oklahoma	6	3	1
Oregon	8	6	4
Pennsylvania	9	1	1
Puerto Rico	2	2	1
Rhode Island	1		
Mariana Islands	1		
South Carolina	5	3	3
South Dakota	8	7	6
Tennessee	11	8	3
Texas	18	14	6
U.S. Virgin Islands	4	3	
Utah	6	4	1
Vermont	9	5	
Virginia	14	8	4
Washington	14	12	5
West Virginia	9	2	2
Wisconsin	7	1	1
Wyoming	4	3	1
TOTAL	524	344	154
Unique States or Territories	54	51	39

■ ■ ■ ■ ■ ■ ■

Appraisal Subcommittee

Federal Financial Institutions Examination Council

TO: Appraisal Subcommittee

FROM: Jim Park

DATE: August 23, 2018

RE: Appraisal Foundation Reprogramming Request

The Appraisal Foundation submitted the attached Reprogramming Request on July 20, 2018. Staff has the following comments regarding the request.

For several years, ASC staff has been suggesting to the Foundation that a professional course developer should be considered to develop the course materials. Production of the course materials is difficult, time consuming and expensive. The courses are produced and updated by the instructors who have generally been State regulatory program employees moonlighting as course developers and instructors. While this has not proven to be a problem with instruction of the courses, it has been an issue in developing and updating the courses. For example, the instructional slides and the meeting binders are not always aligned as they should be and lack the quality that a professional course developer would likely produce.

This year, the instructor hired to update the courses was unable to fulfill his commitment. The Foundation did not step in until the courses were several months overdue, thereby threatening the Foundation's ability to update the courses timely. Over the years, ASC staff asked the instructors on several occasions if they would be in favor of having an independent course developer produce the course materials, with the instructors acting as subject matter experts. The reaction has always been favorable.

The FY18 Investigator Training Grant Proposal included \$20,000 to "review and update existing classes" which was not completed. The Foundation is now asking to reprogram \$5,000 to contract with Mr. Layne, a former Chairman of the Board of Trustees (BOT), to complete a review and assessment of the Investigator Training Courses and provide recommendations for future improvement.

Staff has several concerns:

- it does not appear to be well thought out with a clear outcome and deliverables
- there is little or no indication that Mr. Layne has appropriate experience to provide these services

While staff supports an independent review and course development for the Investigator Training Program, due to Mr. Layne's relationship with the Foundation, staff is concerned about the potential conflict of interest. Therefore, we recommend that the ASC deny this Reprogramming Request.



July 20, 2018

Jim Park, Executive Director
Appraisal Subcommittee
1401 H Street N.W. Suite 760
Washington, D.C. 20005

RE: Grant #ASC00097

Dear Jim:

This letter is to request a repurposing of the 2017-18 Investigator Training grant award designated for consultants.

The approved 2017-18 grant includes \$5,000 for “potential new course development” under the Consultants category. We are now aware that any new ASC-funded courses would be subject to a Request for Proposal (RFP) process and awarded under a separate grant. Therefore, we would like to use those appropriated funds for a different, yet equally worthwhile purpose.

The current series of Investigator Training courses receives excellent ratings by attendees, with a combined average score of 4.6 out of 5 in post-program surveys. Likewise, the course instructors receive very high marks, averaging 4.81 on a 5-point scale. These attendee’s scores along with comments received give us insight about the training and any updates we should consider for improvement.

We believe there would be additional benefit in having the series reviewed by an outside professional trained in Instructional Design. Instructional Design looks at courses at a high level; determining how well each course is meeting its learning objectives and outcomes. It considers learning environments and teaching methodologies to maximize student learning. After such initial assessment, Instructional Designers can then take the course content and make changes to the presentation order and methods so that there is greater likelihood that the information will be absorbed and retained, and learning objectives met.

We are seeking permission to use the \$5,000 consulting funds appropriated for “potential new course development” to instead hire a professional Instructional Designer to complete a review

and assessment of the Investigator Training Courses and provide recommendations for future improvement. The professional we wish to engage is David Layne who is also a certified general appraiser. He has a post-master's degree in Adult Education from Syracuse University and has completed courses in Instructional Design, Development, and Education (IDDE). His experience includes completion of instructional design projects and his activities, now, are solely centered in education and writing. He is a former Chair of the Foundation's Board of Trustees, but since he is no longer a Trustee, there are no conflicts in our hiring him to do this work.

To complete the review and assessment, Mr. Layne would:

- 1) Attend the Level III Investigator Training course to observe it live, and talk with students, instructors, and staff; and
- 2) Review all the current Level I, II, and III materials as well as the completed course surveys from the last couple of years.

He would then deliver a report with recommendations for us to consider by September 30, 2018.

Thank you for your consideration. We look forward to your favorable reply.

Sincerely,

A handwritten signature in black ink that reads "David S. Bunton". The signature is written in a cursive style with a long horizontal stroke at the end.

David S. Bunton
President