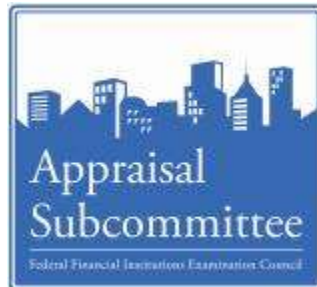


Briefing

Summary Notes

Cover Page

May 9, 2018



**APPRAISAL SUBCOMMITTEE
BRIEFING SUMMARY NOTES
FEBRUARY 14, 2018**

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

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
CFPB – Philip Neary
FDIC – Marianne Hatheway
FHFA – Bob Witt
HUD – Cheryl Walker
NCUA – Tim Segerson
OCC – Richard Taft

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Policy Manager – Neal Fenochietti
Policy Manager – Kristi Klamet
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly

OBSERVERS: CFPB – Deana Krumhansl
CFPB – Veronica Spicer
FDIC – Michael Briggs
FDIC – Richard Foley
FDIC – Suzy Gardner
FDIC – Lauren Whitaker
FDIC – Tony Womack
FRB – Gillian Burgess
FRB – Carmen Holly
FRB – Matt Suntag
FRB – Kirin Walsh
OCC – Stacey Fluellen
OCC – Joanne Phillips

Purpose of the Briefing

The purpose of this Briefing was to discuss the following: (1) TriStar Bank Temporary Waiver Request; (2) ASC Office Space; and (3) Results of November 13, 2017 Roundtable and next steps.

TriStar Bank Waiver Request

J. Park updated the ASC on TriStar Bank's temporary waiver request. J. Park said that the Tennessee Real Estate Appraiser Commission (TREAC) provided data regarding the number of appraisers in the counties served by TriStar; there are almost 500 appraisers in the affected area. According to data submitted by TriStar, in 2013, 17 appraisers were used for 170 transactions, and in 2017, 7 appraisers were used for 150 transactions. No data was provided for 2014-16. There was discussion among the members on when the determination of scarcity comes into play: is it before or after the request is published in the *Federal Register*. There was further discussion on the process going forward. R. Taft noted that Section 1102 of the rules of practice and procedure for temporary waiver requests requires the ASC to make a decision within 45 days of the Notice in the *Federal Register*. G. Burgess noted that her interpretation of the Rules was that the request from TriStar would need to be published. R. Taft asked what would be included in the Notice in the *Federal Register*. A. Ritter responded the Rule lays out what needs to be included in the Notice. A. Ritter said that TriStar's response has not been posted to the ASC website. There was discussion on what information would need to be redacted from TriStar's response. A. Ritter said she will confirm with TriStar that they are comfortable releasing the information with the exception of the appraiser's name. G. Burgess said she will talk with FRB staff knowledgeable about the Privacy Act on what is releasable. M. Briggs suggested that ASC and agency legal staff discuss this to determine what can be posted from TriStar's response. A. Lindo said the ASC vote on whether or not to grant the temporary waiver request should be in an open meeting and A. Ritter agreed. M. Hatheway asked how far in advance the ASC needs to post the Meeting Notice in the *Federal Register*. A. Ritter said seven days notice is sufficient. A. Lindo reiterated that the public comment period would be 30 days and the ASC would have to act within 45 days. A. Lindo asked ASC staff to develop a timeline and submit it to the ASC by the end of this week. [A copy of the timeline is attached to these Summary Notes.] M. Hatheway said the ASC would need the FFIEC's concurrence and G. Burgess said that could be done after the 45-day period. A. Lindo suggested that ASC members speak with their principals. D. Krumhansl said the FFIEC would only need to concur with approval of the waiver.

Office Space Update

J. Park said ASC staff met with GSA last week and GSA did not see any issues with the ASC foregoing physical office space. A. Ritter said that staff has addressed the questions in R. Taft's email regarding locality pay and other human resources issues.

Results of November 13, 2017 Roundtable and next steps

This was not discussed due to shortage of time.

Chairmanship

A. Lindo said his term as ASC Chairman ends on March 31st. If anybody is interested, the FFIEC needs to know by March 5th. He said he is open to renewing his term but is also open to other persons who may be interested.

Attachment: Timeline for Temporary Waiver process

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

TO: Appraisal Subcommittee

FROM: Jim Park

DATE: 2/15/18

RE: Temporary Waiver Request Timeline

Immediate Concern: Work with Chair & Vice Chair on 3/23/18 & 4/12/18 meeting facility
with microphones to accommodate up to 150 persons

2/22/18 - Complete processing notation vote on Federal Register Notice of Received Request
(Board's package to include administrative decision on completed request)

2/28/18 - Publish Federal Register Notice
(Alert previous informal commenters, States and stakeholders of formal public
comment period)

3/01/18 - Publish ASC Meeting notice in Federal Register

3/23/18 - ASC Meeting to take public comment

3/30/18 - Formal public comment period closes

3/30/18 - Publish ASC Meeting notice in Federal Register

4/04/18 - Circulate Summary of Comments to Board

4/12/18 - ASC Meeting to make determination
(to be "published promptly in the Federal Register," and in the case of approval,
after FFIEC concurrence)

**APPRAISAL SUBCOMMITTEE
BRIEFING SUMMARY NOTES
MARCH 23, 2018**

LOCATION: Teleconference Call

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
CFPB – Veronica Spicer
FDIC – Marianne Hatheway
FHFA – Bob Witt
HUD – Cheryl Walker
NCUA – Tim Segerson
OCC – Richard Taft

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Policy Manager – Kristi Klamet
Policy Manager – Vicki Metcalf
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly

OBSERVERS: CFPB – Deana Krumhansl
FDIC – Rich Foley
FDIC – Lauren Whitaker
FHFA – Ming-Yuen Meyer-Fong
FRB – Carmen Holly
FRB – Matt Suntag

The Briefing was called to order at 10:05 a.m. by A. Lindo.

- **TriStar Bank Waiver Request**

A. Lindo said the purpose of this Briefing was to discuss the upcoming Meeting regarding TriStar Bank's temporary waiver request. He said the April 12th Special Meeting will need to be rescheduled because members will not have enough time to review the comments received. The closing date for comments is April 9th. J. Park agreed it was a short timeframe and noted that 100 comments have been received. A. Bohorfoush noted that in order to meet the 45-day deadline for deciding on whether or not to grant the waiver request, a decision would need to be made by April 23rd. She added that staff is updating the summary of

comments daily. R. Taft asked what is included in the summary of comments. A. Bohorfoush responded that the name of commenter, State, relationship to industry, whether the commenter is for or against the waiver and specific comments submitted by that commenter. A. Bohorfoush said the vote should happen in Open Meeting as notation votes are reserved for non-controversial items. A. Lindo agreed that a vote should occur in Open Session and it should happen by April 23rd. V. Spicer suggested that ASC staff could provide a summary if there were to be Briefing on the 12th but there would not be a vote; that would need to be done at a future Meeting. M. Hatheway would like to receive a staff summary before the waiver is discussed in an open meeting. A. Lindo questioned whether ASC members would have enough time to review the staff summary before the April 12th Briefing. D. Krumhansl said a written decision would need to be ready for the April 23rd Meeting. A. Lindo asked ASC staff to draft decisions that are in support of the waiver and not in support of the waiver. A. Ritter said she would do so. V. Spicer said the drafts would need to be provided to the ASC members in advance of the Meeting so that agency legal staff could review them. A. Lindo asked if staff would have the summary of comments, a summary of the reasons for and against supporting the waiver, and draft decisions for and against the waiver ready by April 12th. R. Taft suggested that staff have a computer and screen available at the Briefing so that individual letters could be reviewed if needed. J. Park said the majority of comments received thus far are from appraisers who are concerned what the approval of the waiver could do to the appraisal industry. The Tennessee Real Estate Appraiser Commission also submitted comments and data. R. Taft was most interested in comments from Tennessee appraisers who dispute TriStar's allegations and work in the counties that TriStar mentioned in their request letter. After further discussion, A. Lindo said an in-person Briefing would be held on April 12th. At that Briefing, ASC staff will have a summary of all written comments received. Staff will also draft decisions for and against approving the temporary waiver. A Special Meeting will be held on April 23rd in which members will vote on the temporary waiver request. T. Segerson asked if the FFIEC would be updated on the waiver at its meeting next week. A. Lindo responded that he would provide an update but will not go into detail on comments received or provide a preliminary opinion. R. Taft said that the FFIEC should be notified that they would have to concur if the ASC approves the waiver; if the ASC disapproves the FFIEC would not need to do anything. A. Ritter added that the FFIEC does not need to act within 45-day time period; that applies only to ASC. A. Lindo said, if approved, the waiver would not go into effect until the FFIEC concurs with the ASC vote.

- **Annual Report**

A. Bohorfoush said there is disagreement among members regarding the discussion of the Roundtable in the Annual Report (Report). The discussion included future topics for the Roundtable follow-up and some members felt they should be included in the Report while others disagreed. She needs guidance on whether the discussion should stay in the Report. M. Hatheway suggested changing it to a topical discussion. J. Park responded that staff will redraft that section and send it to the ASC for review and comment. A. Bohorfoush said it will be sent out by next Monday. A. Ritter suggested that, because of time constraints, the ASC discuss the Annual Report at the April 12th Briefing. As this is a non-controversial

item, it could also be done via notation vote or ASC members do not need to vote on it at all.
A. Lindo asked that this be included in the April 12th Briefing for discussion.

**APPRAISAL SUBCOMMITTEE
BRIEFING SUMMARY NOTES
APRIL 12, 2018**

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

ATTENDEES

ASC MEMBERS: FRB – Art Lindo (Chair)
CFPB – Veronica Spicer
FDIC – Marianne Hatheway
FHFA – Bob Witt
HUD – Cheryl Walker
NCUA – Tim Segerson
OCC – Richard Taft

ASC STAFF: Executive Director – Jim Park
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Policy Manager – Neal Fenochietti
Policy Manager – Kristi Klamet
Policy Manager – Vicki Metcalf
Policy Manager – Jenny Tidwell
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly

MEMBER STAFF: CFPB – Deana Krumhansl
CFPB – Philip Neary
FDIC – Michael Briggs
FDIC – Rich Foley
FDIC – Suzy Gardner
FDIC – Ben Gibbs
FHFA – Mary Baehr
FHFA – Ming-Yuen Meyer-Fong
FRB – Gillian Burgess
FRB – Carmen Holly
OCC – Stacy Fluellen

The Briefing was called to order at 10:05 a.m. by A. Lindo. The purpose of the Briefing was to discuss the following: (1) Information Collection Request for AMC National Registry Fee

Implementation; (2) 2017 ASC Annual Report; and (3) TriStar Bank Temporary Waiver Request.

- **Information Collection Request for AMC National Registry Fee Implementation**

A. Ritter said the 60-day comment period closed on March 30th; four non-responsive comments were received. The 30-day Notice will be sent to ASC members for notation vote with a due date of April 20th. J. Park added that the opening date for the AMC National Registry date has been delayed from June 4th to July 16th. The contractor that oversees the ASC's servers has scheduled upgrades in June that will affect accessibility to the ASC website. In addition, staff has identified design enhancements that if implemented will be beneficial to both the States and ASC staff. The delay will avoid the States having to learn new entry aspects shortly after opening the Registry. A. Ritter said Bulletin 2017-01 will be revised with the new start date and sent to States. A media release will also be sent to other interested parties. J. Park added that most States would not be entering data until after June and ASC staff added time in the development schedule for any unforeseen delays.

- **2017 ASC Annual Report**

A. Bohorfoush said that the Annual Report has been reviewed by the ASC members. The Report is currently with the editor and once the proof is received, it will be sent to ASC members for a final review. She hopes to send out a notation vote to the ASC in the next couple of weeks.

- **TriStar Bank Waiver Request**

J. Park summarized the briefing memorandum that was sent to ASC members last week. A. Lindo asked if ASC staff could determine how many appraisers are within a reasonable distance of the four counties. J. Park responded that the Tennessee Real Estate Appraiser Commission (REAC) documentation shows that there are 491 appraisers in the area, with 1,843 in the entire State. There are 304 in the four counties and 187 in surrounding counties. There was discussion on the application of a waiver to federally related transactions. There was also discussion on scarcity and significant delay. J. Park said that based on comments received and his knowledge of the commercial appraisal industry, 3-6 weeks for a commercial appraisal is not unusual. V. Spicer asked what the difference in turnaround times was between 2013 and 2017. M. Hatheway responded that it was 22 days in 2013; if the two appraisals with longer than normal turnaround times were taken out of the equation, the average time would be similar for 2013 and 2017. A. Lindo said that Ted Williams from TriStar is attending the April 23rd Meeting and ASC members could ask for additional information if needed. R. Taft noted that some commenters contradicted data provided by TriStar. R. Witt said that TriStar does in-house evaluations without an appraiser, and added that other lenders in the area have not reported difficulty in finding appraisers or completing appraisals in a reasonable time. G. Burgess commented that based on data provided by TriStar, the median time to complete an appraisal was 21 days in 2013 and 26 days in 2017 if the two appraisals with long completion times are taken out of the equation. R. Taft said that while TriStar presented suggestions on how they would use the waiver, he noted the ASC is

not authorized to waive appraisals; the waiver authority is for the requirements for certification. He added that TriStar stated they have an employee with appraisal education but no experience who would do evaluations. A. Ritter stated that the ASC waived education requirements for the Commonwealth of the Northern Mariana Islands in 1992, but appraisals were still required. R. Taft and V. Spicer added that several comment letters were from appraisers who said they would be available to do appraisals for TriStar. J. Park said he would prepare a summary of the staff analysis submitted for this Briefing to present at the Meeting. A. Ritter said once the ASC votes, the order would have to promptly be published in the *Federal Register*. G. Burgess suggested the draft Orders could be prepared and updated once the ASC votes. V. Spicer noted that TriStar's request states that a major overhaul to appraisal regulation is needed. She commented that the Appraiser Qualifications Criteria have been amended since TriStar sent in its request. J. Park responded that he would include this in his comments at the Meeting as well as the increased appraisal threshold that was enacted by the regulatory agencies in the past month.