



Appraisal Subcommittee
Federal Financial Institutions Examination Council

Open Session Cover Page

September 9, 2020

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

Agenda

Date: September 9, 2020
Time: 10:00 a.m. ET
Location: Virtual Meeting. Please click the link below to register:
<https://www.zoomgov.com/meeting/register/vJIsfuqrrzsuGwZEsFIwRid28x7SXg-9sWw>

Open Session

Reports

- | | |
|---|----------------------|
| • Chairman | T. Segerson |
| • Executive Director | J. Park |
| • Delegated State Compliance Reviews | A. Bohorfoush |
| • Grants Director | M. Abbott |
| • Financial Report | G. Hull |
| • Notation Vote | L. Schuster |

Action and Discussion Items

- | | |
|--|------------------------|
| • Approval of Minutes <ul style="list-style-type: none">○ May 13, 2020 Open Session○ July 29, 2020 Special Meeting | T. Segerson |
| • Notice of Funding Availability; development of training for State Appraiser and AMC Regulatory Programs | M. Abbott |
| • FY21 ASC 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: September 9, 2020
RE: Quarterly Executive Director Report

ASC COVID-19 Response

In May, I reported that ASC staff and the Appraiser Qualifications Board (AQB) took several actions to provide technical assistance and relief to the State Appraiser Regulatory Programs. Those relief measures have been well received and effective in allowing State regulators to accept virtual continuing education courses for credential renewals to continue despite the challenges created by the pandemic.

Virtual continuing education appears to be successful; so successful, in fact, that many appraisers and education providers are asking the AQB to permanently approve synchronous classroom education for continuing education and qualifying education as well. Recently the AQB held a hearing on this subject for future consideration. I'll provide more detail on this issue later in my report.

We continue working with the AQB and the States to identify areas where additional relief and assistance is needed. State governments and appraisal programs are still functioning at varying capacities. We are not aware of any States that are back to normal operations.

North Dakota Temporary Waiver Extension

On August 7, 2020, the FFIEC approved the ASC's one-year extension of the temporary waiver approved by the ASC on July 29, 2020.

ASC Grants

On August 17, we received applications from seven States totaling \$640,294 in requested grant funding for FY 2021. This was the first of four deadlines for States to apply for first-year grant funds. The seven States are TX, KY, LA, MN, UT, IL and SD. The average request was \$94,000 with the bulk of the funds going towards technology upgrades, training and personnel. Each proposal is being read and scored by two Policy Managers and Grants Office

staff. We will publish a summary of funded activities by State on our website once the applications are reviewed, finalized and approved by the Executive Director. Staff anticipates that the majority of applications will be submitted for the December 2020 deadline.

In the proposed FY 2021 budget, there are two new budget line items for grants: one for TAF and the other for expanded training for States. Both grant initiatives will require the Board to approve a Notice of Funding Availability (NOFA) Summary before funds can be used for these grant programs. At the September 9, 2020 Meeting, we will present a NOFA for State appraiser and AMC regulatory program training, which includes funds to develop new courses for the States and provide other forms of technical assistance. We will discuss the TAF grant strategy during our Briefing after the Meeting. Staff will present a NOFA for TAF grants at a Special Meeting later in September.

Appraisal Foundation

Board of Trustees (BOT)

The fall BOT public meeting will be held in a virtual setting on October 2, 2020. Committee meetings typically precede the public board meeting. We have not received the schedule yet. Historically, all public and private BOT committee meetings have been open to ASC staff.

It was brought to our attention that TAF applied for and received a Paycheck Protection Program (PPP) loan earlier this year. In a recent email, the TAF President informed the ASC that returning the PPP loan will be on the October 2, 2020 BOT meeting agenda for consideration.

Appraisal Standards Board (ASB)

The ASB held a virtual work session and public board meeting July 30 and July 31, respectively. The public meeting had over 300 attendees. ASC staff has several concerns about the proposed changes to USPAP currently being proposed, as well as concerns over the makeup of the ASB. The most recent meeting observation memo, outlining these concerns, can be found in the FYI section of the meeting package.

Appraiser Qualifications Board (AQB)

The AQB recently held a virtual meeting titled, “The Future of Distance Education.” The focus was on expanding allowable distance education to include virtual synchronous courses. The meeting panelists included representatives from appraiser education providers, professional appraisal organizations and State appraiser regulators. Most, if not all, of the feedback supported allowing synchronous distance education for continuing education as well as for qualifying education. A major concern of the AQB has been proctoring exams. It appears that technology has now alleviated many of those concerns.

From the outset of the real estate appraisal regulatory system in 1991, the most significant barrier to entry for appraisers has been the antiquated trainee/supervisory appraiser model for satisfying the experience requirement. For the past five years, the AQB has been working on a solution to

this dilemma, vacillating between different possible solutions and models. For the past three years, the AQB/TAF has been developing a “model” known as the Practical Applications for Real Estate Appraisal (PAREA). This concept is now being reevaluated. Their goal has shifted to providing training content and expectations that would enable PAREA training providers to develop their own models.

TAF Audit(s)

We have been working through the procurement process with GSA preparing for the upcoming audit. The pandemic has slowed the audit process, but we should have an audit partner in place by October 1. However, access to the TAF offices and files may be limited due to the pandemic which could be another obstacle to completing the audit.

Appraiser Diversity Legislation

Congresswoman Waters and Senator Kaine’s staff have reached out to ASC staff to discuss issues related to the lack of diversity among appraisers and related issues in the mortgage lending process. A preliminary draft bill from Waters’ office was also shared for our comment. A copy of that draft can be found in the FYI section of the meeting package.

National Registry of AMCs (AMC Registry)

Currently, there are 28 States adding AMCs to the AMC Registry and the Registry appears to be performing as designed. We anticipate all participating States will be adding their AMCs to the AMC Registry by the end of 2022.

GAO Study of Appraisal Threshold Increases, Exemptions, and Temporary Waivers

At the end of July, staff had a call with Mr. Richard Tsuhara from the GAO and several of his team members who will likely be involved in the upcoming GAO study requested by Congresswoman Waters. They indicated the study had not yet been fully staffed, and therefore would not likely start until September and would not likely conclude until well into 2021. We have since learned that the study will likely not commence until at least October.

We clarified that while the temporary waiver is an ASC issue, the study on thresholds, exemptions and evaluations are in the domain of the banking agencies, not the ASC. The GAO made it clear that their request is for a study, not an audit. They also indicated that the scope is up to the GAO as an independent agency. They indicated a willingness to consider other issues pertinent to the appraisal regulatory system. We plan to have another call to specifically discuss the scope of the study.

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Appraisal Subcommittee
Federal Financial Institutions Examination Council

Memorandum

To: Appraisal Subcommittee

From: Girard Hull, Financial Manager

RE: ASC FY20 3rd Quarter Financial Status

Date: September 9, 2020

FY20 Revenue as of June 30:

- \$2.6M in Appraiser Registry fees
 - \$2.6M budgeted through June 30
 - \$3.8M (before PAYGO) projected for FY20
- \$3.0M in AMC Registry fees
 - \$2.2M budgeted through June 30
 - \$3.9M projected for FY20
- \$5.7M in total revenue:
 - \$7.4M projected for FY20

FY20 Expenses as of June 30:

- \$3.3M in ASC expenses
 - \$3.7M budgeted through June 30
 - \$4.7M projected for FY20

FY20 Net Income & Reserves as of June 30:

- \$2.4M in ASC net income
 - \$1M budgeted through June 30
 - \$3.4M projected for FY20
- \$5.4M in the ASC reserve balance
 - \$8.7M projected for FY20 (including the \$4.2M operating reserve)

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
MAY 13, 2020**

LOCATION: Zoom Conference

ATTENDEES

ASC MEMBERS: CFPB – John Schroeder
FDIC – John Jilovec
FHFA – Robert Witt
FRB – Art Lindo
HUD – Bobbi Borland
NCUA – Tim Segerson
OCC – James Rives

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Grants Director – Mark Abbott
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly
Regulatory Affairs Specialist – Maria Brown
Policy Manager – Claire Brooks
Policy Manager – Kristi Klamet
Policy Manager – Jenny Tidwell

OBSERVERS: Please see attached list

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

REPORTS

• **Chair**

T. Segerson welcomed the observers. He reported that OCC's primary member and ASC Vice Chair, R. Taft, has accepted another position. J. Rives, currently the OCC's alternate

member, will be the acting OCC representative. T. Segerson thanked R. Taft for his service to the ASC and wished him well.

- **Executive Director**

J. Park updated the ASC on recent staff activity.

- This is the first virtual ASC Meeting and thanked attendees for their interest.
- He reported on steps taken by the ASC, the Appraiser Qualifications Board and States to identify areas where relief and assistance is most needed during the COVID-19 pandemic.
- The Association of Appraiser Regulatory Officials (AARO) was helpful with the virtual presentation of the ASC Grants Program to States. This presentation had been scheduled for AARO's Spring Conference which was cancelled.

J. Schroeder asked if the Government Accountability Office (GAO) has contacted the ASC regarding the request from the House Financial Services Committee to GAO to study the federal agencies' implementation of Title XI. J. Park responded "no." J. Schroeder also asked if North Dakota will be requesting an extension of the temporary waiver. J. Park responded that North Dakota has not submitted an extension request and has not heard anything from them regarding their intentions.

- **Delegated State Compliance Reviews**

A. Bohorfoush reported on State Program Compliance Reviews completed pursuant to delegated authority since the ASC's February 12th Meeting. Three State Appraiser Program Compliance Reviews were finalized and approved by the Executive Director under delegated authority. Kansas, Rhode Island and Wisconsin were awarded a Finding of "Good" and all will remain on a two-year Review Cycle. One State Appraiser Program Compliance Review was finalized and approved by the Chair under delegated authority. Puerto Rico earned a finding of "Needs Improvement" and will remain on a two-year Review Cycle.

There were three State AMC Program Compliance Reviews finalized and approved by the Executive Director under delegated authority. Kansas was awarded a Finding of "Excellent" and will remain on a two-year Review Cycle. Illinois and Wisconsin were awarded a Finding of "Good" and both will remain on a two-year Review Cycle. One State AMC Program Compliance Review was finalized and approved by the Chair under delegated authority. Rhode Island earned a rating of "Needs Improvement" and will remain on a two-year Review Cycle.

The Illinois Appraiser Program requested and was granted an extension to the deadlines contained in the final Appraiser Program Compliance Review Report. The deadline has been extended from April 24 to October 31, 2020 as the Division of Real Estate is largely conducting its operations with a remote work force. The Illinois Governor issued an Executive Order directing State agencies to temporarily reduce activities due to the COVID-19 pandemic. Illinois did submit a quarterly complaint log on May 1st and of the 148 open

complaints, 15 of those have been open for more than one year. ASC staff expects that many of those would be removed for special documented circumstances.

- **Grants Report**

M. Abbott updated the ASC on the Grants Program. Currently two grants have been awarded: one for the Investigator Training Program (ITP) administered by the Appraisal Foundation (TAF) and one for the grant-eligible activities of the Appraiser Qualifications and Appraisal Standards Boards. The ITP grant has been executed but has not had much activity due to the COVID-19 pandemic. The second grant for Board support remains approved by the ASC but not executed by TAF.

M. Abbott shared a brief summary of the presentation that was given to States describing the ASC State Grant Program. The presentation is available on the ASC and AARO websites. ASC staff is also considering in-person training for FY21.

- **Financial Manager**

G. Hull provided the mid-year financial status for FY20. The ASC has recognized revenue of \$3.2M, or 51% of the annual budgeted revenue of \$6.4M. Appraiser registry fees account for \$1.8M, or 54% of mid-year revenue, and AMC registry fees account for \$1.M, or 46% of mid-year revenue. ASC expenditures totaled \$2.1M, or 42% of the annual budget of roughly

\$4.9M, and \$391K less than budgeted mid-year expenditures. ASC travel costs have decreased significantly due to the COVID-19 pandemic. IT Project Services are expected to increase for the remainder of FY20. J. Schroeder asked if there is an appropriate level for the reserve fund, and if so, how to maintain that level. G. Hull responded that the reserve balance is equal to one year of operating costs, or approximately \$4.2M, not including grants. M. Abbott added that some of the reserve will be transferred to a new account for grants. J. Schroeder asked why Personnel Benefits are lower than the budgeted amount. G. Hull responded that the General Services Administration provides a monthly cash report to him. Due to COVID-19 related work delays, the March cash report did not include complete payroll data for March. This information was included in the April cash report received on May 8th and has been recorded in the April financial statements.

- **Notation Vote**

L. Schuster reported that approval to distribute and post the February 10, 2020 ASC Roundtable Summary passed by a 7-0 vote on April 21, 2020.

ACTION ITEMS

- **February 12, 2020 Open Session Minutes**

J. Schroeder made a motion to approve the February 12th open session meeting minutes as presented. J. Rives seconded and all members present voted to approve.

- **February 12, 2020 Closed Session Minutes**

J. Schroeder made a motion to approve the February 12th closed session meeting minutes as edited by FDIC. J. Rives seconded and all members present voted to approve.

- **April 9, 2020 Special Meeting Minutes**

J. Schroeder made a motion to approve the April 9th special session meeting minutes as presented. J. Rives seconded and all members present voted to approve.

- **Selection of ASC Vice Chair**

T. Segerson stated that with the departure of R. Taft, the Vice-Chair position is vacant. J. Schroeder notified T. Segerson that he would be interested in the position. No other ASC member expressed interest. A voice vote was taken, and all members voted to approve the selection of J. Schroeder as Vice-Chair for a two-year period. J. Schroeder abstained. T. Segerson asked J. Park if FFIEC approval is needed and J. Park responded “no.”

- **Policy on Monitoring and Reviewing the Appraisal Foundation**

J. Park summarized the current monitoring process and the proposed policy which would formalize the process. A. Lindo suggested the section regarding Round Tables and Hearings be removed since the ASC has statutory authority to convene roundtables or public hearings on appraisal-related issues. All ASC members agreed that this section should be removed. T. Segerson asked for a motion to approve the Policy with edits as discussed above. A voice vote was taken, and all members present voted to approve.

- **Review and Approval of 2020 State Grant Notice of Funding Availability (NOFA)**

Summary

M. Abbott summarized the NOFA for the ASC. There will be quarterly deadlines of August 17 and October 1, 2020, as well as 2021 deadlines of March 1st and June 1st. The award period will be for three years (October 1, 2020 – September 30, 2023). The grant funds will support ongoing (*e.g.*, annual participation in conferences or software subscriptions) and one-time (*e.g.*, computer upgrades or IT development projects) expenditures in categories that include: (1) Technology; (2) Travel; (3) Communications; (4) Training; (5) Supplies; and (6) Other. He plans to schedule technical assistance calls with States in the future. J. Jilovec asked if the recommendations from the Appraisal Subcommittee Advisory Committee for Development of Regulations (ASCAC) were considered in the preparation of the NOFA. J. Park responded that ASC staff took the recommendations from ASCAC into consideration.

J. Rives asked if the quarterly deadlines would change to an annual deadline in the future. He also wanted to know if the quarterly deadlines would create additional work for ASC staff. M. Abbott responded that flexibility was allowed for this year due to the COVID-19 pandemic. If a grant is awarded six months into the fiscal year, the funds will cover the remaining six months of the fiscal year. Afterwards, the grant funds will cover one year. As some States will have challenges submitting a grant request due to the COVID-19 pandemic, grants awarded in FY21 would cover two years. He would prefer the grant awards be spread out rather than awarded at one time. This will allow ASC staff to work with the States. ASC staff will request that awardees submit a narrative of how grant funds were spent to ensure that funds were spent correctly. J. Rives asked if there is an algorithm to determine how much funding would be obligated for grants. M. Abbott responded that ASC staff does not know what types of grant proposals will be submitted but felt that \$10M over three years was a reasonable amount. The ASC would need to approve an increase in funds. T. Segerson asked if the ASC should have controls in place regarding State supplantation of funds if a grant is awarded. M. Abbott responded that State staff are also concerned about supplantation of funds. This will be mitigated by insisting that proposed grant activities are new activities or an expansion of existing activities. There is no Federal statute regarding supplantation of funds. Due to the COVID-19 pandemic, State budgets may be severely cut. During his grant presentation to States last week, M. Abbott asked States to let ASC staff know what types of funding would be helpful. T. Segerson asked how the funds would be transferred to a State once a grant is awarded. M. Abbott responded that funds would be committed but not obligated. The Financial Manager will prepare a new report showing the

reserve balance, obligated grant funds and committed grant funds. Only first year grant awards will be obligated. T. Segerson asked if the ASC will have adequate funding for its operations and grants. M. Abbott responded that one-year of operating funds will be in the reserve and will be separate from grant funds. Grant commitments will be subject to future revenue. J. Jilovec made a motion to approve the 2020 NOFA as presented. J. Schroeder seconded and all members present voted to approve.

- **2019 ASC Annual Report**

A. Bohorfoush presented the 2019 ASC Annual Report for approval. She said the FFIEC logo on the back cover will be removed. J. Schroeder made a motion to approve the 2019 ASC Annual Report as presented. J. Rives seconded and all members present voted to approve.

The Open Session adjourned at 11:30 a.m. The next regularly scheduled ASC Meeting will be held on September 9, 2020.

Attachment: Observer list

Meeting:	Appraisal Subcommittee Meeting	Meeting Date:	May 13, 2020
Time:	10:00 a.m. ET	Location:	Zoom

Name	Affiliation
David Bunton	Appraisal Foundation
Kelly Davids	Appraisal Foundation
Lisa Desmarais	Appraisal Foundation
Edna Nkemngu	Appraisal Foundation
Amy Timmerman	Appraisal Foundation
Jeremy Gray	Appraisal Foundation Board of Trustees
Lisa Hobart	Appraisal Foundation Board of Trustees
Ronny Johnson	Appraisal Foundation Board of Trustees
Wayne Miller	Appraisal Standards Board
Mark Lewis	Appraiser Qualifications Board
Bill Garber	Appraisal Institute
Brian Rodgers	Appraisal Institute
Steven Feyerick	American Society of Farm Managers & Rural Appraisers
Deanna Ilk	American Society of Farm Managers & Rural Appraisers
Brian Stockman	American Society of Farm Managers & Rural Appraisers
Julie Friess	Arizona real estate appraiser
Leah Callahan	Columbia Bank
Deana Krumhansl	Consumer Financial Protection Bureau
Orlando Orellano	Consumer Financial Protection Bureau

Name	Affiliation
Michael Briggs	Federal Deposit Insurance Corporation
Suzy Gardner	Federal Deposit Insurance Corporation
Ben Gibbs	Federal Deposit Insurance Corporation
Ming-Yuen Meyer Fong	Federal Housing Finance Agency
Marie DeGregorio	Federal Reserve Board
Trevor Feigleson	Federal Reserve Board
David Imhoff	Federal Reserve Board
Joe Maldonado	Federal Reserve Board
Matthew McQueeney	Federal Reserve Board
Derald Seid	Federal Reserve Board
John Lynch	JPMorgan Chase
Steve Sousa	Massachusetts Board of Real Estate Appraisers
Rachel Ackmann	National Credit Union Administration
Will Binkley	Office of the Comptroller of the Currency
Stacey Fluellen	Office of the Comptroller of the Currency
Joanne Phillips	Office of the Comptroller of the Currency

**APPRAISAL SUBCOMMITTEE
SPECIAL MEETING MINUTES
JULY 29, 2020**

LOCATION: Zoom

ATTENDEES

ASC MEMBERS: CFPB – John Schroeder
FDIC – John Jilovec
FHFA – Robert Witt
FRB – Art Lindo
HUD – Bobbi Borland
NCUA – Tim Segerson
OCC – Richard Taft

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Grants Director – Mark Abbott
Financial Manager – Girard Hull
Attorney-Advisor – Ada Bohorfoush
Management and Program Analyst – Lori Schuster
Administrative Officer – Brian Kelly
Regulatory Affairs Specialist – Maria Brown
Policy Manager – Claire Brooks
Policy Manager – Kristi Klamet
Policy Manager – Vicki Metcalf
Policy Manager – Jenny Tidwell

OBSERVERS: (See attached list)

The Meeting was called to order at 4:00 p.m. by Chair T. Segerson.

ACTION ITEMS

- **North Dakota Request to Extend Commercial Temporary Waiver Relief**

T. Segerson opened the Special Meeting and welcomed observers. He noted that ASC staff will provide a summary and staff recommendation regarding the Request from North Dakota. He added that there would be no public comments taken at this Special Meeting.

J. Park provided the summary and staff recommendation:

Title XI authorizes the ASC to waive, on a temporary basis and subject to approval of the FFIEC, “any requirement relating to certification or licensing of a person to perform appraisals under [Title XI]” upon “a written determination that there is a scarcity of certified or licensed appraisers to perform appraisals in connection with federally-related transactions (FRT) in a State, or in any geographical political subdivision of a State, leading to significant delays in the performance of such appraisals.” The ASC has promulgated regulations that set forth procedures that govern the processing of temporary waiver requests. On August 1, 2018, the Governor of North Dakota, the North Dakota Department of Financial Institutions, and the North Dakota Bankers Association (Requesters) submitted a temporary waiver request to the ASC. The Requesters sought a temporary waiver of not less than five years of appraiser credentialing requirements for appraisals of FRTs under \$500,000 for 1-to-4 family residential real estate transactions and under \$1,000,000 for agricultural and commercial real estate transactions throughout the State of North Dakota. On July 9, 2019, the ASC convened a Special Meeting to consider the request. Based on the

information provided by the Requester, the North Dakota Real Estate Appraiser Qualifications and Ethics Board (Appraiser Board) and by the public through comment letter submissions, the ASC issued an Order approving a limited version of the waiver request. The Order was published in the *Federal Register*, and in pertinent part included a temporary waiver of appraiser credentialing requirements for appraisals of FRTs under \$1,000,000 for commercial real estate transactions throughout the State of North Dakota for a period of one year and residential FRTs below \$500,000. (The temporary waiver for residential real estate transactions terminated on December 8, 2019 due to the federal banking agencies final rule that increased the appraisal exemption threshold for residential real estate transactions that became effective on October 9, 2019.) The Order included an option for the Requester to submit certain information to the ASC at least 30 days prior to the expiration of the one-year period and the ASC would consider the information submitted and by vote, in open session, may extend the temporary waiver for an additional one-year period. On July 6, 2020, the Requesters submitted an extension request and as amended on July 8, 2020, sought extension of the commercial real estate transaction temporary waiver relief for an additional one-year period. In their July 6th submission, the Requesters reported that a November 6, 2019 meeting had been held with North Dakota stakeholders, including appraisers. Requesters provided a list of 25 “ideas and potential solutions” identified by the meeting’s 58 attendees as potential steps to address appraiser scarcity or appraisal delays. The Requesters stated that a

follow-up meeting was planned for the spring of 2020, but that “due to the challenges presented by the COVID-19 pandemic, all in-person meetings and conventions were canceled when travel became restricted and everyone responded to the crisis.” The Requesters further stated that “although our collaboration efforts have been disrupted for the time being, we are anticipating future collaboration to do as much as we can locally.” In support of their assertion that a scarcity of appraisers persists in North Dakota, the Requesters cited data from the Appraiser Board indicating that the number of certified general appraisers has fallen from 67 as of September 17, 2018, to 65 as of April 30, 2020. The Requesters reported that a May 2020 survey by the North Dakota Department of Financial Institutions found that turnaround times for commercial appraisals have improved over the past year (which Requesters attributed to the current waiver and the increased appraisal threshold for credit unions for commercial real estate transactions) but 23 percent of respondents still reported delays more than 50 percent of the time and 23 percent of respondents reported 5 or more delays in the past 12 months. The ASC also received information from the Appraiser Board. The Appraiser Board stated that a July 2020 survey found that at least 80 percent of commercial appraisers responding reported appraisal turn times of five weeks or less in each of North Dakota’s six regions. According to the same survey, 90 percent of agricultural appraisers responding, reported appraisal turn times of six weeks or less in five of North Dakota’s six regions. To summarize ASC staff’s recommendations to the Board, staff found that while the information submitted

by the Requesters is less than robust than expected to support a one-year extension under the terms of the original Order, we acknowledge extenuating and unprecedented circumstances due to the national emergency declared on March 13, 2020. ASC staff recognizes the significant impact to all parties due to the pandemic. It is reasonable to conclude that the Requesters' intentions to further collaborate with financial institutions as well as other North Dakota stakeholders were negatively impacted by the disruption resulting from COVID-19. If the ASC votes to extend the commercial transaction temporary waiver for an additional one-year term, staff recommends that it be subject to specified terms and conditions as follows:

1. During the additional one-year period, Requesters are expected to continue efforts to develop, through continued dialogue with the Appraiser Board and other North Dakota stakeholders, a plan to identify potential solutions to address appraiser scarcity and appraisal delays; and
2. The ASC may terminate the waiver on a finding that significant delays in the receipt of appraisals for FRTs no longer exists, or that the terms and conditions of the Order are not being satisfied.

T. Segerson thanked J. Park and requested comments from ASC members. J. Schroeder recognized that the Requesters did make efforts in 2019 to meet with stakeholders consistent with the 2019 Order. He also noted that COVID-19 has provided challenges to financial institutions to serve their customers and described recent regulatory flexibilities provided by

bank regulatory agencies. He supported granting a one-year waiver with the conditions noted above. A. Lindo agreed with J. Schroeder's comments adding that the ASC wants to maintain its focus on resolving the scarcity and delay issues, but the current circumstances require flexibility. B. Borland disagreed stating that all lenders are dealing with the pandemic. She added the Requesters had seven months to make progress before a national pandemic was declared in March 2020. She stated that she voted against the temporary waiver in 2019 and would not support an additional one-year waiver. She did not feel that the Requesters provided the specific information requested by the Order in their July 6th extension request and that the Appraiser Board provided information to refute information submitted by the Requesters. J. Jilovec agreed with comments provided by J. Schroeder and A. Lindo and was inclined to support the one-year temporary waiver extension. B. Witt said he voted against the temporary waiver in 2019 and would have considered voting no on this request if not for the pandemic. Due to the pandemic, he supports extending the temporary waiver for one year. While he felt that documentation provided by the Requesters was weak, the pandemic allows for some latitude. J. Rives agreed with others in support of approving the temporary waiver for an additional year. He also agreed with B. Witt that while the documentation provided by the Requesters was insufficient, the pandemic should be considered an extenuating circumstance. T. Segerson said he voted in support of the waiver request in 2019 with reservations. He would have liked to have seen more progress along with more detailed information provided in the extension request; however, this temporary waiver was requested by State authorities, and due to the pandemic, he stated it was worthwhile to provide the one-year extension. He then asked for a motion to be put forward.

R. Witt moved to approve the temporary waiver for an additional one-year period through August 7, 2021. J. Schroeder requested an amendment to the motion, which was adopted, as follows:

Commercial temporary waiver relief should be extended for an additional one-year period, subject to specified terms and conditions, and subject to FFIEC approval, as follows:

1. A temporary waiver of appraiser credentialing requirements for appraisals of FRTs under \$1,000,000 for commercial real estate transactions throughout the State of North Dakota is extended for an additional one-year period, expiring August 7, 2021.
2. During the additional one-year period, Requesters are expected to continue efforts to develop, through continued dialogue with the Appraiser Board and other North Dakota stakeholders, a plan to identify potential solutions to address appraiser scarcity and appraisal delays.
3. The ASC pursuant to 12 CFR 1102.7 may terminate this waiver order on a finding that significant delays in the receipt of appraisals for FRTs no longer exists, or that the terms and conditions of the order are not being satisfied.

Art Lindo seconded the motion, and the vote passed 6-1 with HUD voting no. T. Segerson requested a roll call vote for the record:

J. Schroeder – yes; J. Jilovec – yes; R. Witt – yes; J. Rives – yes; B. Borland – no; A. Lindo – yes; T. Segerson – yes.

The Open Session adjourned at 4:25 p.m. The next regularly scheduled ASC Meeting will be held on September 9, 2020.

Attachment: Observer List

DRAFT

Meeting:	Appraisal Subcommittee Meeting	Meeting Date:	July 29, 2020
Contact:	Brian Kelly	Location:	Zoom Meeting
Time:	4:00 PM ET	Alternate Contact:	Lori Schuster

Name	Affiliation
Tim Segerson (ASC Chairman)	National Credit Union Administration
John Schroeder (ASC Vice Chair)	Consumer Financial Protection Bureau
James Rives (ASC alternate member)	Office of the Comptroller of the Currency
John Jilovec (ASC member)	Federal Deposit Insurance Corporation
Bobbi Borland (ASC Member)	Department of Housing and Urban Development
Robert Witt (ASC alternate member)	Federal Housing Finance Agency
Art Lindo (ASC member)	Federal Reserve Board
Mark Abbott	ASC Staff
Ada Bohorfoush	ASC Staff
Claire Brooks	ASC Staff
Maria Brown	ASC Staff
Denise Graves	ASC Staff
Girard Hull	ASC Staff
Brian Kelly	ASC Staff
Kristi Klamet	ASC Staff
Vicki Metcalf	ASC Staff
James Park	ASC Staff
Alice Ritter	ASC Staff

Name	Affiliation
Lori Schuster	ASC Staff
Jenny Tidwell	ASC Staff
Observers	
Justin Kane	American Society of Appraisers
David Bunton	Appraisal Foundation
Kelly Davids	Appraisal Foundation
Jim Amarin	Appraisal Institute
Scott DiBiasio	Appraisal Institute
Bill Garber	Appraisal Institute
Brian Rodgers	Appraisal Institute
Wade Becker	Boulder Appraisal, LLC
Dan Berkland	Conference of State Bank Supervisors
Mary Beth Quist	Conference of State Bank Supervisors
Deana Krumhansl	Consumer Financial Protection Bureau
Orlando Orellano	Consumer Financial Protection Bureau
Brian Field	Crown Appraisals, Inc.
Megan Sheeley	Crown Appraisals, Inc.
Tyler Walsh	Crown Appraisals, Inc.
Joe Ibach	Dakota Appraisal & Consulting
Richard Foley	Federal Deposit Insurance Corporation
Suzy Gardner	Federal Deposit Insurance Corporation
Ben Gibbs	Federal Deposit Insurance Corporation

Name	Affiliation
Lauren Whitaker	Federal Deposit Insurance Corporation
Kaelin Browne	Federal Financial Institutions Examination Council
Judith Dupre	Federal Financial Institutions Examination Council
Ming-Yuen Meyer-Fong	Federal Housing Finance Agency
Keith Coughlin	Federal Reserve Board
Trevor Feigleson	Federal Reserve Board
Carmen Holly	Federal Reserve Board
David Imhoff	Federal Reserve Board
Derald Seid	Federal Reserve Board
Matt Schlenvogt	Gate City Bank
Richard Tshara	General Accountability Office
Steve Pleger	Georgia Department of Banking & Finance
William Gion	Gion Appraisal, LLC
Brandy March	Iowa Real Estate Appraiser Examining Board
Stephen Sousa	Massachusetts Board of Real Estate Appraisers
Jonathan Miller	Miller Samuel, Inc.
James Rist	Minnesota Department of Commerce
Rachel Ackmann	National Credit Union Administration
Gira Bose	National Credit Union Administration
Ian Marenna	National Credit Union Administration
Cate Agnew	Natixis
Lise Kruse	North Dakota Department of Financial Institutions

Name	Affiliation
Jodie Campbell	North Dakota Real Estate Appraisers Board
Corey Kost	North Dakota Real Estate Appraisers Board
Tim Timian	North Dakota Real Estate Appraisers Board
Luke Shields	North Dakota Senator Hoeven's Office
Eric Oberg	Oberg Appraisals, Inc.
Will Binkley	Office of the Comptroller of the Currency
Stacey Fluellen	Office of the Comptroller of the Currency
Kevin Lawton	Office of the Comptroller of the Currency
Joanne Phillips	Office of the Comptroller of the Currency
Susan Broaddus	Regulatory Report
Patrick Keefe	Regulatory Report
Vance Patton	Tennessee Appraiser
Greg Gonzales	Tennessee Department of Financial Institutions

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

TO: Appraisal Subcommittee

FROM: Jim Park, Executive Director

DATE: September 9, 2020

RE: 2020 State Training and Technical Assistance; Notice of Funding Availability (NOFA) Summary

Attached please find the NOFA Summary for a competitive cooperative agreement (grant) for State appraiser and AMC regulatory training programs. This grant gives the ASC the capacity to engage stakeholders to develop a catalog of training courses that States can access using their State grant funds as well as provide direct technical assistance to individual States as they work to implement Title XI.

This is a three-year initiative that will be renewed annually based upon availability of funds and grantee progress towards agreed upon objectives.

Attachment

NOTICE OF FUNDING AVAILABILITY (NOFA)

Funding Summary

Federal Agency Name: The Appraisal Subcommittee

Funding Opportunity Title: Training and Technical Assistance for State Appraiser Regulatory Agencies

Announcement Type: Federal Cooperative Agreement, Competitive

Eligible Entities: Partner Organizations

Application Deadline: October 2020

Award Period: October 1, 2020 – September 30, 2023 (3 Year Award)

Available Funds: Year 1 - \$350,000; Three Year Total – up to \$1,050,000

Number of Awards: 1

Authorization: Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA), Title XI § 1109 (b)(5), 12 U.S.C. 3338.

BACKGROUND

Title XI requires the Appraisal Subcommittee (ASC) to provide federal oversight of State appraiser and appraisal management company (AMC) regulatory programs, and a monitoring and review framework for the Appraisal Foundation and the Federal Financial Institutions Regulatory Agencies in their roles to protect federal financial and public policy interests in real estate appraisals utilized in federally related transactions.

Title XI also requires the ASC to make grants to the State appraiser certifying and licensing agencies (States) to support States' efforts to comply with Title XI. Prior to the launch of ASC's \$10 Million, three-year State grant initiative in 2020, the ASC's State grantmaking was focused on providing annual grant funding for the State Investigator Training Program (Levels 1, 2 and 3) through the Appraisal Foundation (TAF). These courses have been in existence for several years and are widely viewed by State agencies as effective, quality training.

The expanded ASC State grant program will provide additional resources to the 55 States and U.S. Territories to support State efforts to effectively meet Title XI standards. States can use the grant funds for participation in trainings and conferences to increase professional competency in the management and regulation of Appraiser and AMC Programs, improvements/expansion of the appraiser and AMC complaint processes, investigations, and enforcement activities and expansion, and other initiatives related to technology and expansion of credentialing services in under-served markets.

PURPOSE

This competition will select a partner to work with the ASC to support the continued development and administration of training for State appraiser and AMC regulatory programs as well as provide an expanded selection of high-quality training and technical assistance opportunities on different topics to

be identified through a needs assessment process. The training opportunities will be accessed by States at their discretion using the grant funds provided by the ASC under the State grant program.

PROPOSED ACTIVITIES

The successful applicant (grantee) will employ a full-time project coordinator and contract personnel support as needed to carry out the activities proposed in response to this notice. Budgets and activities for years two and three of the initiative will also include a full-time coordinator with additional personnel and program support as needed to carry out the activities co-developed with the ASC prior to the beginning of each program year. Areas of activities that will be supported under this initiative include, but are not limited to:

1. **Research.** Conduct needs assessment to determine States' needs for education of licensing staff, administrators, board members and legal staff covering areas such as Statutes, Regulations, Policies and Procedures, Real Property Appraiser Qualification Criteria, Education Course Review, National Registry, and AMC Program Administration. Research, such as demographic studies on the need for additional appraisers or causes of appraiser shortages.
2. **Curriculum Development.** Grantee must name or provide a process for identifying both subject matter experts (SMEs) to advise on curriculum development and professional curriculum writers with expertise in adult education and delivery of training both in-person and remotely. The applicant should also budget for development of high-quality course material that can be accessed electronically and is compliant with ADA Section 508 accessibility requirements.
3. **Training Delivery and Administration.** Grantee will be asked to develop and deliver a current version of training for State appraiser and AMC regulatory programs for both remote or in-person training, depending upon States' ability to travel and convene in the upcoming year. Training administration must include plans and a budget for a technology solution to manage the catalog of courses offered, registration and tracking of trainees, payment for courses, testing, certificates of completion, etc. ASC encourages the use of education software available via cloud subscription to meet this requirement.
4. **Evaluation.** Develop evaluation plans for all curricula and other forms of technical assistance with a focus on measuring effectiveness and impact of the curriculum being delivered. Evaluation plans will be developed in close partnership with the ASC and may include a third-party evaluation firm or university department with expertise in this area as a partner in the application, or to be identified later.
5. **Targeted Technical Assistance.** In years 3 through 5 of this initiative, the ASC will ask the grantee to develop and implement State-specific technical assistance to provide assistance in areas that include supporting new employee orientation and training; or addressing areas of concern or non-compliance. This assistance could be delivered by either a peer-to-peer training network or a small panel of on-call practitioners managed by the grantee. Support to States working on specific issues either related to ASC grant audit or compliance findings. The year 1 application should include a proposed plan with a detailed methodology/approach and timeline for developing this type of technical assistance in the Year 2 budget narrative submission.

6. Grant Fund Administration. Support States that want to access training and technical assistance opportunities offered through this NOFA, but that have not yet applied directly to the ASC for a State Support Grant. States will be allowed to seek reimbursement for training and other eligible activities from ASC's Cooperator.

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

Memorandum

To: Appraisal Subcommittee

From: Jim Park, Executive Director

RE: Fiscal Year 2021 Budget Proposal

Date: September 9, 2020

Fiscal Year 2021 (FY21) Budget Summary

- Net Revenue (projected) – \$10,153,425
 - \$3,371,250 – Appraiser Registry Fees
 - \$6,782,175 – AMC Registry Fees
- Operating Expenses – \$4,210,215
- Total Expenses – \$8,886,995
- Appraisal Foundation Grant – \$1,000,000 (proposed)
- State Grants – \$3,300,000
- Training/Technical Assistance Cooperative Agreements – \$350,000 (proposed)
- Net Income – \$1,266,430
- Projected end of FY21 Reserve \$5,744,725 (excluding \$4,200,000 Operating Reserve)

Revenue

FY21 total revenue is projected to be \$10,153,425. This is based on the \$40 annual Appraiser Registry fee multiplied by a projected 93,000 credentials on the Appraiser Registry during FY21. Staff estimates a 1% decline in the number of credentials to 93,000 from 94,000 during FY21. Also included is the PAYGO fee reduction of \$348,750 or 9% of the estimated Appraiser Registry fee revenue.

States began populating the Appraisal Management Company (AMC) Registry in September 2018. There are currently 28 States on the AMC Registry that will produce a projected \$3.9M in revenue in FY20. In FY21, staff anticipates 16 additional States adding AMCs to the AMC Registry, for a total of 44, providing FY21 revenue of approximately \$6.8M. AMC revenue projections were developed by analyzing current invoicing data and assessing the reported number of AMCs per State and the AMC panel utilization.

ASC Operating Expenditures

Personnel Compensation

In FY21, \$2,739,540 is budgeted for personnel, representing a 2% increase over the FY20 Budget. The Budget Proposal for FY21 covers 14 full-time equivalents (FTEs) with a cost of living increase of 1% for the \$2,013,543 projected salary expenditures. Included are within-grade increases for five staff based on the dates of their projected increases.

Personnel benefits (health insurance, thrift savings plan, civil service retirement and government life insurance) are budgeted at \$674,539, a 6% increase over FY20. The FY21 personnel benefits amount is 33.5% of the FY21 personnel services budget.

Pursuant to OMB guidance, \$41,458 is budgeted for Performance Awards (cash awards) in FY21, up from \$35,978 in FY20.

\$10,000 is budgeted for ASC staff training.

Travel

Due to travel restrictions imposed by the COVID-19 pandemic, there is significant uncertainty regarding travel for FY21. Accordingly, budgeted trips have been reduced from 169 in FY20 to 72 in FY21. The budgeted trips, if they take place, will be for State Compliance Reviews and monitoring the Appraisal Foundation Boards.

In FY20, ASC Staff took 55 trips with actual airfares averaging \$450, which was less than the budgeted amount of \$500. In FY21, staff anticipates airfare costs will increase and therefore propose a 10% addition over the FY20 actual airfare, increasing this cost to an average of \$550 per trip.

Average actual FY20 lodging rates were \$160 per night, \$35 less than the budgeted amount of \$195. For FY21, \$160 is again budgeted as the per-night cost. Costs for Meals and Incidental Expenses (M&IE - per diem, airport travel, baggage fees and parking costs) are not expected to increase significantly during FY21. The average per-trip cost for FY21 is therefore estimated to be \$1,655 as compared to \$1,755 in FY20.

For FY20, no further travel is anticipated, with actual travel costs estimated to total roughly \$87k or 29% of the \$302,095 budgeted.

Below is a summary of anticipated FY21 travel:

- Compliance Reviews: 21 State Compliance Reviews
- Follow-up Reviews: 1 Follow-up Review
- Priority Contacts/EWS: 2 Priority Contacts
- Conferences: 1 All-Staff meeting and 1 AARO Conference
- Appraisal Foundation Meetings (ASB, AQB, and BOT): 7 meetings
- State Regulatory Training: 2 State appraiser and AMC regulator training courses
- Speaking Engagements: 3 speaking engagements
- Additional Staff Travel – DC Travel: 15 trips for ASC Meetings, ASC Roundtable, and other meetings
- Grants Monitoring & Technical Assistance: 2 trips for grants monitoring meetings and trainings

Rent, Communications and Utilities

FY21 total rent, communications and utilities of \$64,850 represents an 18% decrease from the FY20 budget of \$78,972 with savings derived from less in-person meeting room space rentals and staff local travel expenses.

Office space rent is proposed at \$9,075 to cover expenses for ASC Meetings and all-staff Meetings.

Telephone service charges are budgeted at \$37,540 representing an 8% increase over the FY20 amount of \$34,800.

\$3,915 is budgeted for the secure, off-site storage unit containing ASC files and documents. This unit is climate controlled, secure and accessible 24/7.

Local staff travel (mileage, taxi, public transportation, parking) has been reduced to \$2,390 for travel costs associated with meetings, mail pick up and other office business.

Printing and Reproduction

In FY21, \$40,175 is budgeted for printing and reproduction expenses. *Federal Register* printing expenses are estimated to be \$21,000 along with \$3,500 budgeted for printing in the *Code of Federal Regulations* and \$1,000 for additional printing costs associated with grants information.

Printing expenses of \$15,675 includes \$13,475 for printing and layout of the Annual Report and \$2,200 for copying, shredding and other miscellaneous printing jobs.

Contracted Services

In FY21, \$147,020 is budgeted for GSA/OPM services with \$139,020 for GSA (USDA) providing grants audit procurement services, financial systems (increased by 17%) and human resources support along with \$8,000 for OPM support services. The FY20 budgeted amount for GSA services was \$117,630.

\$34,850 is budgeted for the cost of the ASC annual audit representing a 3% increase over the FY20 amounts of \$33,968.

During FY20, the ASC's Grants Office began a comprehensive analysis and review of the ASC's existing grants policies and operations resulting in the contracting of Grants Technical Assistance services. For FY21, \$76,000 is budgeted for Grants Technical Assistance services.

In FY20, \$89,000 was budgeted for an Independent Auditor Contract for the Appraisal Foundation, eliminating the requirement for the annual Agreed-Upon Procedures Review. All remaining unused funds for this FY20 obligation will be applied toward the FY21 proposed budgeted amount of \$100,000 for this service.

In FY21, \$100,000 is proposed for additional legal services support.

FY21 will be the fourth year for the ASC's Roundtable discussion forum. The FY20 Roundtable expenses were \$21,000, mostly attributable to the meeting and events contractor. Staff is proposing \$25,000 for FY21.

During FY21, the ASC plans to procure services provided by a strategic communications provider in order to promote the ASC objectives in accordance with the agency's strategic plan. Staff is budgeting \$75,000 for this service.

IT Services

IT Contracted Services are estimated at \$141,040:

- \$28,140 for enhanced website hosting & internet connectivity
- \$50,400 for ASC IT contractor help desk services
- \$25,200 for ASC website maintenance
- \$2,000 for web-based anti-virus/malware
- \$10,000 for back-up and recovery service
- \$17,500 as a contingency fund to cover IT contractor costs for unanticipated expenses
- \$5,100 for Domain Name Service (DNS)
- \$2,700 for firewall service

License Renewals are estimated at \$24,950:

- \$9,000 for renewal of Office 365 provided by OnPar Technologies
- \$450 for GSA-provided dot.gov domain name registration
- \$1,700 for remote computer access provide by LogMeIn
- \$300 for Lynda online tutorial training
- \$3,000 for Adobe software
- \$3,000 for ZoomGov
- \$7,500 for SolarWinds software for network analytics diagnostics

Hardware:

- \$47,000 for hardware (servers) and software

FY21 IT Projects are estimated at \$435,000

- \$21,000 to provide technical assistance to States with UID/SOAP
- \$14,000 for ASC database enhancements
- \$225,000 to finalize rebuild of the ASC website
- \$60,000 for Phase II development of Compliance Review software
- \$65,000 for Appraiser Registry direct interface with States
- \$50,000 for automation of AMC Registry financial operations/reporting

Miscellaneous

For FY21, \$15,210 is budgeted to cover conference registrations (*e.g.*, AARO spring, meeting registrations, etc.), subscriptions, bar dues, postage and transportation of things.

Federal Grants

Foundation Grant

Staff is proposing a three-year grant cycle for TAF totaling \$3M (\$1M annually) to support a TAF innovation and reform grant. The grant will be structured to support AQB and ASB operations and provide resources for TAF to develop and implement improvements such as a new revenue model and a cost-effective deployment strategy for PAREA. Funds will also be available for TAF to hire outside consultants to review the structure, efficiency and effectiveness of the three TAF Boards. The Notice of Funding Availability (NOFA) summary will be presented to the ASC Board for approval at a Special Meeting in September 2020.

State Grants

In FY20, the ASC developed a new and comprehensive grants program for the States totaling \$10M over three years. For FY21, staff proposes budgeting the first year of this program totaling \$3,300,000.

Training and Technical Assistance

ASC staff is proposing a new three-year grant program totaling \$1,050,000 over three years to support the State appraiser and AMC regulator training program and a range of other training and technical assistance initiatives for the States to be administered through a competitively awarded cooperative agreement (see the NOFA summary for details).

Depreciation

In FY21, \$26,780 is projected as the depreciation expense for the National Registry of AMCs database.

Sequestration

Based on the OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2021, sequestration for FY21 is 5.7% of available cash receipts. The application of this amount would establish \$519,109 of sequestered funds becoming available in FY22.

Attachments:

FY21 Proposed Budget Spreadsheet
ASC Profit & Loss Statement through June 30, 2020
2016-2021 ASC Reserve and Revenue graph

FY21 Proposed Budget

FY21 Proposed Operating Budget		Proposed Budget	Approved Budget	FY20	\$ Diff FY20 Budg	% Diff FY20	\$ Diff FY21 Prop. Budg.	% Diff FY21 Prop. Budg.	\$ Diff FY21 Budg	% Diff FY21 Budg
Estimated Revenues:		FY21	FY20	Projected	vs. FY20 Proj	Budg. Vs. Proj.	vs. FY20 Budg.	vs. FY20 Budg.	vs. FY20 Proj.	vs. FY20 Proj.
Appraiser Registry Fees	\$ 3,720,000	\$ 3,800,000	\$ 3,800,000	\$ -	0.00%	\$ (80,000)	-2.11%	\$ (80,000)	-2.1%	\$ -
Less: 25% Pay-Go Requirement	\$ 348,750	\$ 352,825	\$ 352,825	\$ -	0.00%	\$ 4,075	1.15%	\$ 4,075	1.2%	\$ -
AMC Registry Fees	\$ 6,782,175	\$ 2,925,000	\$ 3,927,270	\$ 1,002,270	25.52%	\$ 3,857,175	0.00%	\$ 2,854,905	72.7%	\$ -
Total Revenues	\$ 10,153,425	\$ 6,372,175	\$ 7,374,445	\$ 1,002,270	15.73%	\$ 3,781,250	59.34%	\$ 2,778,980	37.7%	\$ -
Expenses:										
Personnel Compensation:										
Salaries	\$ 2,013,543	\$ 2,000,452	\$ 1,950,000	\$ (50,452)	-2.5%	\$ 13,091	0.7%	\$ 63,543	3.3%	\$ -
Personnel Benefits	\$ 674,539	\$ 636,143	\$ 644,592	\$ 8,449	1.3%	\$ 38,396	6.0%	\$ 29,947	4.6%	\$ -
Cash Awards	\$ 41,458	\$ 37,338	\$ 35,978	\$ (1,360)	-3.6%	\$ 4,120	11.0%	\$ 5,480	15.2%	\$ -
Training	\$ 10,000	\$ 10,000	\$ 4,000	\$ (6,000)	-60.0%	\$ -	0.0%	\$ 6,000	150.0%	\$ -
Total Compensation:	\$ 2,739,540	\$ 2,683,933	\$ 2,634,570	\$ (49,363)	-1.8%	\$ 55,607	2.1%	\$ 104,970	4.0%	\$ -
Travel:										
Compliance Review	\$ 28,305	\$ 91,260	\$ 28,316	\$ (62,944)	-69.0%	\$ (62,955)	-69.0%	\$ (11)	0.0%	\$ -
Supervising/Compliance	\$ 6,660	\$ 17,550	\$ -	\$ (17,550)	-100.0%	\$ (10,890)	-62.1%	\$ 6,660	-	\$ -
Follow-up Review	\$ 1,665	\$ 3,510	\$ -	\$ (3,510)	-100.0%	\$ (1,845)	-52.6%	\$ 1,665	-	\$ -
Priority Contact/EWS	\$ 3,330	\$ 14,040	\$ 3,425	\$ (10,615)	-75.6%	\$ (10,715)	-76.3%	\$ (95)	-2.8%	\$ -
Meetings										
AARO Conferences (Spring)	\$ 8,325	\$31,590	\$ 13,241	\$ (18,349)	-58.1%	\$ (23,265)	-73.6%	\$ (4,916)	-37.1%	\$ -
Policy Managers & All Staff Meetings (w/AARO Fall)	\$ -	\$10,530	\$ 2,095	\$ (8,435)	-80.1%	\$ (10,530)	-100.0%	\$ (2,095)	-100.0%	\$ -
All Staff Meeting	\$ 23,310	\$24,570	\$ -	\$ (24,570)	-100.0%	\$ (1,260)	-5.1%	\$ 23,310	-	\$ -
Other Trips										
Industry Meetings	\$ 3,330	\$8,775	\$ 6,406	\$ (2,369)	-27.0%	\$ (5,445)	-62.1%	\$ (3,076)	0.0%	\$ -
Appraisal Foundation Meetings (ASB, AQB, BOT)	\$ 11,655	\$24,570	\$ 11,968	\$ (12,602)	-51.3%	\$ (12,915)	-52.6%	\$ (313)	-2.6%	\$ -
State Regulatory Training	\$ 3,330	\$10,530	\$ -	\$ (10,530)	-100.0%	\$ (7,200)	-68.4%	\$ 3,330	-	\$ -
Speaking engagements	\$ 4,995	\$12,285	\$ -	\$ (12,285)	-100.0%	\$ (7,290)	-59.3%	\$ 4,995	-	\$ -
Staff Travel to DC	\$ 21,645	\$38,610	\$ 18,114	\$ (20,496)	-53.1%	\$ (16,965)	-43.9%	\$ 3,531	19.5%	\$ -
Grants Monitoring & Technical Assistance	\$ 3,330	\$8,775	\$ -	\$ (8,775)	-100.0%	\$ (5,445)	-62.1%	\$ 3,330	-	\$ -
Car Rental & Local Travel	\$ 2,065	\$5,500	\$ 2,640	\$ (2,860)	-52.0%	\$ (3,435)	-62.5%	\$ (575)	-21.8%	\$ -
Total Travel:	\$ 121,945	\$ 302,095	\$ 86,205	\$ (215,890)	-71.5%	\$ (180,150)	-59.6%	\$ 35,740	41.5%	\$ -
Rent, Comm., & Utilities:										
Rent	\$ 9,075	\$22,700	\$ 22,700	\$ -	0.0%	\$ (13,625)	-60.0%	\$ (13,625)	-60.0%	\$ -
Telephone Service (incl. office & cell phones)	\$ 37,540	\$34,800	\$ 34,800	\$ -	0.0%	\$ 2,740	7.9%	\$ 2,740	7.9%	\$ -
WestLaw	\$ 11,930	\$11,930	\$ 11,579	\$ (351)	-2.9%	\$ (0)	0.0%	\$ 350	3.0%	\$ -
Storage Space Facility	\$ 3,915	\$3,072	\$ 3,072	\$ -	0.0%	\$ 843	27.4%	\$ 843	27.4%	\$ -
Staff Local travel	\$ 1,865	\$5,545	\$ 2,500	\$ (3,045)	-54.9%	\$ (3,680)	-66.4%	\$ (635)	-25.4%	\$ -
Parking	\$ 525	\$925	\$ -	\$ (925)	-100.0%	\$ (400)	-43.2%	\$ 525	-	\$ -
Total Rent, Comm, Utilities:	\$ 64,850	\$ 78,972	\$ 74,651	\$ (4,321)	-5.5%	\$ (14,122)	-17.9%	\$ (9,802)	-13.1%	\$ -
Printing and Reproduction:										
Federal Register/CFR	\$ 24,500	\$23,500	\$ 23,500	\$ -	0.0%	\$ 1,000	4.3%	\$ 1,000	4.3%	\$ -
Copying	\$ 1,000	\$1,000	\$ 1,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Printing	\$ 14,675	\$15,200	\$ 15,200	\$ -	0.0%	\$ (525)	-3.5%	\$ (525)	-3.5%	\$ -
Total Printing & Copying:	\$ 40,175	\$ 39,700	\$ 39,700	\$ -	0.0%	\$ 475	1.2%	\$ 475	1.2%	\$ -
Contracted Services:										
GSA/OPM	\$ 147,020	\$ 129,629	\$ 129,629	\$ -	0.0%	\$ 17,391	13.4%	\$ 17,391	13.4%	\$ -
OPM Survey	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Annual audit of ASC	\$ 34,850	\$ 33,968	\$ 33,500	\$ (468)	-1.4%	\$ 882	2.6%	\$ 1,350	4.0%	\$ -
Review of AF Grant	\$ -	\$ 8,770	\$ -	\$ (8,770)	-100.0%	\$ (8,770)	-100.0%	\$ -	-	\$ -
FDMS	\$ 10,635	\$ 5,900	\$ 8,801	\$ 2,901	49.2%	\$ 4,735	80.3%	\$ 1,834	20.8%	\$ -
Indirect Cost Rate Negotiation	\$ 5,000	\$ 8,500	\$ 8,500	\$ -	0.0%	\$ (3,500)	-41.2%	\$ (3,500)	-41.2%	\$ -
Independent Auditor Contract/IAA	\$ 100,000	\$ 89,000	\$ 89,000	\$ -	0.0%	\$ 11,000	12.4%	\$ 11,000	12.4%	\$ -
Grants - Technical Assistance Contract	\$ 76,000	\$ 76,000	\$ 76,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Legal Services	\$ 100,000	\$ -	\$ -	\$ -	0.0%	\$ 100,000	-	\$ -	-	\$ -
AMC Registration and Supervision /Investigator Training	\$ -	\$ 10,000	\$ 1,000	\$ (9,000)	-90.0%	\$ (10,000)	0.0%	\$ (1,000)	0.0%	\$ -
Roundtable Logistics Planner	\$ 20,000	\$ 20,000	\$ 20,746	\$ 746	3.7%	\$ -	0.0%	\$ (746)	0.0%	\$ -
Strategic Communications/Social Media consulting	\$ 75,000	\$ -	\$ -	\$ -	0.0%	\$ 75,000	0.0%	\$ 75,000	0.0%	\$ -
Total Contracted Services:	\$ 573,505	\$ 386,767	\$ 372,175	\$ (14,592)	-3.8%	\$ 186,738	48.3%	\$ 201,330	54.1%	\$ -
IT Services:										
IT Contracted Services:	\$ 141,040	\$ 149,245	\$ 151,529	\$ 2,284	1.5%	\$ (8,205)	-5.5%	\$ (10,489)	-6.9%	\$ -
License Renewals	\$ 24,950	\$ 12,550	\$ 12,550	\$ -	0.0%	\$ 12,400	98.8%	\$ 12,400	98.8%	\$ -
Hardware	\$ 47,000	\$ 2,500	\$ 2,500	\$ -	0.0%	\$ 44,500	1780.0%	\$ 44,500	1780.0%	\$ -
Surface Pros Recapitalization	\$ -	\$ 24,200	\$ 24,200	\$ -	0.0%	\$ (24,200)	-100.0%	\$ (24,200)	-100.0%	\$ -
Total Ongoing Annual Services:	\$ 212,990	\$ 188,495	\$ 190,779	\$ 2,284	1.2%	\$ 48,695	25.8%	\$ 22,211	11.6%	\$ -
IT Projects:										
Unique Identifier Number/ SOAP State Consultation	\$ 21,000	\$ 10,000	\$ 10,000	\$ -	0.0%	\$ 11,000	110.0%	\$ 11,000	110.0%	\$ -
ASC Database Enhancements (AMC Registry)	\$ 14,000	\$ 36,000	\$ 36,000	\$ -	0.0%	\$ (22,000)	-61.1%	\$ (22,000)	-61.1%	\$ -
ASC Website	\$ 225,000	\$ 150,000	\$ 150,000	\$ -	0.0%	\$ 75,000	50.0%	\$ 75,000	50.0%	\$ -
State Compliance Review (Phase II)	\$ 60,000	\$ 150,000	\$ 150,000	\$ -	0.0%	\$ (90,000)	-60.0%	\$ (90,000)	-60.0%	\$ -
Appraiser REST API Build	\$ 65,000	\$ -	\$ 55,000	\$ -	0.0%	\$ 65,000	0.0%	\$ -	0.0%	\$ -
AMC FinOps	\$ 50,000	\$ -	\$ -	\$ -	0.0%	\$ 50,000	0.0%	\$ -	0.0%	\$ -
Total IT Projects:	\$ 435,000	\$ 346,000	\$ 401,000	\$ 55,000	15.9%	\$ 89,000	25.7%	\$ 34,000	8.5%	\$ -
Total IT Services and Projects:	\$ 647,990	\$ 534,495	\$ 591,779	\$ 57,284	10.7%	\$ 137,695	25.8%	\$ 56,211	9.5%	\$ -
Supplies and Materials:										
	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Miscellaneous:										
	\$ 15,210	\$ 22,768	\$ 22,768	\$ -	0.0%	\$ (7,558)	-33.2%	\$ (7,558)	-33.2%	\$ -
Total Operating Budget	\$ 4,210,215	\$ 4,055,730	\$ 3,828,849	\$ (226,881)	-5.6%	\$ 154,485	3.8%	\$ 381,367	10.0%	\$ -
Federal Grants:										
AF Grant	\$ 1,000,000	\$ 471,348	\$ 471,348	\$ -	0%	\$ 528,652	112.2%	\$ 528,652	112.2%	\$ -
State Grants	\$ 3,300,000	\$ 314,068	\$ 314,068	\$ -	0%	\$ 2,985,932	90.7%	\$ 2,985,932	90.7%	\$ -
Training/Technical Assistance Cooperative Agreement	\$ 350,000	\$ -	\$ -	\$ -	-	\$ 350,000	-	\$ 350,000	-	\$ -
Total Federal Grants	\$ 4,650,000	\$ 785,416	\$ 785,416	\$ -	0%	\$ 3,864,584	492.0%	\$ 3,864,584	492.0%	\$ -
Depreciation										
	\$ 26,780	\$ 113,545	\$ 113,545	\$ -	0%	\$ -	0.0%	\$ (86,765)	-76.4%	\$ -
2021 Total Expenses	\$ 8,886,995	\$ 4,954,691	\$ 4,727,810	\$ (226,881)	-5%	\$ 3,932,304	79.4%	\$ 4,159,186	88.0%	\$ -
Net Income	\$ 1,266,430	\$ 1,417,484	\$ 2,646,635	\$ 1,229,151	87%	\$ (151,054)	-10.7%	\$ (1,380,205)	-52.1%	\$ -

Appraisal Subcommittee
Budget vs. Actuals: FY20 Budget - FY20 P&L
 October 2019 - June 2020

	Oct '19 - June '20	FY20 Budget	% of Budget
Income			
40000 Appraiser Fees	\$ 2,608,799	\$ 3,447,175	75.68%
40005 Appraiser Fees (AMC Registry Fees)	\$ 3,097,375	\$ 2,925,000	105.89%
Total 40000 Appraiser Fees	\$ 5,706,174	\$ 6,372,175	89.55%
Expenses			
61700 Computer and Internet Expenses			
61725 Hardware	\$ 20,322	\$ 26,700	76.11%
61735 License & SSL Renewals	\$ 11,915	\$ 12,550	94.94%
61745 IT Contracted Svcs	\$ 16,821	\$ 26,020	64.65%
61705 IT Security Upgrades	\$ 3,040	\$ 3,500	86.84%
61710 Maint. of Web site & Regis. (FFP)	\$ 7,350	\$ 12,600	58.33%
61715 Hosting Web site	\$ 15,963	\$ 24,125	66.17%
61740 Help Desk Services (FFP)	\$ 29,400	\$ 50,400	58.33%
68576 Project Services - Corporate Backup Solution	\$ 22,285	\$ 20,000	111.42%
68580 Appraiser Nat Reg (FFP)	\$ 7,350	\$ 12,600	58.33%
Total 61745 IT Contracted Svcs	\$ 102,209	\$ 149,245	68.48%
Total 61700 Computer and Internet Expenses	\$ 134,446	\$ 188,495	71.33%
62400 Depreciation Expense	\$ 97,803	\$ 113,544	86.14%
62500 Dues and Subscriptions			
62501 Legal Research Service	\$ 11,579	\$ 11,928	97.08%
62600 Equipment Rental	\$ 2,232	\$ 3,072	72.66%
64700 Miscellaneous Expense (General)	\$ 2,483	\$ 22,764	10.91%
64900 Office Supplies	\$ 3,239	\$ 6,996	46.29%
66000 Payroll Expenses			
66001 Salaries	\$ 1,468,940	\$ 2,000,452	73.43%
66002 Personnel Benefits	\$ 482,251	\$ 636,143	75.81%
66004 Cash Awards	\$ 35,978	\$ 37,338	96.36%
Total 66000 Payroll Expenses	\$ 1,987,168	\$ 2,673,933	74.32%
66100 Training	\$ 887	\$ 10,000	8.87%
66200 Parking	\$ -	\$ 924	0.00%
66300 Consulting Services			
66320 OPM Survey (Annual)	\$ 5,000	\$ 5,004	99.92%
66321 AMC Registration & Supervision/Investigator Trng	\$ -	\$ 9,996	0.00%
66325 Roundtable Logistics	\$ 20,746	\$ 20,004	103.71%
Total 66300 Consulting Services	\$ 25,746	\$ 35,004	73.55%
66350 Annual Audit of ASC	\$ 33,500	\$ 33,972	98.61%
66355 Review of AF Grant	\$ -	\$ 8,772	0.00%
66356 Grants Technical Assistance Contract	\$ 35,083	\$ 75,996	46.16%
66361 Indirect Cost Rate Negotiation	\$ -	\$ 8,496	0.00%
66362 Independent Auditor Contract	\$ -	\$ 89,004	0.00%
66400 GSA Services	\$ 87,394	\$ 129,636	67.41%
66600 Printing and Reproduction			
66601 Printing & Repro - Fed Registry	\$ -	\$ 23,496	0.00%
66602 Printing & Repro - Other	\$ -	\$ 995	0.00%
66603 Printing & Repro - Publications	\$ 8,814	\$ 15,204	57.97%
Total 66600 Printing and Reproduction	\$ 8,814	\$ 39,695	22.20%
66800 FDMS	\$ 8,801	\$ 5,904	149.06%
67100 Rent Expense	\$ 11,576	\$ 22,700	51.00%
68100 Telephone Expense	\$ 23,797	\$ 34,800	68.38%
68400 Travel Expense	\$ 79,929	\$ 302,095	26.46%
68405 Staff Local Travel	\$ 1,696	\$ 5,545	30.59%
68550 Unique Identifier Project			
68575 Project Services - UID/SOAP	\$ 7,996	\$ 10,000	79.96%
68555 ASC Database Enhancements (National Registry of AMCs)	\$ 29,374	\$ 36,000	81.60%
68556 Project Services - Compliance Review	\$ 55,889	\$ 150,000	37.26%
68557 Project Services - ASC Website Rebuild	\$ 53,974	\$ 150,000	35.98%
68558 Project Services - AMC API	\$ 26,867	\$ -	
68700 Grant - Expense			
68705 Appraisal Foundation Grant	\$ 353,511	\$ 471,348	75.00%
68710 State Grant - Investigator Trng	\$ 235,544	\$ 314,068	75.00%
Total 68700 Grant - Expense	\$ 589,055	\$ 785,416	75.00%
Total Expenses	\$ 3,319,328	\$ 4,954,691	66.99%
Net Income	\$ 2,386,847	\$ 1,417,484	168.39%

Appraisal Subcommittee Reserves & Revenue (2016 - 2021) (includes grants)

