

The attached policy on monitoring and reviewing the Appraisal Foundation, as approved by the ASC on September 15, 2021, was forwarded by Executive Director Jim Park on September 17, 2021 to Dave Bunton, Appraisal Foundation President.

Policy on Monitoring and Reviewing the Appraisal Foundation

[September 15, 2021]

Purpose

Title XI requires the Appraisal Subcommittee (ASC) to monitor and review specific aspects of the Appraisal Foundation (Foundation). This policy clarifies how the ASC will meet this statutory requirement and is in addition to the monitoring and review of grant-related activities as set forth in the ASC's Grants Handbook.

Statutory Authority

Title XI, section 1103(b)¹, *Monitoring and reviewing Foundation*, states that the ASC shall monitor and review the following aspects of the Foundation, including its "practices, procedures, activities and organizational structure."

Monitoring and Reviewing the Foundation

The Foundation is a vital partner that plays a critical role in supporting and advancing the real estate appraisal regulatory system. ASC staff will monitor and review Foundation activities using a continuous improvement model that encourages constructive, ongoing communication between the ASC and the Foundation while providing written and verbal feedback to increase the effectiveness of Foundation operations and programming. A summary of written comments will be provided to the ASC Board as part of the Executive Director's quarterly report. In addition, ASC staff will provide written public comment on Foundation exposure drafts and other work product.

The below list of ASC activities is not exhaustive and is subject to periodic review and modification at the sole discretion of the ASC.

Foundation Meetings

- ASC staff will monitor and review activities under Title XI authority through attendance at public meetings of the Appraisal Standards Board (ASB), Appraiser Qualifications Board (AQB) and Board of Trustees (BOT) as observers, with attendance delegated by the ASC Executive Director to ASC staff on a rotating basis.
 - ASC staff will not routinely attend work sessions, conference calls, closed sessions or committee, subcommittee or subject matter expert panel meetings, but will be available for those meetings on an as needed basis.
 - Written memos prepared by ASC staff for Foundation staff regarding Foundation meetings will be provided to the Foundation for review and comment prior to finalization, with a one-week turnaround time.
- ASC staff will request meeting materials and minutes for all meetings (public and private).

Audits and Investigations

Formal reviews of the Foundation may be periodically commissioned by the ASC through engagement of a professional audit firm. Audits will be to generally accepted government auditing standards (GAGAS) and may include agreed-upon-procedures audits, inspections, or examinations of the Foundation's practices, procedures, activities, and organizational structure.

¹ Title XI § 1103 (b), 12 U.S.C. 3332 (b).