

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
FEBRUARY 8, 2012**

LOCATION: Office of the Comptroller of the Currency, 250 E Street SW, Room 3C, Washington, DC 20219.

ATTENDEES

ASC MEMBERS: CFPB – Paul Sanford (Member)
FDIC – Doreen Eberley (Member)
FHFA – Susan Cooper (Alternate)
FRB – Art Lindo (Member)
HUD – Pete Gillispie (Acting Chair)
NCUA – Joy Lee (Member)
OCC – Darrin Benhart (Member)

ASC STAFF: Executive Director – Jim Park
General Counsel – Alice Ritter
Administrative Officer – Claire Brooks
Administrative Officer – Lori Schuster
Policy Manager – Vicki Metcalf
Policy Manager – Jenny Tidwell

OBSERVERS: David Bunton – Appraisal Foundation
Cathy Johnson – Appraisal Foundation
Dennis Badger – D. Badger & Associates
George Parkerson - FDIC
Meg Burns – FHFA
Virginia Gibbs – FRB
Kevin Wilson - FRB
Robert Parson - OCC
Kristine Hughes – TitleSource
Ami Milne-Allen – Milne-Allen Appraisal Company
Donald Kelly – Real Estate Valuation Advocacy Association
Penny Reed- Wells Fargo Bank

The meeting was called to order at 10:40 a.m. by P. Gillispie. D. Eberley and G. Parkerson were present on the telephone. The FHFA primary member was in attendance at the meeting as an observer. The alternate member represented the FHFA in items requiring a vote.

<OPEN SESSION>

1. Opening Remarks

P. Gillispie welcomed the observers to the meeting. He also welcomed the new ASC board members and thanked the previous members for their service.

J. Park reported on ASC staff activities, including the status of the Appraisal Complaint National Hotline, Policy Statement revisions and the 2011 ASC Annual Report.

2. Summary Agenda

- **November 17, 2011 minutes – Special Meeting**

A. Lindo moved for approval of the November 17th minutes. J. Lee seconded and all members present voted to approve.

- **December 14, 2011 minutes – Open Session**

S. Cooper moved for approval of the December 14th Open Session meeting minutes. A. Lindo seconded and all members present voted to approve.

3. Discussion Agenda

- **Appraisal Foundation 2012 Grant Proposal**

P. Gillispie noted that the ASC deferred voting on the Appraisal Foundation 2012 grant proposal at the December 14th meeting. J. Park recommended changing the approval cycle for the Foundation grant proposals from a calendar year to the ASC's fiscal year (FY) which runs October 1 through September 30. This will result in the final three months of the 2011 grant as previously approved by the ASC carrying through the end of 2011 as part of the ASC's approved FY2012 budget in the amount of \$275,000. The proposal before the Board in the amount of \$819,185 would cover the remaining nine months (January-September) of FY12. If approved in that amount, the FY12 grant amount would total \$1,094,185. A discussion ensued on the ASC's financial situation and current priorities. An ASC member directed a question to D. Bunton and asked what impact a grant reduction would have on the Appraisal Foundation. D. Bunton responded that they would not know until the grant amount is determined. Further discussion took place regarding potential grant amounts and impact on the Foundation. One ASC member requested the Investigator Training Program be funded as proposed. D. Bunton agreed not to reallocate funds away from the Investigator Training Program.

J. Lee made a motion to approve the Foundation grant for the remaining for nine months of FY12 in the amount of \$619,185. D. Benhart seconded and all members present voted to approve.

- **ASC Fiscal Year 2012 (FY12) Revised Budget**

J. Park presented the ASC's revised FY12 budget. He indicated that only Personnel, Personnel Benefits, Dodd-Frank Act, and Computer Services expenses have been amended. The additional expenses, including personnel, are related to the increased workload created by the Dodd-Frank Act. An ASC member said the expectation is that the ASC will operate with a balanced budget in FY13. A. Lindo made a motion to approve the ASC revised FY12 budget as presented and J. Lee seconded; all members present voted to approve.

- **Response to Congress on GAO Report**

J. Park indicated a draft response to Congress was included in everyone's meeting material. The response is due to Congress by March 18th. He indicated that once finalized, the letter could be approved via notation vote. An ASC member asked ASC staff to schedule a Briefing to update the ASC members on the GAO review. Other ASC members agreed and asked to defer action on the response until a Briefing can be held.

- **Compliance Reviews (Alaska, Indiana, Maine, Oklahoma)**

An ASC member suggested that in the future, ASC staff present a summary report of the findings in each State and the ASC could approve all the reports in a single vote. A discussion ensued regarding the ASC's obligation to hear reports on the State Compliance Reviews and the possibility of revising the ASC Delegations of Authority to define which Compliance Reviews would need to come before the ASC. Currently, there is no reference in the ASC Delegations of Authority regarding approval of the Compliance Reviews. ASC members asked the ASC staff to revise the Delegations of Authority and have this item on the ASC March meeting open session for approval. An ASC member asked to defer voting on the Delegations of Authority until the response to Congress on the GAO report is approved.

A. Ritter presented the findings on the Alaska, Indiana, Maine, and Oklahoma Compliance Reviews. ASC members directed questions to ASC staff on the findings. J. Lee moved to approve the Alaska, Indiana, Maine and Oklahoma Compliance Reviews and letters and delegate authority to the ASC Acting Chairman to review and sign the letters. P. Sanford seconded and all members present voted to approve.

The Open Session adjourned at 11:45 a.m. into Closed Session. The observers left the meeting. The next scheduled meeting is for March 14, 2012.