

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
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 – Robert 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: American Society of Appraisers – John Russell
Appraisal Institute – Bill Garber
Appraisal Institute - Brian Rodgers
CFPB – Deana Krumhansl
CFPB – Veronica Spicer
Clarocity – Ernie Durbin
FDIC – Michael Briggs
FDIC – Rich 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

REVAA – Tom Tilton

The Meeting was called to order at 10:00 a.m. by A. Lindo.

REPORTS

- **Chairman**

A. Lindo welcomed observers to the Meeting. He noted that the ASC has not acted on the request from TriStar Bank for a temporary waiver and will do so in the near future. The ASC will be transparent in the handling of this request.

- **Executive Director**

J. Park updated the ASC on recent staff activities.

- The Appraiser Qualifications Board (AQB) met on February 1st in Washington, DC. The AQB adopted proposed changes to the AQB Criteria which will become effective on May 1, 2018. Since experience requirements will be lowered, States are not required to make any changes to their current statute or regulations. The college-level education requirement will be removed from the Licensed classification. A variety of education options have been approved as alternatives to the bachelor degree requirement for the Certified Residential credential. The new requirements can be found on the Foundation's website.
- The Appraisal Standards Board (ASB) issued a discussion draft on potential changes to the 2020-21 edition of USPAP.
- The Executive Committee of the Appraisal Foundation Board of Trustees met in January in Tampa, FL. The Foundation's finances appear to have recovered from the significant losses that occurred in recent years. There has been a significant increase in appraisers entering the profession as successful first-time test takers is at its highest level since 2014.
- Staff has continued to make progress on the implementation of the Unique Identifier Number (UID). Thus far, 25 States have converted to UIDs. Four States are using the Simple Access Object Protocol system to upload their data files and staff will continue working with States on these items.
- The roundtable held in November 2017 was successful with 67 participants representing trade groups, lenders, associations, States and Federal agencies. The objective was to begin identifying opportunities to lessen valuation-related burdens in general and assist in keeping federal financial institution regulators informed on the latest trends in valuation practice and technology. A follow-up roundtable is planned for this spring or summer.

- J. Park noted that City Bank and Trust in Guymon, OK has withdrawn its request for a temporary waiver. The request from TriStar Bank in Dickson, TN is still being pursued by the bank.
- **Delegated State Compliance Reviews**

A. Bohorfoush reported on State Compliance Reviews completed pursuant to delegated authority since the ASC's November 8th Meeting. Seven State Compliance Reviews were finalized and approved by the Executive Director under delegated authority. Hawaii, Kansas and Rhode Island were each awarded a Finding of "Excellent" and all will remain on a two-year Review Cycle. Alaska, New York, Utah and Virginia were each awarded a Finding of "Good" and all will remain on a two-year Review Cycle. R. Taft asked if ASC staff monitor States who are given a rating of Needs Improvement. D. Graves responded that ASC staff does monitor those States and has more frequent contact with them.
- **Financial Manager**

G. Hull reported on the August and September 2017 grant reimbursement requests received in the amounts of \$3,297 and \$10,983, respectively. The majority of costs covered salaries, consulting costs, postage and printing. He added that the ASC's FY17 audit should be finalized shortly.

ACTION ITEMS

- **November 8, 2017 Open Session Minutes**

R. Taft made a motion to approve the November 8th open session meeting minutes as presented. R. Witt seconded and all members present voted to approve.
- **Notation Vote on the Information Collection Request for the AMC National Registry**

L. Schuster said that the notation vote passed 7-0 on January 2, 2018.
- **Revised ASC Policy Statements**

A. Ritter presented the Revised ASC Policy Statements noting that they were last revised in 2013. The Revised Policy Statements were published in the *Federal Register* in January 2017 for public comment. The comment period was suspended due to the Regulatory Freeze put into place by the White House on January 20, 2017. They were reposted in the *Federal Register* in September 2017 for a 60-day comment period. 29 comments were received. Twenty-seven comments addressed wind turbines and environmental issues and were non-responsive to the proposal; 2 comments were filed by State appraiser certifying and licensing agencies. If the Revised Policy Statements are approved, they would be effective upon publication in the *Federal Register*. She added that in Policy Statements 7 and 10, it was proposed by the ASC to include in the complaint log, terms of disposition,

and in the case of open complaints, the most recent activity and date thereof. One State noted that this would be burdensome to States requiring them to duplicate information that is readily available elsewhere. ASC staff agreed and did not include that wording in the final Policy Statements 7 and 10. C. Walker made a motion to approve the Revised Policy Statements as presented; R. Taft seconded and all members present voted to approve.

- **Appraisal Foundation FY17 Grant Reprogramming Request**

G. Hull presented the FY17 Reprogramming Request in the amount of \$20,953. Of this amount, approximately \$7,500 was for AQB expenses and \$13,000 for ASB expenses. If approved as presented, the FY17 grant would be fully expended. R. Taft made a motion to approve the request in the amount of \$20,953; R. Witt seconded and all members present voted to approve.

The Open Session adjourned at 10:40 a.m. The next ASC Meeting will be May 9, 2018.