

**APPRAISAL SUBCOMMITTEE  
OPEN SESSION MEETING MINUTES  
MARCH 10, 2021**

LOCATION: Zoom Conference

**ATTENDEES**

**ASC MEMBERS:** CFPB – John Schroeder  
FDIC – John Jilovec  
FHFA – Robert Witt  
FRB – Keith Coughlin  
HUD – Bobbi Borland  
NCUA – Tim Segerson  
OCC – Enice Thomas

**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 – Neal Fenochietti  
Policy Manager – Kristi Klamet  
Policy Manager – Vicki Metcalf  
Policy Manager – Jenny Tidwell

**OBSERVERS:** See attached list

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

**REPORTS**

• **Chairman**

T. Segerson thanked observers for attending and said that when in-person Meetings can safely resume, the ASC may continue to allow observers to attend virtually. He added that the ASC and member agencies are looking into resolutions for inequality and bias in appraisals and residential lending practices.

- **Executive Director**

J. Park updated the ASC on recent ASC staff activity as noted below. He introduced E. Thomas as the new OCC representative to the ASC. He echoed T. Segerson's comments regarding inequality and bias in appraisals and residential lending practices. K. Coughlin noted his agreement with these comments as well.

- While on-site Compliance Reviews were halted in March 2020, the ASC staff developed a State Off-Site Assessment (SOA) for use until operations return to normal. The first SOAs started in January 2021 and are already proving to be useful for the ASC and the States.
- As. T. Segerson noted in his comments, the ASC began hosting its public meetings virtually in May 2020. This has increased public accessibility to ASC meetings and thereby its transparency. The public meetings in 2020 had roughly 65 attendees on average which was evenly divided between agency staff and public observers.
- In 2020, the ASC committed nearly \$14M in federal grant funds to be disbursed over the next three years to the States and Appraisal Foundation to support their grant eligible activities. (Further information is provided in the Grants Director report below.)
- ASC staff has been meeting with the State Liaison Committee (Conference of State Bank Supervisors) representatives to discuss appraiser shortages in some States and how to address those issues at the State level. State Appraiser Regulatory Agencies and Appraiser Qualifications Board representatives also recently joined the discussion. The objective of the meetings is to bring the authorities together that have a stake in the supply of appraisal services in a State.
- Approximately 49 States are using the Unique Identification Number for appraisers listed on the Appraiser Registry. The ASC staff is also working on the redesign of the ASC website and an electronic Compliance Review collection system for the States.

- **Grants Director**

M. Abbott updated the ASC on Grants Program activities since the ASC's September 2020 Meeting.

- In the first round of State grants, awards were made to eight States totaling just over \$800,000 for Fiscal Year (FY) 2021 and an additional \$1.6M for FYs 22-23. The eight States are Arizona, Illinois, Kentucky, Louisiana, Minnesota, South Dakota, Texas and Utah. Progress reports from the grantees are due on April 30<sup>th</sup>. Four grant applications were received from Arkansas, Hawaii, North Carolina, and Vermont for the second round. Two additional States were provided an extension and will be submitting grant applications shortly.

- The Appraisal Foundation (TAF) audit is officially underway. ASC staff conducted an entrance conference with the auditors and approved the audit plan with TAF. The auditors and TAF held an entrance conference and are working to find dates that work with both parties to begin the audit.
- **Financial Manager**

G. Hull provided a financial update since the ASC's September 2020 Meeting.

- The FY20 ASC audit is nearly complete. A draft report has been submitted for ASC staff review and a final report should be available by the end of March.
- A report on the financial status of the first quarter of FY21 was given. As of December 31, 2020, total revenue of \$2.4M was recognized. From this total, roughly \$1.1M are appraiser registry fees and \$1.3M are AMC registry fees. The total revenue recognized through December 31<sup>st</sup> represents a 70% increase over FY20 1<sup>st</sup> Quarter revenue of \$1.4M and represents 24% of the total FY21 budgeted total revenue of \$10M. Expenditures through December 31<sup>st</sup> totaled \$1.7M representing 75% of the budgeted \$2.2M for the period covering October 2020-December 2020 and 19% of the annual budgeted expenditure amount of \$8.9M. Overall expenditure activity for FY21 has been in line with budgeted amounts except for travel. The Reserve Balance amount for the ASC was \$8.9M as of December 31<sup>st</sup>.

## **ACTION ITEMS**

- **September 9, 2020 Open Session Minutes**

J. Jilovec made a motion to approve the September 9<sup>th</sup> open session meeting minutes as presented. K. Coughlin seconded and all members present voted to approve.

- **October 5, 2020 Special Meeting Minutes**

J. Jilovec made a motion to approve the October 5<sup>th</sup> special session meeting minutes as presented. K. Coughlin seconded and all members present voted to approve.

- **2020 ASC Annual Report**

A. Bohorfoush said that the Annual Report is not ready for approval and requested that it be tabled. K. Coughlin moved to table the Annual Report until the next ASC Meeting. E. Thomas seconded and all members present voted to approve.

- **Approval of Cooperative Agreement for training and technical assistance**

M. Abbott reported that three applications were received in response to the Notice of Funding Availability. The applications were assessed for basic compliance. The applications were then reviewed by an outside panel of paid experts in the design and

delivery of training and technical assistance and training programs, and then by an internal panel of ASC Policy Managers. ASC staff is recommending that the Council on Licensure, Enforcement and Regulation, Inc. (CLEAR) be awarded the funds. Both the external and staff review panels ranked this applicant as the top application with scores significantly above the other two applications. The CLEAR application included a robust plan for conducting the needs assessment and beginning curriculum development in the first year of the award. They presented a timeline of activities that included check-ins with ASC staff and a proven methodology for course development and evaluation. CLEAR also presented plans for both synchronous and non-synchronous training and demonstrated their capacity to design learning for professional adults through both in-person and online training. In addition, CLEAR staff has the administrative, programmatic, and organizational skills to oversee the project, including an instructional designer on staff. CLEAR also named the Association of Appraiser Regulatory Officials (AARO) as a strategic partner in its revised application. AARO will provide subject matter experts to support the development of the needs assessment and training curriculum, review draft training materials and host trainings at AARO conferences and online. The total award is \$1,050,000 and would cover FY21-23. The first-year award is \$349,969 as approved in the ASC's FY21 budget. In FY22-23, activities will be expanded and could potentially look into appraiser shortages and diversity. J. Jilovec asked how often CLEAR will provide progress reports. M. Abbott responded that CLEAR will provide updates twice a year. These progress reports will be shared with the ASC Board. M. Abbott added that Task Orders will be prepared, and the ASC staff may request additional funds from the ASC if needed. E. Thomas moved to approve the training and technical assistance cooperative agreement award to CLEAR as discussed above. K. Coughlin seconded and all members present voted to approve.

The Open Session adjourned at 10:45 a.m. The next regularly scheduled ASC Meeting will be held on June 2, 2021.

Attachment: Observer list

<b>Meeting:</b>	<b>Appraisal Subcommittee Meeting</b>	<b>Meeting Date:</b>	March 10, 2021
<b>Time:</b>	10:00 AM ET	<b>Location:</b>	Zoom Meeting

<b>Observers</b>	
<b>Name</b>	<b>Affiliation</b>
Karen Connolly	Allterra Group
Joan Trice	Allterra Group
Justin Kane	American Society of Appraisers
David Bunton	Appraisal Foundation
Kelly Davids	Appraisal Foundation
Edna Nkemngu	Appraisal Foundation
Brian Rodgers	Appraisal Institute
Shawn Telford	CoreLogic/Appraiser Qualifications Board Member
Deana Krumhansl	Consumer Financial Protection Bureau
Orlando Orellano	Consumer Financial Protection Bureau
Richard Foley	Federal Deposit Insurance Corporation
Patrick Mancoske	Federal Deposit Insurance Corporation
Mark Mellon	Federal Deposit Insurance Corporation
Sara Todd	Federal Housing Finance Agency
David Imhoff	Federal Reserve Board
Devyn Jeffreis	Federal Reserve Board
Matt McQueeney	Federal Reserve Board
Trevor Feigleson	Federal Reserve Board

Peter Gallo	Homesight Appraisal
James Rist	Minnesota Department of Commerce
Rachel Ackman	National Credit Union Administration
Gira Bose	National Credit Union Administration
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
Jim Rives	Office of the Comptroller of the Currency
Glenn Garoon	TX Certified General Appraiser
Lola Hartshorn	