

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
JUNE 12, 2013**

LOCATION: Office of the Comptroller of the Currency, 400 7th Street SW, Washington, DC 20024.

ATTENDEES

ASC MEMBERS: OCC – Darrin Benhart (Acting Chair)
CFPB – Mira Marshall
FDIC – Rae-Ann Miller
FHFA – Susan Cooper
FRB – Art Lindo
HUD – Ada Bohorfoush
NCUA – Tim Segerson

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Attorney-Advisor – Dan Rhoads
Regulatory Affairs Specialist – Claire Brooks
Management & Program Analyst – Lori Schuster
Administrative Assistant – Brian Kelly

OBSERVERS: Appraisal Institute – Brian Rodgers
FDIC – Suzy Gardner
FDIC – Sumaya Muraywid
FRB – Ginny Gibbs
FRB – Kevin Wilson
OCC – Kevin Lawton
OCC – Bob Parson

The Meeting was called to order at 10:35 a.m. by D. Benhart. A. Lindo, S. Gardner, S. Muraywid and B. Parson attended via telephone.

<OPEN SESSION>

1. Opening Remarks

D. Benhart welcomed the observers to the Meeting. T. Segerson was introduced as the new NCUA representative on the ASC; he replaces Joy Lee.

J. Park reported on ASC staff activities since the ASC's May 21st meeting. J. Park reported on the May 16-18 Appraisal Foundation Board of Trustee's meeting. The Alliance for Valuation Education is operational and seeking board members. He noted 70 telephone calls have been handled by the Appraisal Complaint National Hotline (Hotline) since its March 15th start-up date. The Hotline website has received nearly 3,000 visits. Approximately 200 referrals have been made to the regulatory agencies, but that does not mean actual complaints have been filed. He reported the 2012 ASC Annual Report will be distributed to Congress by June 15th and uploaded to the ASC website. He also reported that on June 6th, he and D. Benhart attended the FFIEC meeting and updated the FFIEC on the status of the Illinois Appraisal Program and the Hotline. D. Benhart said the agencies are continuing to work on a system to report the outcome of appraisal complaint referrals to the ASC.

2. Summary Agenda

- **May 21, 2013 minutes – Open Session**

M. Marshall made a motion to approve the May 21st open session meeting minutes as presented. A. Lindo seconded and all members present voted to approve.

- **Notation Vote for 2012 ASC Annual Report**

The ASC approved the 2012 ASC Annual Report by a 7-0 notation vote on June 3, 2013.

3. Discussion Agenda

- **Illinois Compliance Update**

D. Graves updated the ASC on changes Illinois has made to its Program since the finding of "Not in Compliance" at its May 2012 Compliance Review. She noted the response from Illinois has been positive and ASC staff is cautiously optimistic that the Program can be brought into compliance. A. Lindo asked how Illinois reduced the total number of complaints that have been open for more than one year. D. Graves responded that Illinois has made significant changes to complaint investigation, including implementing new procedures and hiring an additional investigator.

- **Appraisal Foundation February and March 2013 Grant Reimbursement Request**

J. Park presented the February and March 2013 Grant Reimbursement Requests in the amount of \$55,048 and \$30,584, respectively. A. Bohorfoush moved to approve the Requests as presented. R. Miller seconded and all members present voted to approve.

- **Compliance Reviews**

- **Virgin Islands**

D. Graves presented the Virgin Islands Compliance Review Report and letter. Virgin Islands was found to be “Not in Substantial Compliance” with Title XI. ASC staff recommends retaining Virgin Islands on a two-year Review Cycle with a Follow-up Review in one year and off-site monitoring. S. Cooper noted an error in the letter regarding the scheduling of the Follow-up Review and D. Graves said the correction would be made before the letter is signed.

- **West Virginia**

D. Graves presented the West Virginia Compliance Review Report and letter. West Virginia was found to be “Not in Substantial Compliance” with Title XI. ASC staff recommends retaining West Virginia on a two-year Review Cycle with off-site monitoring.

S. Cooper moved to approve the Virgin Islands Compliance Review Report and letter, with edits, and the West Virginia Compliance Review Report and letter as presented. M. Marshall seconded and all members present voted to approve.

- **Florida Compliance Review Acknowledgement**

D. Graves updated the ASC on the Florida Compliance Review that was conducted in February 2013. ASC staff found Florida “In Substantial Compliance” with Title XI and they were moved to a two-year Review Cycle. She added that Florida has a long history of compliance concerns with either a Compliance Review or Follow-up Review being conducted annually since 2001. The Florida Department of Business and Professional Regulation staff and the Real Estate Appraiser Board has worked diligently over the past few years to bring the Program into compliance.

This is the first time that the Florida Program has been found to be “In Substantial Compliance.”

The Open Session adjourned at 11:00 a.m. into Closed Session and the observers left the Meeting. The next scheduled Meeting is for July 10, 2013.