

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
JUNE 13, 2012**

LOCATION: Office of the Comptroller of the Currency, 250 E Street SW, Room 8C, Washington, DC 20219.

ATTENDEES

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

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

OBSERVERS: David Bunton – Appraisal Foundation
Cathy Johnson – Appraisal Foundation
George Parkerson – FDIC
Virginia Gibbs – FRB
Kevin Wilson – FRB
Grant Wilson – OCC

The meeting was called to order at 10:30 a.m. by P. Gillispie. D. Benhart and J. Lee attended via telephone.

<OPEN SESSION>

1. Opening Remarks

P. Gillispie welcomed the observers to the meeting. J. Park reported on ASC staff activities and the Appraisal Foundation Board of Trustees meeting.

2. Summary Agenda

- **May 9, 2012 minutes – Open Session**

A. Lindo made a motion to move the May 9th open session meeting minutes to the Discussion Agenda and J. Lee seconded. All members present voted to approve.

- **Notation Vote for 2011 ASC Annual Report**

The ASC approved the 2011 ASC Annual Report by a 7-0 notation vote on May 31st.

3. Discussion Agenda

- **May 9, 2012 minutes – Open Session**

Edits submitted by the FDIC were discussed. After discussion, A. Lindo moved to approve the May 9th minutes with edits and P. Sanford seconded. All members present voted to approve; S. Cooper abstained.

- **Florida Compliance Review**

D. Graves presented the Florida Compliance Review. Florida is recommended to be found not in substantial compliance and moved to a one-year review cycle. S. Cooper moved to approve the Florida Compliance Review report and letter and delegate authority to the Chairman to review and sign the letter. A. Lindo seconded and all members present approved.

- **ASC Draft Revised Policy Statements**

A. Ritter presented the revised Policy Statements. A. Lindo said ASC staff did not provide enough support for five rating categories. However, the Policy Statements should be exposed as drafted to get public feedback. He also suggested specific questions be included in the Preamble to the Federal Register notice to solicit comments on specific areas of the Policy Statements. P. Gillispie asked if the ASC members would like to review and comment on the questions. ASC members said they would and J. Park requested that members send questions to him. A. Lindo moved to approve the revised Policy Statements for publication in the Federal Register for a 60-day public comment period, with specific questions for comment included in the Preamble. S. Cooper seconded and all members present voted to approve.

- **Revised ASC Delegations of Authority to include monitoring of the appraisal requirements established by the Federal financial institutions regulatory agencies.**

A. Ritter presented the revised Delegations of Authority. A section has been added delegating authority to the ASC staff to monitor the appraisal requirements established by the Federal financial institutions regulatory agencies. S. Cooper asked if the ASC staff intends to summarize the results of the meetings between the ASC and the agencies and would staff include recommendations to the agencies. J. Park said the report would be fact-based but could include staff opinion and recommendations if desired. G. Parkerson said D. Eberley did not think the proposed delegation of authority made clear what would be accomplished in the meetings with the members' agencies. J. Park indicated that the delegation would minimally meet the Government Accountability Office (GAO) recommendation to establish policies and procedures for monitoring the Federal financial institution regulatory agency appraisal requirements. More detailed policies and procedures could be added later. S. Cooper said the GAO finding needs a response from the ASC. P. Sanford asked when the ASC would be responding to the GAO. J. Park answered ASC staff will be meeting with the GAO staff on June 15th to discuss ASC progress on the recommendation. A. Lindo did not think the delegation would respond to GAO's recommendation and added that the ASC should determine what would be monitored before a delegation is prepared. A. Ritter commented that the GAO report made the observation that there is no documentation to show that the ASC has ever addressed this Title XI requirement. S. Cooper and A. Lindo agreed that procedures for monitoring the agencies should be developed. J. Park gave an example that when the Interagency work group was rewriting the Interagency Appraisal and Evaluation Guidelines, ASC staff could have monitored that process and provided updates to the ASC members. He added that if ASC staff were allowed access to documents prepared by the Interagency Working Group, ASC staff could review the documents to see if there are any areas that would be in contradiction to ASC Policy Statements or Title XI. P. Sanford said GAO could be told that procedures are being drafted. S. Cooper made a motion that the ASC staff draft procedures, not a delegation, on what monitoring will entail. A. Lindo seconded and all members present voted to approve. A. Ritter said draft procedures could be ready for the July 11th ASC Meeting. A. Lindo said GAO should be notified that the ASC hopes to have procedures prepared within the next sixty days. J. Park asked if a Briefing would be necessary. P. Sanford said the ASC members can decide if a Briefing is necessary after ASC staff distributes draft procedures to the ASC members.

- **ASC Appraisal Foundation Grant Policy**

J. Park presented the draft Policy. He said this Policy is in response to a recommendation from the GAO that the ASC have specific criteria in place to assess whether the grant activities of the Appraisal Foundation are Title XI-related. He suggested tabling this until the July 11th meeting to incorporate comments from ASC members. A. Lindo moved to table this item until the July 11th ASC meeting and S. Cooper seconded; all members present voted to approve.

- **Selection of ASC Vice Chairperson**

J. Park asked if ASC members had nominations for a Vice Chairman. P. Sanford commented that he had approached D. Benhart and encouraged him to consider taking the position. J. Lee said she would also be interested. A. Lindo asked if it is required that the Vice Chairman be next in line for the Chairmanship when the current Chairman's term expires. A. Ritter responded that the Rules of Operation state that the Vice Chairman is intended to succeed the Chair but the FFIEC makes the final determination. G. Parkerson asked why the Vice Chairman position was created. A. Ritter responded the Vice Chairman position was created to assist the Chairman and act in the Chairman's capacity in the Chairman's absence. D. Benhart said he would accept the Vice Chairman position if it did not require him to be the Chairman when the current Chairman's term expires in two years. J. Lee withdrew her name from consideration. S. Cooper moved to select D. Benhart as Vice Chairman of the ASC and A. Lindo seconded. All other members present voted to approve; D. Benhart abstained.

The Open Session adjourned at 11:30 a.m. into Closed Session. The observers left the meeting. The next scheduled meeting is for July 11, 2012.