

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
JULY 10, 2013**

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

ATTENDEES

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

ASC STAFF: Executive Director – Jim Park
General Counsel – Alice Ritter
Financial Manager – Girard Hull
Regulatory Affairs Specialist – Claire Brooks
Management & Program Analyst – Lori Schuster
Administrative Assistant – Brian Kelly

OBSERVERS: Appraisal Foundation – Rick Baumgardener
Appraisal Foundation – John Brenan
Appraisal Foundation – David Bunton
Appraisal Foundation – Kelly Davids
Appraisal Foundation – Steven Elliott
Appraisal Foundation – Cathy Johnson
Appraisal Foundation – Wayne Miller
Appraisal Foundation – Barry Shea
Appraisal Institute – Brian Rodgers
FDIC – Suzy Gardner
FRB – Ginny Gibbs
FRB – Kevin Wilson
OCC – Bob Parson

The Meeting was called to order at 10:35 a.m. by A. Lindo. J. Park noted that the FFIEC elected A. Lindo as ASC Chairman effective June 17th. He will finish out P. Gillispie's term that expires on March 31, 2014. D. Benhart will continue to serve as Vice Chair.

<OPEN SESSION>

1. Opening Remarks

A. Lindo welcomed the observers to the Meeting.

J. Park reported on ASC staff activities since the ASC's June 12th Meeting. The ASC 2012 Annual Report was delivered to Congress and other interested parties on June 13th. He also updated the ASC on the usage of the Appraisal Complaint National Hotline, and based on discussion at the last interagency group meeting, the agencies reported a minimal number of complaints received. The new ASC Financial Manager, Girard Hull, was introduced to the ASC.

2. Summary Agenda

- **June 12, 2013 minutes – Open Session**

D. Benhart made a motion to approve the June 12th open session meeting minutes as presented. M. Marshall seconded and all members present voted to approve.

3. Discussion Agenda

- **Idaho Compliance Review**

C. Brooks presented the Idaho Compliance Review Report and letter. Idaho was found to be "Not in Substantial Compliance" with Title XI. ASC staff recommends retaining Idaho on a two-year Review Cycle with off-site monitoring. M. Marshall moved to approve the Idaho Compliance Report and letter as presented. A. Bohorfoush seconded and all members present voted to approve.

- **Utah Compliance Review**

C. Brooks presented the Utah Compliance Review Report and letter. Utah was found to be "Not in Substantial Compliance" with Title XI. ASC staff recommends retaining Utah on a two-year Review Cycle with off-site monitoring. R. Miller moved to approve the Utah Compliance Review Report and letter as presented. A. Bohorfoush seconded and all members present voted to approve. (Robert Witt joined the meeting.)

- **Kentucky and Virginia Compliance Review Acknowledgement**

C. Brooks said ASC staff conducted Reviews of Kentucky and Virginia in March and May 2013, respectively. Both States were found to be "In Substantial Compliance." Kentucky and Virginia have received a finding of "In Substantial Compliance" in their three previous Reviews.

- **Update on the Implementation of the Policy Statements**

J. Park provided an update on the implementation of the revised Policy Statements. States were sent a copy of the revised Policy Statements on May 28th. For the most part, the revised Policy Statements clarify existing requirements that were contained in the previous Policy Statements. States were notified over two years ago regarding certain Dodd-Frank Act requirements that would be enforced beginning July 1, 2013, and over the past two years, Policy Managers and ASC staff have been working with the States on implementation of these requirements. The remaining new requirements in the revised Policy Statements were brought to the attention of State appraiser regulatory officials upon adoption of the Policy Statements by the ASC last May. With the exception of required written policies for use of the extranet, most States are already compliant with these new requirements. Therefore, ASC staff does not anticipate these new requirements to be problematic. States were also specifically advised regarding the new Policy Statement 8 addressing interim sanction authority and the new rating system that applies to Compliance Reviews commenced after June 1, 2013. One Review has been conducted under the new rating system and one is being conducted this week. D. Benhart asked if there has been feedback on the revised Policy Statements. J. Park answered that staff received some feedback mostly concerning reciprocity. He added that staff is drafting a set of Frequently Asked Questions to be posted on the ASC website. Staff is also considering a webinar for States to have a forum on the revised Policy Statements.

The Open Session adjourned at 10:50 a.m. into a Briefing and the observers, with the exception of the Appraisal Foundation attendees, left the Meeting. The next scheduled Meeting is for August 14, 2013.