

**APPRAISAL SUBCOMMITTEE  
OPEN SESSION MEETING MINUTES  
SEPTEMBER 15, 2021**

LOCATION: Zoom Conference

**ATTENDEES**

**ASC MEMBERS:** CFPB – John Schroeder  
FDIC – John Jilovec  
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 – 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. He noted that the ASC member agencies are working collaboratively on diversity, equity, and inclusion issues. The ASC agencies as well as ASC staff are members of the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE).

• **Executive Director**

J. Park updated the ASC on recent staff activity as noted below.

- The State Off-Site Assessments (SOA) that were initiated at the beginning of 2021 are going well. Nine SOAs have been completed and 11 are in process. There are several

States that are struggling with compliance in their appraisal management company (AMC) oversight programs. Policy Managers are working to assist these States and clarify compliance requirements.

- The ASC Roundtable entitled *Building a More Equitable Appraisal System* will take place virtually on September 22<sup>nd</sup> from 11:00 a.m. to 1:30 p.m. ET and will include featured speakers, audience question and answer sessions, theme-based concurrent breakouts, and closing comments outlining next steps. Secretary Marcia Fudge from the U.S. Department of Housing and Urban Development will provide opening comments. Registration information is on the ASC website and LinkedIn page.
- The review of the Uniform Standards of Professional Appraisal Practice (USPAP) and Real Property Appraiser Qualification Criteria (Criteria) as well as the appraiser census/survey project are underway. ASC staff hopes to have the review completed by year end or early 2022. The timing for completion of the census/survey is unclear. M. Abbott added that ASC staff is working with ASC member agencies to see if they have data that could be shared and used in the census/survey. Interviews have been held with two bidders thus far for the USPAP and Criteria review.
- As noted by T. Segerson, J. Park said that the PAVE Task Force is holding regular meetings. HUD is overseeing PAVE and plans to have outreach with the appraisal profession and other stakeholders. Information regarding PAVE can be found at <https://pave.hud.gov/home>.

- **Grants Director**

M. Abbott's report concerned the Notice of Funding Availability (NOFA) for State Support Grants and NOFA for the Appraisal Foundation (TAF) which is included in the Action Items (below) for the Fiscal Year (FY) 2022 NOFAs.

- **Financial Manager**

G. Hull provided a financial update since the ASC's June 2021 Meeting.

- As of June 30<sup>th</sup>, the ASC has recognized FY21 registry revenue of \$6M, with roughly \$1.9M for appraiser fees and \$4.1M for AMC fees.
- Expenses for the period ending June 30<sup>th</sup> total \$6.1M. The ASC Reserve balance for the 3<sup>rd</sup> quarter of FY21 is \$5.2M. He does not foresee incurring any substantial or unusual budget activity that may produce a significant impact on the FY21 budget.

## **ACTION ITEMS**

- **June 2, 2021 Open Session Minutes**

J. Jilovec made a motion to approve the June 2<sup>nd</sup> open session meeting minutes as presented. E. Thomas seconded and all members present voted to approve.

- **Fiscal Year 2022 Notice of Funding Availability Summary for TAF**

M. Abbott said that the NOFA for TAF was amended to a \$2M two-year award covering FY22 and FY23. TAF did not accept funding of \$1M for FY21. As noted in the NOFA for FY21, TAF can request grant funds for support for AQB and ASB activities, and for other activities, including: (1) providing trainees and credentialed appraisers with a free or reduced cost copy of USPAP Standards 1-4 and associated annotations; (2) USPAP publishing and revenue model; (3) AQB/ASB/Board of Trustees operational assessment; and (4) other initiatives. J. Schroeder moved to approve the NOFA Summary as amended. E. Thomas seconded and all members present voted to approve.

- **Fiscal Year 2022 Notice of Funding Availability Summary for State Support Grants**

M. Abbott said that fourteen grants were awarded in FY21 to State Appraiser Regulatory Agencies. ASC staff is recommending changes to the NOFA for FY22-23. The change would allow States or Territories with an existing grant to request supplemental funds for special initiatives, needs or projects that have costs that exceed \$120,000. Several States have expressed interest in special initiatives such as assisting trainees with education and paying supervisory appraisers to assist these trainees in underserved markets. J. Schroeder asked if there would be a cap on the supplemental funding and would the ASC approve them. M. Abbott responded that a cap is a good idea and asked for a suggested amount. He also said that per the Grants Handbook, the ASC Executive Director would have the final approval on the supplemental funding requests. T. Segerson and E. Thomas agreed that a cap would be helpful and asked for suggestions. E. Thomas asked if any States had requested grants that exceed \$120,000. M. Abbott responded “no.” He added that special initiatives could include demonstration projects that are larger and may need to be resourced with contractors. He suggested \$350,000 as a cap. T. Segerson, J. Schroeder and E. Thomas felt that was reasonable. T. Segerson asked if the NOFA could be approved with a secondary cap of \$350,000 for a supplemental grant. A. Ritter said “yes.” J. Jilovec and T. Segerson asked for clarification that \$350,000 is separate from the \$120,000 for the initial or existing grant. M. Abbott responded that if a State was awarded a grant in FY21, the \$350,000 would be in addition, thereby possibly totaling up to \$470,000. For example, a State could have a current grant of \$90,000 and request funding up to \$350,000 for a special project or initiative. J. Park wanted verification that these additional funds are part of the \$10M that was approved by the ASC in 2020. M. Abbott responded “yes.” T. Segerson suggested that the ASC could discuss increasing the grant budget if it appears that funds will be exhausted before the end of FY23. He also questioned whether the ASC would commit to multi-year projects, or will the State be expected to fund projects after grant funds are exhausted. J. Jilovec moved to

approve the State Support Grant NOFA Summary as amended. J. Schroeder seconded and all members present voted to approve.

- **FY22 ASC Budget Proposal**

J. Park said that he, G. Hull, and M. Abbott met individually with ASC members to discuss the proposed FY22 ASC budget. Suggestions from ASC members have been incorporated into the proposed budget. Net revenue of approximately \$1M is projected for FY21. As of August 21<sup>st</sup>, 45 States and the District of Columbia are populating the AMC Registry. G. Hull noted that five States (Georgia, Hawaii, Maine, Massachusetts, and Michigan) are not submitting data, but they are all expected to be submitting data by FY23. J. Park said that AMC Registry fees are projected to decrease in FY22 by approximately \$1M from \$6.4 projected in FY21. AMCs have begun to reduce their use of individual appraisers to decrease their AMC Registry fees which has been anticipated. Appraiser Registry fees for FY22 are estimated at \$3,760,000 versus \$3,720,000 for FY21. Net revenue for FY22 is estimated to be \$111,000. The FY22 operating budget is estimated to be \$4.2M, grants are estimated to be \$4.8M for a total budget of approximately \$9M. E. Thomas moved to approve the FY22 ASC budget proposal as discussed. J. Jilovec seconded and all members present voted to approve.

- **Proposed revisions to the Policy on Monitoring and Reviewing the Appraisal Foundation**

J. Park said the following changes would be made to the Policy:

- ASC staff will attend public meetings as observers of the AQB and ASB as well as the Board of Trustees. This will be delegated to staff on a rotating basis.
- ASC staff will not routinely attend work sessions, conference calls, closed session or committee, subcommittee, or subject matter expert panel meetings, but will be available for those meetings on an as needed basis.
- ASC staff will provide written public comment on TAF exposure drafts and other work product.
- Written memos prepared by ASC staff for TAF staff regarding TAF meetings will be provided to TAF for review and comment prior to finalization, with a one-week turnaround time.
- ASC staff will request meeting materials and minutes for all meetings (public and private).

J. Schroeder moved to approve the revisions as noted. J. Jilovec seconded and all members present approved.

Dave Bunton of TAF was granted five minutes to speak to the ASC.

- He was agreeable to the changes to the Monitoring and Review Policy and requested a copy of the Policy.
- He commented that TAF can pay for general operating expenses of the AQB, ASB and Board of Trustees. TAF would like grant funding for special projects but does not feel that TAF should be required to accept funding for the TAF Boards as required in the FY21 NOFA.
- He added that the USPAP publishing cycle has been decoupled from the continuing education requirement.
- He said that TAF has set up a Task Force on Board Diversity to review how candidates are solicited for Board positions. TAF will engage an outside diversity inclusion consultant with expertise in board member selection to assist in these efforts. TAF Board of Trustees has also set up a Diversity, Equity, and Inclusion Special Committee (Committee) to promote more diversity in the valuation profession. The Committee hopes to help raise awareness of the reporting mechanisms available to property owners to use if they suspect bias or discrimination. There have been several recent stories in the media regarding alleged appraiser bias, but no data has been provided in these stories. The ASC and TAF could work collaboratively on a baseline to measure efforts in diversity, equity, and inclusion.
- He noted that TAF requested funding from the ASC in the past to provide grant funds to send a copy of USPAP to trainees and appraisers. He said that the ASC denied that request. Standards 1-4 of USPAP were published in the *Federal Register* in the early 1990s. It would cost approximately \$5M to send out a copy to trainees and appraisers now.
- He acknowledged the passing of ASC Policy Manager Vicki Ledbetter-Metcalf.

The Open Session adjourned at 10:55 a.m. The next regularly scheduled ASC Meeting will be held on November 17, 2021. [Staff Note: The November 17, 2021 Quarterly Meeting was subsequently cancelled and rescheduled as a Special Meeting on December 8, 2021.]

Attachment: Observer list

<b>Meeting:</b>	<b>Appraisal Subcommittee Meeting</b>	<b>Meeting Date:</b>	September 15, 2021
<b>Time:</b>	10:00 AM ET	<b>Location:</b>	Zoom Meeting

<b>Observers</b>	
<b>Name</b>	<b>Affiliation</b>
JoEllen Alberts	Appraisal Foundation
David Bunton	Appraisal Foundation
Kelly Davids	Appraisal Foundation
Aida Dedajic	Appraisal Foundation
Lisa Desmarais	Appraisal Foundation
Edna Nkemngu	Appraisal Foundation
Amy Timmerman	Appraisal Foundation
Scott DiBiasio	Appraisal Institute
Bill Garber	Appraisal Institute
Brian Rodgers	Appraisal Institute
John Ryan	Appraiser Qualifications Board Vice Chair
Justin Kane	American Society of Appraisers
David Cherner	Clear Capital
Deana Krumhansl	Consumer Finance Protection Bureau
Brian Barnes	Department of Housing and Urban Development
Barbara Leslie	Department of Housing and Urban Development
Richard Foley	Federal Deposit Insurance Corporation
Patrick Mancoske	Federal Deposit Insurance Corporation

Mark Mellon	Federal Deposit Insurance Corporation
George Parkerson	Federal Deposit Insurance Corporation
Sara Todd	Federal Housing Finance Agency
Matt McQueeney	Federal Reserve Board
Matt Suntag	Federal Reserve Board
Deborah Geiger	Geiger Communications
Steve Sousa	Massachusetts Board of Real Estate Appraisers
Jonathan Miller	Miller Samuel Inc.
Jacqueline Olson	Minnesota Department of Commerce
James Rist	Minnesota Department of Commerce
Rachel Ackmann	National Credit Union Administration
Gira Bose	National Credit Union Administration
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
Mark Schiffman	Real Estate Valuation Advocacy Association
Jeremy Gray	Rock Canyon Bank & Appraisal Foundation Board of Trustees Chair
Craig Steinley	Steinley Real Estate Appraisals and Consulting
Magdalene Vasquez	Wells Fargo
Joshua Walitt	Walitt Solutions