

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
SEPTEMBER 27, 2012**

LOCATION: Federal Deposit Insurance Corporation, 550 17th Street NW, Room MB-5085, Washington, DC 20429.

ATTENDEES

ASC MEMBERS: HUD – P. Gillispie (Chair)
OCC – Darrin Benhart (Vice Chair)
CFPB – Mira Marshall
FDIC – Doreen Eberley
FHFA – Susan Cooper (Alternate)
FRB – Art Lindo
NCUA – Joy Lee

ASC STAFF: Executive Director – Jim Park
Deputy Executive Director – Denise Graves
General Counsel – Alice Ritter
Policy Manager – Vicki Metcalf
Management & Program Analyst – Lori Schuster
Administrative Assistant – Brian Kelly

OBSERVERS: Allterra Group – Joan Trice
Appraisal Foundation – Dave Bunton
Appraisal Foundation – Cathy Johnson
Appraisal Institute – Brian Rodgers
CFPB – Jeff Shue
FDIC – Suzy Gardner
FDIC – George Parkerson
OCC – Kevin Lawton

The meeting was called to order at 1:30 p.m. by P. Gillispie. J. Lee attended via telephone.

<OPEN SESSION>

1. Opening Remarks

P. Gillispie welcomed the observers to the meeting. He reported that he, D. Benhart, and J. Park gave a report at the September 25th FFIEC meeting. The FFIEC was updated on the development of the Appraisal Complaint National Hotline (Hotline) and

ASC staff activities. He thanked D. Benhart for overseeing the Interagency Appraisal Complaint Working Group that is working on the Hotline.

J. Park provided an ASC staff update. Under the Sequestration Transparency Act of 2012, the ASC could be required to reduce spending by up to 7.6% of \$2 million if Congress and the President do not reach a budget compromise or another legislative remedy by December 31, 2012.

The Interagency Appraisal Complaint Working Group continues to make progress on the Hotline complaint form. ASC staff presented a walk-through demonstration of the Hotline website to the OCC's Office of Management and Budget Desk Officer. The Desk Officer concluded that the Hotline, as presented, would not be subject to Paperwork Reduction Act clearance.

The deadline for comments on the proposed revisions to the ASC Policy Statements has been extended until November 29, 2012.

ASC staff met with Illinois appraisal program staff on August 29, 2012. Illinois submitted a written plan to address ASC concerns but the plan lacked detail. D. Benhart asked if Illinois has been responsive to our concerns. J. Park responded that Illinois has posted one investigator position.

2. **Summary Agenda**

- **August 8, 2012 minutes – Open Session**

D. Benhart made a motion to approve the August 8th open session meeting minutes. M. Marshall seconded and all members present voted to approve.

- **Notation Vote for amended Appraisal Foundation April 2012 grant reimbursement request**

The ASC approved the amended Appraisal Foundation April 2012 grant reimbursement request in the amount of \$58,580 by a majority vote on August 16, 2012.

- **Notation Vote to approve extending the comment period from October 29, 2012 to November 29, 2012 for the proposed revisions to the ASC Policy Statements**

The ASC approved an extension for the comment period by a majority vote on September 20, 2012.

3. Discussion Agenda

- **Appraisal Foundation FY13 Grant Proposal**

D. Bunton presented the Appraisal Foundation's FY13 grant proposal in the amount of \$720,744. The funding would cover two meetings for the Appraiser Qualifications Board and three for the Appraisal Standards Board. Also included in the proposal is one each of the Level One and Level Two courses for the State Investigator Training. The Foundation may also request a supplemental grant to prepare an occupational analysis. The ASC provided funding for this analysis in 1992, 1995, and 2000. They are awaiting a proposal from a psychometrician on the cost for this analysis. D. Bunton requested that if the ASC does not fund the full amount of the grant proposal that it make the cuts by program rather than reducing a portion from each item requested. D. Benhart asked how many States have attended the Investigator Training courses. D. Bunton responded that approximately 44 States have attended.

J. Park said ASC staff recommends deferring approval of the FY13 grant until the sequestration amount, if any, is known. A. Lindo asked if the grant award would be pro-rated once it is awarded or retroactive to October 1, 2012. J. Park said the grant could be retroactive to October 1st. The ASC would have to decide on the grant level once the sequestration amount is known. D. Bunton added that retroactive grants have been done before and would not be problematic for the Foundation. D. Benhart made a motion to defer a decision on the FY13 grant until it is known whether any of the ASC's funds would be sequestered. M. Marshall seconded and all members present voted to approve.

- **ASC FY13 Operating Plan**

J. Park discussed the priorities in the FY13 operating plan. A. Lindo made a motion to approve the FY13 Operating Plan as presented. S. Cooper seconded and all members present voted to approve.

ASC FY13 Proposed Budget

J. Park presented the ASC's FY13 budget. The increase in revenue is because of a change from recognizing revenue on a cash basis to an accrual basis for the ASC's fiscal year of October 1 to September 30. D. Benhart moved to approve the budget as presented. M. Marshall seconded and all members present approved.

- **Appraisal Foundation June 2012 Grant Reimbursement Request**

J. Park presented the June 2012 grant reimbursement request. The request covers costs for the Level 1 State Investigator Training course in Scottsdale, AZ. S.

Cooper moved for approval of the June grant reimbursement request in the amount of \$100,457. D. Eberley seconded and all members present voted to approve.

- **ASC Policy for Monitoring Appraisal Requirements**

A. Ritter presented the proposed policy. The draft policy incorporated comments received at the August ASC meeting as well as additional comments submitted to ASC staff. If this policy is approved, the ASC would have addressed all three of the recommendations in the GAO Report. A discussion ensued regarding the FDIC's suggested edits. S. Cooper suggested clarifying the section covering monitoring requirements. M. Marshall said a broader policy is needed but it is not an immediate need. D. Eberley moved to approve the policy with item 3 as suggested in the FDIC's draft under Monitoring Requirements be deleted. A. Lindo seconded and all members present voted to approve.

P. Gillispie notified observers that the ASC members held a Briefing in advance of this Meeting to discuss the ASC's FY13 budget. The Open Session adjourned at 2:35 p.m. into Closed Session and the observers left the Meeting. The next scheduled Meeting is for October 10, 2012.