

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
NOVEMBER 9, 2011**

LOCATION: Office of the Comptroller of the Currency, 250 E Street SW, Room 1C/1CA, Washington, DC 20219.

ATTENDEES

ASC MEMBERS: OCC – D. Merkle
CFPB – P. Sanford (Advisory Representative)
FDIC – S. Gardner
FHFA – S. Cooper
FRB – G. Gibbs
HUD – P. Gillispie
NCUA – J. Lee

ASC STAFF: Executive Director – J. Park
Deputy Executive Director – D. Graves
General Counsel – A. Ritter
Administrative Officer – C. Brooks
Administrative Officer – L. Schuster
Policy Manager – V. Ledbetter-Metcalf

OBSERVERS: D. Bunton – Appraisal Foundation
C. Johnson – Appraisal Foundation
W. Matchneer - CFPB

The meeting was called to order at 10: 35 a.m. by D. Merkle. S. Gardner attended the meeting via telephone.

<OPEN SESSION>

1. Opening Remarks

D. Merkle welcomed the observers to the meeting. Paul Sanford from the Consumer Financial Protection Bureau (CFPB) was welcomed as an advisory representative to the ASC.

2. Summary Agenda

- **October 12, 2011 minutes – Open Session**

G. Gibbs moved for approval of the October 12th Open Session meeting minutes. S. Cooper seconded and all members present voted to approve.

3. Discussion Agenda

S. Cooper made a motion to remove the Appraisal Complaint National Hotline (Hotline) from the Open Session agenda and move it to the December 14th Open Session meeting agenda. The motion was opposed by an ASC member who commented that ASC members were given enough information during two previous briefings to discuss and vote on the recommendation today. S. Cooper indicated that she needed more information on potential costs to start up and maintain the Hotline, costs to outsource the Hotline versus running it in-house, and implementation of the Hotline. Another ASC member asked if ASC staff was able to obtain details concerning outsourcing as requested at the November 3rd briefing. J. Park responded there was not enough time to get detailed information before today's meeting. Another ASC member requested, at a minimum, a synopsis of the Hotline implementation be given by staff. Due to lack of a second, the motion did not pass.

- **Arizona Request for Extension of National Registry fee increase**

J. Park presented the request from the Arizona Board of Appraisal (Board) for an extension to April 1, 2012 of the National Registry fee increase. Based on the extenuating circumstances presented by Arizona, ASC staff recommends granting the extension to Arizona. An ASC member asked if Arizona will promulgate a rule and whether or not it will require a statutory amendment. ASC staff answered yes to both questions. An ASC member asked if a three-month extension was enough time for Arizona to go through the rulemaking process. ASC staff said Arizona believes that will give them enough time. P. Gillispie made a motion to approve Arizona's request for a three-month extension of the National Registry fee increase to April 1, 2012, and the notification letter to the Board, delegating authority to the ASC Chair to review and sign the letter. J. Lee seconded and all members present voted to approve.

- **New York Request for Extension of National Registry fee increase**

J. Park presented the request from the New York Department of State for an extension of the National Registry fee increase to April 1, 2012. Based on the extenuating circumstances presented by New York, staff recommends granting the extension. P. Gillispie made a motion to approve New York's three-month extension of the National Registry fee increase to April 1, 2012, and the

notification letter to the Board, delegating authority to the ASC Chair to review and sign the letter. S. Cooper seconded and all members present voted to approve.

- **Appraisal Complaint National Hotline**

J. Park presented the ASC staff recommendation and gave a synopsis of staff's recommendations for implementing the Hotline. Phase one would be an in-house operation in which complainants would be referred via the ASC website or call center agent to the appropriate government entity for filing of their complaint. The ASC would retain limited data and would not follow up on complaints during Phase one. Phase two would be an analysis of the Hotline to determine what improvements, if any, should be made. The ASC would also determine whether ASC staff should continue to manage the Hotline in-house call center or contract it out. Phase three would include the contracting process if the ASC decides not to continue operating the Hotline in-house. J. Park has had conversations with representatives from the GSA's USA Contact office, and they suggested initially establishing the Hotline in-house to determine the number and types of complaints that are being received. USA Contact also indicated that if the volume is too low, vendors may not bid on a Request for Proposal (RFP). ASC staff estimates the Hotline would cost roughly \$75,000-\$100,000 to operate in the first year. These estimates are dependent on call center and overall Hotline volume. Due to federal procurement restrictions, ASC staff could not request cost estimates from other agencies or private vendors without an RFP in place. An ASC member asked if a Statement of Work has been completed for GSA's review. J. Park said it is being drafted. An ASC member asked if a script has been developed that the call center agents will use to determine where complaints should be sent. This member also noted that if complaints are not tracked, how will the staff know how many and what types of calls are being received. J. Park indicated that scripts and various reports would be developed but have not been written yet. These details would be undertaken once the Board has approved a general approach to establishing the Hotline. An ASC member said the member agencies should provide technical support reviewing and writing scripts since staff from the agencies has expertise in setting up and running their own agency hotlines. This member also said the website should be developed before the toll-free number is in use. An ASC member said that the ASC determined in January 2011 that no Hotline was set up to refer these types of complaints and the ASC needs to show some progress by establishing the Hotline as soon as possible. She stated that ASC staff has completed a significant amount of research with Federal Agencies, GSA and vendors and has made a reasonable recommendation to the Board. The NCUA representative volunteered to assist the ASC staff in setting up the Hotline and reviewing scripts. An ASC member agreed but said the ASC staff does not have the expertise to develop and run the Hotline. An ASC member said if the member agencies can support the ASC in this endeavor, they should do so. J. Park said he would welcome any assistance by the member agencies. An ASC member said the

ASC needs to move forward and vote today on whether or not the Hotline should be set up internally or outsourced and to determine the procurement process to be used. J. Park said GSA indicated they could assist with setting up the Hotline if the in-house option does not work well. An ASC member said if the ASC staff recommendation memo included some of the details J. Park had given verbally in today's meeting it would have raised her comfort level in making an informed decision. This member stated that the memo needed more information included to advise her agency management. Another ASC member asked for more information on outsourcing the Hotline, including the cost and timing of the option. J. Park stated that outsourcing was not his preference. He noted that with the in-house phased approach, the ASC would have more control over Hotline implementation to make adjustments and improvements as needed. He also indicated that although ASC staff does not have direct experience running this type of a hotline, they are experienced in fielding appraiser, consumer, and other questions and complaints on a daily basis. An ASC member suggested the ASC could vote on staff's recommendation in a Special meeting and not wait until the December 14th meeting. ASC staff said a teleconference could be held to discuss and vote on this item before the regularly scheduled December meeting. An ASC member asked for a firm commitment from NCUA to assist the ASC. Another ASC member also asked ASC staff to list potential problems that could happen in the implementation and a timeline of the Hotline launch. The NCUA member committed to assist the staff in establishing the Hotline. The member agencies committed to share information with ASC staff regarding where complainants should be referred within each of their agencies. An ASC member confirmed with staff that a revised staff recommendation would provide additional information on the timing and costs associated with the option to out-source the Hotline. P. Gillispie made a motion for ASC staff to revise the staff recommendation memorandum to include additional information discussed at today's meeting. This revised memorandum can be voted on by the ASC at a special meeting to be held on November 17th at 10:00 a.m. via teleconference. J. Lee seconded and all members present approved.

- **New Hampshire Compliance Review**

D. Graves presented the New Hampshire Compliance Review Report and transmittal letter. Past Compliance Review ratings have been added to the Compliance Review Report per a request from an ASC member at the October 12th meeting. This field will be added to all future State Compliance Review Reports. G. Gibbs moved for approval of the New Hampshire Compliance Review Report and letter, noting the State is in substantial compliance with Title XI and will remain on a two-year Review Cycle. S. Cooper seconded and all members present voted to approve.

- **South Carolina Compliance Review**

D. Graves presented the South Carolina Compliance Review Report and transmittal letter. P. Gillispie moved for approval of the South Carolina Compliance Review Report and letter, noting they are in substantial compliance with Title XI and will remain on a two-year Review Cycle. S. Cooper seconded and all members present voted to approve.

The Open Session adjourned at 11:45 a.m. into Closed Session. The observers left the meeting. The next ASC meeting is a Special Meeting scheduled for November 17, 2011. The next regularly scheduled meeting is on December 14th.