

**APPRAISAL SUBCOMMITTEE  
OPEN SESSION MEETING MINUTES  
DECEMBER 11, 2013**

LOCATION: Federal Reserve Board – International Square location, 1850 K Street NW,  
Washington, DC 20006.

**ATTENDEES**

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

**ASC STAFF:** Executive Director – Jim Park  
Deputy Executive Director – Denise Graves  
General Counsel – Alice Ritter  
Attorney-Advisor – Dan Rhoads  
Financial Manager – Girard Hull  
Regulatory Affairs Specialist – Claire Brooks  
Policy Manager – Vicki Ledbetter-Metcalf  
Policy Manager – Jenny Tidwell  
Management & Program Analyst – Lori Schuster  
Administrative Assistant – Brian Kelly

**OBSERVERS:** Appraisal Institute – Brian Rodgers  
Appraisal Logistics – Jeff Jurin  
FDIC – Suzy Gardner  
FRB – Carmen Holly  
FRB – Kevin Wilson  
Illinois Department of Financial and Professional Regulation – Mike Garvin  
OCC – Kevin Lawton

The Meeting was called to order at 10:30 a.m. by A. Lindo. T. Segerson, R. Witt, N. Fenochietti and D. Rhoads attended via telephone.

**<OPEN SESSION>**

**1. Opening Remarks**

A. Lindo welcomed the observers to the Meeting. He noted there was no ASC Meeting in November.

J. Park reported on ASC staff activities since the ASC's October 9<sup>th</sup> Meeting. He and D. Graves attended an Appraisal Standards Board (ASB) Meeting which focused on changes to the 2016-17 edition of USPAP. They also attended the Appraisal Foundation's (Foundation) Board of Trustees Meeting. The Trustees took several actions during the Meeting, including adoption of an amendment to the bylaws which allows for the expansion of the maximum size of each of the three Foundation Boards to nine members from the current seven if they so choose. ASC staff also attended the Association of Appraiser Regulatory Officials (AARO) Fall Conference. Items discussed at AARO included background checks, appraisal management company regulation, and appraisal review.

The Appraisal Complaint National Hotline (Hotline) continues to operate smoothly with approximately 4,900 website visits and 93 telephone calls since the Hotline went into operation on March 15<sup>th</sup>.

## **2. Summary Agenda**

- **October 9, 2013 minutes – Open Session**

M. Marshall made a motion to approve the October 9<sup>th</sup> open session meeting minutes as presented. D. Benhart seconded and all members present voted to approve.

## **3. Discussion Agenda**

- **Delegations of Authority Recommendation**

J. Park presented revisions to the ASC Delegations of Authority pertaining to Compliance Reviews and Appraisal Foundation grant reimbursement requests as well as "housekeeping" amendments to areas such as procurement, property management and the ASC ethics program.

R. Miller suggested delaying approval of the delegation for Compliance Reviews since the new rating system has only been in effect since June. She thought the ASC should still review and approve those States that are categorized as "Needs Improvement" or "Not Satisfactory" rather than delegating to the Chairman with redelegation authority to the Executive Director. D. Benhart suggested that "Needs Improvement" be delegated to the Chairman, with redelegation authority to the Executive Director, or in the alternative, the Chairman could request that it come before the ASC, and that "Not Satisfactory" come before the ASC. A. Lindo agreed with this approach. A. Lindo asked if redelegation is categorically or by

Compliance Review. A. Ritter answered it has been done categorically in the past. (N. Fenochietti left meeting.) R. Miller and D. Benhart said they were comfortable with a categorical delegation. T. Segerson suggested States designated as "Needs Improvement" could be handled by the Executive Director rather than the Chairman, but was fine with either decision.

After further discussion, A. Lindo asked ASC members to submit non-substantive edits to A. Ritter by mid-January so that she can finalize the Delegations. R. Miller made a motion to approve the Delegations of Authority incorporating edits discussed today with final approval by the Chairman. D. Benhart seconded and all members present voted to approve.

- **2014 ASC Meeting Schedule**

J. Park suggested moving to bi-monthly or quarterly ASC Meetings. He said Briefings could be scheduled, if needed, between ASC Meetings. M. Marshall and R. Miller opted for bi-monthly Meetings with the option to schedule a monthly Meeting for urgent matters. A. Ritter noted if the ASC does move to bi-monthly Meetings, the Rules of Operation would need to be revised. A. Lindo said he would be favorable to scheduling Meetings not less than every two months. A. Bohorfoush made a motion to schedule ASC Meetings bi-monthly starting in February 2014. M. Marshall seconded and all members present voted to approve. (B. Rodgers left the meeting.)

- **Federal Advisory Committee Charter**

A. Ritter presented the draft charter for the proposed ASC Advisory Committee (Committee). A balanced membership plan has also been drafted and policies will be drafted denoting the steps taken to create the Committee. A. Lindo said the ASC members should select the Chair and Vice-Chair. ASC members discussed the charter and suggested several changes. After discussion, D. Benhart suggested that ASC staff incorporate the changes discussed today and send the revised charter out for a notation vote. Members supported this approach.

- **Appraisal Foundation August 2013 Grant Reimbursement Request**

G. Hull presented the August 2013 Grant Reimbursement Request in the amount of \$52,009. Items for reimbursement included National Exam meetings in Denver, CO, a Subject Matter Expert Meeting held to discuss the 2014 National Examinations and Level II State Investigator Training in Chicago, IL. M. Marshall moved to approve the August 2013 Grant Reimbursement Request in the amount of \$52,009. R. Miller seconded and all members present approved.

- **Compliance Reviews**

- Alaska Compliance Review**

- D. Graves presented the Alaska Compliance Review Report and letter. Alaska was found to be “Not in Substantial Compliance” with Title XI. This is the last Review done under the old rating system. ASC staff recommends retaining Alaska on a one-year Review Cycle with additional off-site monitoring.

- Hawaii Compliance Review**

- D. Graves presented the Hawaii Compliance Review Report and letter. ASC staff recommends that Hawaii be rated as “Good” and retained on a two-year Review Cycle.

- Wyoming Compliance Review**

- D. Graves presented the Wyoming Compliance Review Report and letter. ASC staff recommends that Wyoming be rated as “Good” and retained on a two-year Review Cycle.

- A. Bohorfoush moved to approve the Alaska, Hawaii and Wyoming Compliance Review Reports and letters. D. Benhart seconded and all members present approved.

- **Staff Service Recognition**

- J. Park recognized A. Ritter for her five years of ASC service and J. Tidwell for her ten years of service to the ASC.

The Open Session adjourned at 12:20 p.m. into a Briefing and the observers left the Meeting. The next scheduled Meeting is for February 12, 2014.