

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

ATTENDEES

ASC MEMBERS: OTS – D. Merkle
FDIC – S. Gardner
FHFA - G. Garner
FRB – G. Gibbs
HUD – P. Gillispie
NCUA – V. Vieten
OCC – R. Parson

ASC STAFF: Executive Director – J. Park
General Counsel – A. Ritter
Administrative Officer – C. Brooks
Administrative Officer – L. Schuster

OBSERVERS: D. Kelly – REVAA
P. Reed – Wells Fargo Bank

The meeting was called to order at 10:30 a.m. by D. Merkle. G. Garner and V. Vieten attended via telephone.

<OPEN SESSION>

1. Opening Remarks

D. Merkle welcomed the observers to the meeting. J. Park reported that since the last ASC meeting, ASC staff attended the Appraisal Standards Board (ASB) and Appraisal Practices Board (APB) meetings. The ASB will release, in mid-February, a Fifth Exposure Draft on potential changes to the 2012-2013 Uniform Standards of Professional Appraisal Practice (USPAP). This is intended to be the final Exposure Draft prior to the adoption of changes for the 2012-2013 edition. An ASC member asked if there had been any changes from the Fourth Exposure Draft regarding hypothetical conditions and extraordinary assumptions. J. Park responded he did not expect there would be a lot of changes. J. Park noted that the APB selected a panel of seven subject matter experts from 45 applicants to address the first topic chosen by the APB which is appraising residential property in a declining market.

J. Park also reported the Government Accountability Office (GAO) met with ASC staff on January 27th to discuss GAO's study on the ASC, as mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Act). ASC staff also

continues to work on various aspects of the ASC's implementation of Title XIV provisions within the Act.

J. Park noted the ASC's actual expenses are generally in line with the budget. However, revenue has decreased approximately \$200,000 from 2009 figures, and is \$132,700 below the budgeted projections for this time of year. However, J. Park noted that January 2011 actual revenue is \$80,232 below revenue collected for the same month last year.

2. Summary Agenda

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

G. Gibbs moved for approval of the January 12th Open Session minutes. R. Parson requested to be heard concerning suggested edits to the minutes. G. Gibbs withdrew her motion and suggested the minutes be moved to the Discussion Agenda. S. Gardner made a motion to move the January 12th Open Session minutes to the Discussion Agenda. P. Gillispie seconded and all members present voted to approve.

3. Discussion Agenda

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

S. Gardner moved to approve the January 12th Open Session minutes incorporating edits received by the ASC at this meeting. P. Gillispie seconded and all members, with the exception of R. Parson, voted to approve. R. Parson abstained from voting because he did not attend the January meeting.

- **Appraisal Foundation October 2010 Grant Reimbursement Request**

J. Park noted that, among other expenses, the reimbursement request covered a State Investigator Training Course, which received very favorable ratings from the participants, as well as the Appraiser Qualifications Board (AQB) Public Meeting in Washington, DC. The AQB meeting was held in conjunction with the Association of Appraiser Regulatory Officials' Fall Conference. An ASC member asked why only four members from the ASB had billed for work on this request. Staff responded that the terms of three ASB members expired and were in transition. G. Gibbs moved to approve the October 2010 grant reimbursement request in the amount of \$104,328. P. Gillispie seconded; all members present voted to approve.

- **Missouri Compliance Review Report and letter**

Staff presented the Missouri Compliance Review Report and letter. Missouri is not in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Taking into account special documented circumstances, complaints filed against appraisers are not resolved within one year. Missouri also had three areas of concern which they are resolving. Those areas are: (1) Missouri's regulations did not require inactive appraisers to complete all required continuing education hours that would have been required if the credential holder was in an active status prior to activation; (2) Missouri's regulations did not require that at least one of the USPAP course instructors be an AQB Certified USPAP Instructor and also a State Certified appraiser; and (3) Missouri's regulations provide for a \$100 six-month extension fee for temporary practice permits, which when added to the initial permit fee of \$150, results in the temporary practice fee exceeding the maximum fee of \$150 as set forth in Policy Statement 5. Staff recommends Missouri remain on a two-year Review Cycle. R. Parson moved for approval of the Missouri Compliance Review Report and letter, noting Missouri is not in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. P. Gillispie seconded; all members present voted to approve.

The Open Session meeting adjourned into the Closed Session meeting at 11:10 a.m. The observers left the meeting.