

**APPRAISAL SUBCOMMITTEE
OPEN SESSION MEETING MINUTES
MAY 11, 2011**

ATTENDEES

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

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
 Policy Manager – J. Tidwell

OBSERVERS: D. Badger – Dennis Badger & Associates
 D. Bunton – Appraisal Foundation
 P. Chandler – Property Sciences Group, Inc.
 I. Coates – First Colonial Appraisals
 S. Cooper - FHFA
 W. Garber – Appraisal Institute
 A. Hummel – Forsythe Appraisals
 K. Hughes – Title Source, Inc.
 P. Reed – Wells Fargo Bank
 B. Rodgers – Appraisal Institute
 J. Trice – Allterra Group
 G. Vann – Lender Services Inc.

The meeting was called to order at 10:30 a.m. by D. Merkle.

<OPEN SESSION>

1. Opening Remarks

D. Merkle welcomed the observers to the meeting. She mentioned she has been working with ASC staff on the 2010 ASC Annual report which should be forwarded to

Congress by June 15, 2011. The report addresses the ASC's additional responsibilities under the Dodd-Frank Act and accomplishments, including outreach initiatives such as ASC and ASC staff participation at the Fall 2010 Association of Appraiser Regulatory Officials (AARO) conference.

J. Park reported that he, along with the ASC Chair, Vice Chair, and NCUA representative to the board met with FFIEC Chairman Matz who requested the meeting to receive a status/update on the work of the Appraisal Subcommittee. J. Park also reported that staff is working on several projects including: the draft 2010 ASC Annual Report, and development of a future list serve notice system that will allow the ASC to make important announcements to registrants. He confirmed that the ASC staff would send out notices such as Bulletins that have previously been approved by the ASC. The ASC staff is also working on procedures detailing how items for the list serve would be reviewed and approved.

J. Park and D. Graves attended the April 28-29 Appraiser Qualifications Board (AQB) meeting in Salt Lake City, UT. The meeting focused on the Third Exposure Draft of Proposed Revisions to the *Real Property Appraiser Qualification Criteria* (Criteria). The AQB has not established a target issue date for the Criteria at this time.

2. Summary Agenda

- **April 13, 2011 minutes – Open Session**

G. Gibbs moved to approve the April 13th Open Session as presented. R. Parson seconded and all members present voted to approve.

3. Discussion Agenda

- **West Virginia Compliance Review Report and letter**

D. Graves presented the West Virginia Compliance Review Report and letter. ASC staff has determined that West Virginia is in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. ASC staff identified one area of concern which pertained to inconsistencies between the West Virginia rules and the criteria of the AQB. However, the Program was not out of compliance in this area. Staff recommends West Virginia remain on a two-year Review Cycle. In the discussion that followed, D. Graves confirmed that it is not common practice for States to close complaints involving appraisal reports that are five or more years old when the complaint is received. It was noted that under the minimum standards in the Uniform Standards of Professional Appraisal Practice (USPAP), appraisers must keep an appraisal workfile for a minimum of five years but appraisers can opt to keep their files even

longer. The ASC discussed various issues related to the USPAP recordkeeping requirement and State statutes of limitation. The ASC directed the staff to review and clarify how USPAP is interpreted regarding the recordkeeping issue. P. Gillispie moved for approval of the West Virginia Compliance Review Report and letter, noting West Virginia is in substantial compliance with Title XI. V. Vieten seconded; all members present voted to approve.

The Open Session adjourned at 11:00 a.m. into Closed Session. The observers, with the exception of S. Cooper, left the meeting.