

**FFIEC-APPRAISAL SUBCOMMITTEE
MEETING MINUTES [PUBLIC]
MAY 14, 2003**

ATTENDEES: S. Fritts (FDIC), G. Gibbs (FRB), J. Johnson (HUD), J. Price (OTS), T. Watson (OCC). **Permanent staff:** B. Henson (Executive Director), D. Greene (Appraisal Policy Manager), V. Ledbetter (Appraisal Policy Manager), R. Seward (Information Management Specialist), M. Weinberg (General Counsel). **Other:** J. Leitner (FDIC).

ABSENT: T. James (NCUA), K. Gearheard (Senior Appraisal Policy Manager), L. Schuster (Administrative Officer).

APPRAISAL FOUNDATION PRESENTATION

- **Appraisal Standards Board Update** – ASB Chair Danny Wiley briefed the ASC about the ASB's upcoming June 27, 2003 public hearing and panel sessions regarding proposed changes in Departure and Scope of Work and invited one or more ASC members to represent their home agencies on a Federal regulator panel.
- **Reprogramming request** – David Bunton, Executive Vice President, briefed the ASC concerning the Foundation's 2002 reprogramming request, which is an action item on today's agenda.

ADMINISTRATIVE MATTERS

- The meeting was called to order at 1:30 p.m.
- **Notation vote on the DC Field Review Letter** – The vote failed to achieve a majority of votes and did not pass. The letter was revised and submitted for a second notation vote.
- **Second notation vote on the DC Field Review letter** – The notation vote for the DC Field Review letter passed on a 6-0 vote on April 15, 2003.
- **Notation vote on the response to the draft GAO Report** – The notation vote passed on a 5-0 vote on April 21, 2003.
- **Meeting minutes** – T. Watson moved for approval of the March 26th meeting minutes, with edits, J. Price seconded, and all members present approved.

ACTION

- **Appraisal Foundation reprogramming request** – B. Henson presented the Foundation's 2002 reprogramming request of \$26,655. Most of the reprogramming request is associated with the AQB's initiative to improve USPAP education. He reported that the Foundation's 2002 grant amount was \$850,000, of which \$772,357

had been paid to the Foundation. Staff recommended approving reprogramming of \$26,524 consisting of \$2,779 into AQB Project Code 101 Telephone Expense; \$116 into AQB Project Code 102 Telephone Expense; \$580 into AQB Project Code 101 Printing Expense; \$15,234 into ASB Project Code 210 Standards 1-5 Interpretation and Advice; and \$7,815 into BOT Project Code 301 Legal Expense. Approval of the recommended action would result in the Foundation using \$798,881 of the \$850,000 grant amount. After discussion, the ASC determined that it would not pay for the Legal Expense item. G. Gibbs moved to approve the reprogramming request as recommended, minus the amount pertaining to the legal fees item, and J. Price seconded. The motion passed 4-1, with S. Fritts, G. Gibbs, J. Johnson, J. Price approving, and T. Watson disapproving. The total amount approved for payment was \$18,709.

- **Maryland Field Review Report and draft letter** – B. Henson presented the Maryland field review report and draft letter. G. Gibbs moved for acceptance of the staff report and approval of the draft letter with edits, designating authority to the Chairman to review and sign the letter. J. Price seconded the motion, and all members present approved.
- **Pennsylvania Field Review Report and draft letter** - B. Henson presented the Pennsylvania field review report and draft letter. G. Gibbs moved for acceptance of the Pennsylvania staff report and approval of the letter, with edits, designating authority to the Chairman to review and sign the letter. J. Price seconded, and all members present approved.
- **Oregon Field Review Report and draft letter** – B. Henson presented the Oregon field review report and draft letter. G. Gibbs moved for acceptance of the staff report and approval of the draft letter with edits. J. Johnson seconded the motion, and all members present approved.

OTHER

- The meeting adjourned at 3:45 into executive session. Executive session ended at 4:14. The next meeting is scheduled for June 11, 2003.