

**APPRAISAL SUBCOMMITTEE
PUBLIC MEETING MINUTES
JULY 22, 2010**

ATTENDEES

ASC MEMBERS: OTS – D. Merkle
 FDIC – S. Gardner
 FRB – G. Gibbs
 HUD – P. Gillispie
 NCUA – R. Leonard
 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
 Information Management Specialist – R. Seward
 Appraisal Policy Manager – V. Ledbetter

OBSERVERS: Debra Novak – FDIC
 Heather Basnet – FDIC
 Dawn Adams – FRB
 Brigitte Lowe - OCC

The meeting was called to order at 10:30 a.m. by D. Merkle. V. Ledbetter attended via telephone. The observers were welcomed to the meeting and introductions were made.

<PUBLIC SESSION>

1. Opening Remarks

D. Merkle noted that the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Reform Act) has been signed into law and contains several amendments to Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). She also said that the 2009 Annual Report has been printed and copies were given to the ASC members.

2. Approval of Minutes

- **June 9, 2010 minutes – Public**

R. Parson moved for approval of the June 9th public minutes and S. Gardner seconded. All members present approved. (P. Gillespie joined the meeting.)

- **January 14, 2010 minutes – Public**

J. Park noted that public minutes had not been approved for the January meeting. G. Gibbs moved for approval of the January 14th minutes and S. Gardner seconded. All members present approved.

3. Appraisal Foundation's April 2010 Grant Reimbursement Request

J. Park presented the grant reimbursement request. He reported that staff asked the Foundation for more detail on the hours and description of work being billed. An ASC member asked if the Foundation has a process in place to determine what meetings members of the Appraisal Standards Board (ASB), Appraisal Qualifications Board (AQB) and/or Foundation staff should attend, and how the Foundation determines which travel to submit for reimbursement under the grant. Staff responded that the Foundation submits travel expenses for reimbursement under the ASC's grant if they are deemed to be Title XI-related. Staff also confirmed that the Chairs of the AQB and ASB oversee their respective budgets and make determinations on whether a board member or staff may attend a meeting. The ASC asked staff to track the Foundation's travel to meetings. The ASC asked about billing by some of the ASB members against the ASC grant for their work on the Yellow Book. One ASC member commented that the Yellow Book details procedures for condemnation appraisals and is not associated with commercial property appraisals. ASC staff noted that work on the Yellow Book was related to a Q&A the ASB is preparing for distribution. The ASC requested that staff contact the Foundation staff and ask for clarification on whether work on the Yellow Book is Title XI-related. An ASC member also inquired about the reference in the ASB's meeting minutes regarding an appraisal product to compete with Broker Price Opinions, and whether the ASB would be seeking reimbursement for this work which does not appear to be Title XI related. Staff will contact the Foundation and report back to the ASC. G. Gibbs moved to approve the April reimbursement request as presented in the amount of \$111,528 and asked ASC staff to investigate ASB activities pertaining to the Yellow Book. P. Gillispie seconded and all members voted to approve.

4. Executive Director's Report

- **Appraisal Foundation Board of Trustees**

J. Park and A. Ritter attended two special meetings of the Foundation Board of Trustees held to discuss possible sanctions against one of the sponsoring organizations.

- **AQB Meeting**

J. Park attended the AQB Meeting in Minneapolis along with D. Graves, A. Ritter and the Policy Managers. The AQB held a hearing on proposed changes to the AQB Criteria. J. Park provided testimony reflecting ASC staff comments regarding potential changes to the AQB Real Property Appraiser Qualification Criteria. Testimony was also given by participants on panels representing professional appraiser organizations, State appraiser regulators, and appraiser educators. Any changes to the Criteria would take effect in 2014 or 2015.

- **Industry Advisory Council**

J. Park also attended the Industry Advisory Council meeting in Dallas and the first meeting of the Appraisal Practices Board in Chicago. ASC staff will be submitting staff comments on the second ASB Exposure Draft regarding proposed changes to the 2012-2013 USPAP.

<CLOSED SESSION>

- 1. FDIC Presentation on Suspicious Activity Reports (SARs)**

- 2. Items for ASC Action**

- **June 9, 2010 minutes – Private**
- **Compliance Reviews**
 - **Arkansas**
 - **New Jersey and Pennsylvania**

- 3. Items for Discussion**

- **Presentation on Appraiser Referrals**
- **Subtitle F of Dodd-Frank Reform Act**
- **Appraisal Standards Board Exposure Draft Process**

- 4. Executive Director's Report**

The meeting adjourned at 2:10 p.m. The next meeting is scheduled for August 14, 2010.