

The Appraisal Foundation Advisory Council
Meeting Minutes
March 19, 2010
9:00 a.m.

1 **Members Present**

- 2 Chris Rosenthal, American Institute of Certified Public Accountants
3 Sandie Tropper, American Society of Appraisers
4 Stephanie Coleman, Appraisal Institute
5 Aleya Lehmann, Appraisers Association of America
6 Bob Keith, Association of Appraisers Regulatory Officials
7 Casey Mulqueen, Association of Machinery and Equipment Appraisers
8 Doug Rishor, Canadian National Association of Real Estate Appraisers
9 Richard Berntsen, Columbia Society of Real Estate Appraisers
10 John Hentschel, Counselors of Real Estate
11 Carl Miceli, Equipment Appraisers Association of North America
12 Robert Murphy, Fannie Mae
13 Roger Cramer, Farm Credit Council
14 Ed Kosola, Federal Highway Administration
15 Timothy Dick, Freddie Mac
16 Jay Koepf, General Service Administration
17 Charles O'Connor, Institute for Professionals in Taxation
18 Ivan Canino, Instituto de Evaluadores de PR
19 Brian Flynn, Internal Revenue Service
20 Phyllis Lilly, International Right of Way Association
21 Christine Corbin, International Society of Appraisers
22 Beth Riedel, Maryland Association of Appraisers
23 Lorrie Beaumont, Massachusetts Board of Real Estate Appraisers
24 Lynne Heiden, Mid-West Appraisers Association
25 Tessema Tefferi, National Association of Federal Credit Unions
26 Monica Trotter, National Association of Independent Fee Appraisers
27 John Councilman, National Association of Mortgage Brokers
28 Vic Knight, National Association of Realtors
29 Chuck Hagedorn, National Council of Real Estate Investment Fiduciaries
30 Doug Winner, North Carolina Professional Appraisers Coalition
31 Clarence Snyder, US Dept. of Agriculture, Farm Service Agency
32 Kraig Frome, US Dept. of Agriculture, Forest Service
33 Thomas Ale, US Dept. of Agriculture, Rural Development
34 Pete Gillispie, US Dept. of Housing and Urban Development
35 Kathryn Gearheard, US Dept. of Interiors
36 Brian Holly, US Dept. of Justice
37 Gerald Kifer, US Dept. of Veteran Affairs
38 Alvin Wagner, Worldwide ERC
39 Steve Byrnes, TAFAC Representative to the BOT

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41 **Staff Present**

42 David Bunton, President

43 Arika Cole, Council Administrator

44 Carrie Composto, Standards Administrator

45 Staci Steward, Course Approval Program Administrator

46 Magdalene Vasquez, Qualifications Administrator

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48 **ASB Present**

49 Barry Shea, Board Member

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51 **Observers**

52 Lee Robinette, American Society of Appraisers

53 Jim Park, Appraisal Subcommittee

54 Dennis Badger, Association of Appraiser Regulatory Officials

55 Bruce Fitzsimons, Association of Appraiser Regulatory Officials

56 John Josko, Association of Machinery and Equipment Appraisers

57 Tony Whaley, BOT Oversight

58 John Rasmus, Former TAFAC Member

59 Leon Castner, International Society of Appraisers

60 Don Kelly, Reva

61 Milton Corson, US Dept. of Housing and Urban Development

62 Larre, Brown, US Dept. of Veteran Affairs

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65 **1. Call to Order and Roll Call**

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67 Chairman Keith reported that Vice Chair Charles Tansey was not able to attend today's meeting.
68 He reported that this would have been Tansey's last meeting as he has accepted another
69 position and will no longer be TAFAC's Vice Chair.

70

71 **2. Approval of Minutes**

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73 **Motion** by Knight, seconded by Tropper: To approve the January 22, 2010 minutes as amended.

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75 Motion carried.

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77 **3. Report of the Chair**

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79 Keith reported that he had the opportunity to monitor the standard business plans of the
80 TAFAC committees and working groups. He thanked the committee chairs and members for
81 their hard work in reviewing the business plans. He requested that the Strategic, Long Range
82 Planning and Oversight Committee (SLRPOC) revise the TAFAC Operating Procedures to address
83 a vacancy of an officer during the year. In addition, he reported that SLRPOC revise the

84 procedures regarding the timeframe for the Nominating Committee to present the slate of
85 nominations at a later date.

86
87 Keith reported that he retired the Advocacy Work Group and appointed Christine Corbin as
88 Chair and Vic Knight as Vice Chair of the Emerging Issues Committee. Keith stated that he has
89 established an Appraisal Practices Board (APB) Working Group but has not yet named a chair.
90 He asked for representatives to contact him if they are interested in participating on the APB
91 Working Group.

92

93 **Motion** by Murphy, seconded by Riedel: To accept the Report of the Chair

94

95 Motion carried.

96

97 **4. Report of the President**

98

99 Bunton reported that the Foundation scheduled the 2010 TAFAC meetings a year ago to
100 coincide with the ASB exposure draft period. Since then the ASB's exposure draft schedule has
101 changed and TAFAC does not meet until six months from now, TAFAC may utilize WebEx if they
102 need to meet ahead of time.

103

104 Bunton reported that the Board of Trustees (BOT) has approved the formation of the APB. The
105 recommendation to the APB is to survey the public and Foundation Councils regarding
106 emerging valuation issues that are occurring in the marketplace. The related guidance issued by
107 the APB will be of assistance to appraisers, appraiser regulators and educators. The new Board
108 will empanel small groups of volunteer Subject Matter Experts (SME) to draft the guidance for
109 review and approval by the Board. The SME panels will be selected by the APB to address
110 specific topic issues within the agreed-upon timeframes. The first SME panels will be
111 established in the latter part of 2010.

112

113 Bunton reported that the Foundation will host four investigator training sessions this year with
114 two basic level courses and two higher level courses. He continued to report that this year the
115 fall meeting will be held jointly with the Association of Appraiser Regulatory Officials (AARO)
116 and the Appraisal Subcommittee (ASC) at the Westin Washington D.C. City Center. At this joint
117 meeting there will be a mock trial and training for board members and staff members. The
118 Foundation will be filming a USPAP Update for state regulators where several topics would be
119 covered. As an inexpensive training tool for the public, the Foundation will be developing an e-
120 library on the Foundation's website.

121

122 Bunton reported that representatives from the U.S., Canada and Great Britain have agreed to
123 sign The Vancouver Valuation Accord. The Royal Institute of Chartered Surveyors has agreed to
124 fund this accord and the Foundation will participate in their planning meeting next week.
125 Bunton stated that HR 1728 recently passed the U.S. House of Representatives which includes a
126 provision allowing the AQB to set qualifications for AMCs.

127

128 Bunton concluded to report that there are three At-Large Trustee seats available as of
129 December 31, 2010, with one incumbent eligible for re-election. The application deadline is
130 April 1, 2010.

131

132 **Motion** by Canino, seconded by Snyder: To accept the Report of President

133

134 Motion carried.

135

136 **5. Report of TAFAC's Representatives to the BOT**

137

138 Byrnes reported that since the last TAFAC meeting there has not been a BOT meeting other than a
139 special conference call held on February 12th that dealt with a change of The Appraisal Foundation
140 Bylaws, which provided for the formation of the APB. An invitation for applicants for members of the
141 APB has been issued. These applications will be acted on by the Boards Nominating Committee and a
142 slate of nominees presented to the entire Board of Trustees at the spring meeting. He reported that
143 with the adoption of the revised Bylaws, some other changes have been made but mostly of a
144 housekeeping nature. He reported that because of the extensive nature of the Bylaw changes,
145 representatives are invited to consult the Foundation website. Article 14 of the Foundation Bylaws is the
146 governing article for the APB.

147 Byrnes reported that the BOT also voted to reactivate the International Sponsor category. The 2010 BOT
148 Committee assignments have been completed and he stated that he will continue to serve as a member
149 of the Audit Committee and has been appointed as a member of the Admissions Committee. Byrnes
150 stated that it is an honor and a pleasure to serve as the Council's representative to the BOT and thanked
151 TAFAC for their continued support.

152 Riedel reported that she is extremely excited to work on the Business Plan Committee and the
153 Ethics committee, which is in the process of reviewing two applications from the IAC.

154

155 **Motion** by Flynn, seconded Kifer: To accept the Report of TAFAC's Representatives to the BOT

156

157 Motion carried.

158

159 **6. Report of the AQB**

160

161 Vasquez reported that Chairman Taylor was unable to attend the meeting and he sends his
162 regrets. Vasquez reported on the AQB's ongoing projects. The AQB met in February in Los
163 Angeles and adopted Guide Note 8, which was not a controversial topic. The Board has received
164 2009 national examination data results and there is a 50-65% pass rate for first time test takers
165 in the three classifications. The AQB has added demographic questions to the exam that will
166 help determine the qualifications and backgrounds of individuals taking the exams. She
167 reported that the Instructor Recertification Course is available online. Instructors have until
168 March 31, 2011 to take the course. 441 instructors have recertified out of 600.

169

170 Vasquez reported that the AQB continues to review courses from the Course Approval Program
171 and to date, 316 courses have been approved. The next meeting of the AQB will be held on

172 June 25th in Minneapolis, Minnesota, to discuss potential future criteria changes. There will be
173 five panels that consist of federal agencies, users of appraisals, regulators and educators. She
174 stated that the Board will send out a survey to the Councils with 10 to 13 questions with areas
175 of focus on criteria changes. The AQB is also looking forward to receiving the personal property
176 criteria changes from the TAFAC Personal Property Working Group.

177

178 **Motion** by Knight, seconded by Rosenthal: To accept the Report of the AQB

179

180 Motion carried.

181

182 **7. Report of the ASB**

183

184 Shea reported that the ASB sent out an exposure draft regarding potential changes to the 2012
185 USPAP. The concepts included a proposed Communication Rule, along with Alternative A and
186 Alternative B applying to “draft” reports. The Board is not convinced that the Communication
187 Rule is the best way to go. The Board received over 100 comments from the draft via mail and
188 at the public meeting in Las Vegas. Shea reported that he met with the ASB Issues Committee
189 yesterday afternoon and received very good feedback. He stated that the Board is also looking
190 at revising Standards 7 and 8. The ASB will meet at the end of April in San Diego, California.

191

192 **Motion** by Cramer, seconded by Murphy: To accept the Report of the ASB

193

194 Motion carried.

195

196 **8. Committee and Working Group Reports**

197

198 **Report of the Membership Committee**

199

200 Heiden reported that the Membership Committee’s job is to identify organizations that would
201 be good to join TAFAC. Heiden described the membership process: (1) New applications are
202 received by the Foundation and forwarded to the committee for review; (2) The Committee
203 interviews the organization’s representative during a committee meeting or by conference call
204 and are invited to observe the next Council meeting; (3) The Committee will present the
205 application and interview synopsis to the Council for vote; and (4) A recommendation is sent to
206 the BOT for acceptance of the new organization. Heiden asked that representatives contact the
207 committee with any potential members.

208 Heiden reported that the Committee met yesterday with eight members present. The
209 Committee identified two additional groups of interest: RICS and the Environmental Protection
210 Agency (EPA). She reported that the Committee will be following up with the organizations by
211 the September meeting. Heiden further reported that the TAFAC Operating Procedures clearly
212 state that if an organization has three unexcused absences, they should be contacted and
213 placed on inactive status. There are currently six to eight organizations that have not attended.

214 The Committee will follow up with these organizations after today's meeting attendance is
215 recorded.

216 Heiden reported that the Committee discussed TAFAC considering the use of teleconferencing
217 or to select locations closer to airports for members to be able to participate.

218

219 Byrnes stated that a survey was sent to TAFAC representatives in 2004 regarding meeting
220 locations but it would be a good idea to send another survey.

221

222 Keith stated that the Council is able to have WebEx meetings but he believed that they would
223 not be as effective as face-to-face meetings.

224

225 **Motion** by Gillispie, seconded by Rishor: To accept the Report of the Membership Committee

226

227 Motion carried.

228

229 **Report of the Strategic, Long Range Planning and Oversight Committee**

230

231 Riedel reported that since TAFAC last convened in January, members of SLRPOC met several
232 times by conference call and corresponded frequently by e-mail. The Committee most recently
233 met yesterday afternoon. Those present included Riedel, Chair and member Canino. Others
234 present included former TAFAC member Rasmus, TAFAC's representative to the BOT, Byrnes
235 and TAFAC's Chair and Vice Chair, Keith and Tansey. Snook and Geer had excused absences.

236 Riedel reported that prior to the January TAFAC Meeting each of the Committee and Working
237 Group Chairs had submitted draft Business Plans. In accord with TAFAC Chair's request, each
238 was then reviewed by SLRPOC for recommendations that would result in greater uniformity in
239 responding to the goals of the Foundation. What was clearly obvious was the amount of effort
240 and serious thought that went into the completion of these initial plans, particularly since this
241 first plan was necessarily without benefit of the soon to be finalized more uniform format and
242 specific guidance on exactly what is to be expected by the BOT. As reported in January,
243 however, that lack of structure and specific guidance resulted in most of the plans being much
244 broader and less specific in nature, rather than a more targeted focus on the actual day-to-day
245 operations of the committee and individual action items.

246 Riedel reported that now there is a fairly strong indication of how the soon-to-be released
247 format and guidance will look, members of SLRPOC were asked to convert each of the plans
248 into this more streamlined matrix. The Committee's biggest challenge was maintaining
249 consistency throughout all of the plans to accurately reflect the proper organizational flow of
250 the action items that stem from each committee or working group. Working with each of the
251 committee chairs for their input and final review, SLRPOC now believes the goal has been
252 achieved as well as that intended by the Board of Trustees. These final plans have been
253 included in the TAFAC meeting packets.

254 Riedel reported that SLRPOC was also tasked with updating the TAFAC Operating Procedures,
255 which is now completed. Changes primarily address the creation of both the Appraisal Practices
256 Board and the Appraisal Practices Board Issues Committee, although a couple of other
257 proposed edits/modifications were included as well that would make the document consistent
258 with current practice within TAFAC. There are copies of the Operating Procedures with tracking
259 showing both line numbers and all proposed edits in red in the TAFAC meeting packets.
260 Specifically, the relevant sections of the Operating Procedures where these modifications occur
261 in one or more places within that section are:

- 262 • Section A Introduction, Page 1 line 17, 18, 24
- 263 • Section B Powers and Duties of TAFAC, Page 1 line 36, Page 2 line 52, 55-56, 63
- 264 • Section D Leadership, Page 6 Line 250, 252
- 265 • Section E Management, Page 7 Line 315-317, 319
- 266 • Section F Standing Committees, Page 9 line 376, 404-411, 414, 422, 429, 434-435, 437-
267 438 - In addition to renumbering to accommodate the addition of defining the role of
268 the APB Issues Committee, SLRPOC's role (new #8) was edited to reflect current practice
269 (i.e. the Committee assists (rather than conducts) the New Member Orientation
270 Program (changed from Breakfast for greater flexibility.) In addition, the sentence
271 referring to the annual planning and organizational meeting was removed as it was felt
272 to be best left to the TAFAC Executive Committee to determine if and when such a
273 meeting should be held).
- 274 • Section G Financial Policies, Page 10, Line 454 (this sentence as currently stated is
275 believed to be misleading since only TAFAC Chairs or their representative in their
276 absence would be eligible for such reimbursement).
- 277 • Section H Meeting Policies, Page 11, Line 496
- 278 • Section I Communications, Page 13, beginning on Line 572-573, Page 14 line 624.

279 Riedel reported that she will offer a motion for TAFAC to adopt these proposed changes to its
280 Operating Procedures. Assuming the vote is favorable, the TAFAC Chair will then present the
281 revised Operating Procedures to the BOT at their May meeting for acceptance, at which time
282 the changes would become effective. Although these modifications are before the Council for
283 approval today, SLRPOC has now been additionally charged with revising the Operating
284 Procedures and updating the Leadership Manual further to address mid-year vacancies,
285 Nominating Committee Procedures and guidance, and the conversion of the Personal Property
286 Working Group to a Standing Committee.

287 Riedel concluded to report that in addition to those projects, SLPROC will resume work on the
288 development of an operational survey for the purpose of determining if TAFAC is meeting the
289 expectations of not only its own members, but that of the BOT and the Foundation's Boards.
290 These projects will be developed over the summer and presented to the full Council in
291 September. She stated that the Committee continues to look forward to the challenges ahead
292 and assisting TAFAC's leadership with any other issues that might arise from TAFAC's operation.

293 **Motion** by Beaumont, seconded by Kifer: To accept the Report of the Strategic, Long Range
294 Planning and Oversight Committee

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Motion carried.

Motion by Riedel, seconded by Heiden: That TAFAC modify its Operating Procedures subject to acceptance by The Appraisal Foundation Board of Trustees as reflected in the March 10, 2010 Proposed revision to TAFAC Operating Procedures memorandum to TAFAC Chair and Members of TAFAC.

Motion carried.

Report of the Emerging Issues Committee

Corbin reported that the Committee met yesterday afternoon and discussed the Emerging Issues Chart open action items. She provided the following updates:

A-2 Tax reform with Pension Protection Act of 2006 & Real Estate Easements.
Status: monitoring and requesting input for next meeting

Corbin reported that the Committee will be contacting the IRS’s TAFAC representatives to provide updates at the next meeting on Real Estate Easements. She stated that Bob Keith has suggested that the Committee use the contact information from the TAFAC roster.

A-16 USPAP Compliance in vendor appraisal systems.
Status: A teleconference will be planned for the first meeting with the new APB to discuss this issue. A motion to suggest that this issue be presented to the APB is pending.

Corbin reported that the EIC has requested that the ASB investigate USPAP compliance of “appraisal port” or other vendor systems for appraisals, which is still under investigation. The ASB has taken the stand that once an appraisal is delivered the appraiser has completed the process. However, the ASB has discovered that reports potentially have been converted after being sent by the appraiser. She stated that the question now is whether this issue should go to the new Appraisal Practices Board/Committee. The APB is anticipated to be formed by the next meeting as a standing committee.

A-18 HVCC Alternatives
Status: The working group will be looking for a follow up report and ideas on how to mutually improve the current process.

Corbin reported that Dave Bunton set up a group meeting on Friday afternoon, March 19 with HVCC and HUD.

A-20 Appraiser Advocacy Group
Status: Retired

338
339 A – 21 Feasibility Study - Best Practices or Appraisal Practices Board
340 *Status: Completed*
341
342 A-22 Third Party payment allowance under Regulation Z.
343 *Status: Active, EI is hoping that users of appraisals will also be able to attend the*
344 *Friday, March 19 afternoon meeting. A follow-up motion will be presented based*
345 *on the outcome of the meeting.*
346
347 Corbin reported that this issue was being reviewed by the ASB. The ASB was planning to
348 communicate with HUD, who has been invited to the March 19, 2010 afternoon meeting.
349 Reportedly, HUD has stated that management companies are of some value. The FHA
350 disclosure issue is also involved.
351
352 A-23 Name Change in Appraisal Reports:
353 *Status: Pending, the ASB issued a Q&A on this issue in October, 2009.*
354 *Barry Shea of the ASB will work with us in staying updated in this area.*
355
356 Corbin reported that the Emerging Issues Committee requested that TAFAC ask the ASB to
357 determine whether negotiating a scope of work for a name change only complies with USPAP.
358
359 New Issues:
360
361 A-26 Development of comparable sales:
362 *Regarding: Definition of types of values, exposure time, and types of markets*
363 *It is expected and agreed upon that appraisers need to know who their client is*
364 *and know their markets.*
365
366 Corbin reported that the question was presented from Bob Keith whether or not The Appraisal
367 Foundation might assist in the training of examiners for the Federal Financial Institute
368 Examination Council (Bank Examiners).
369
370 Suggestion: The EIC would like to suggest to the Membership Committee (and EI will
371 gladly work with the chair in this area) that an invitation be extended to the five US
372 Financial Regulatory Agencies to join TAFAC. They would be invited to become active
373 and participating members, and hopefully become involved in the Emerging Issues
374 Committee (to participate in timely discussions, and offer their opinions on current
375 issues facing appraisers).
376
377
378 A-27 Competitive Market Analysis (CMA's) / Broker Price Opinions (BPO's) v.
379 Appraisals

380 *Status: The EIC respectfully requests that Cole assist the EIC in setting up this*
381 *teleconference with the new working group in the next 30 days. Knight will assist*
382 *in this meeting planning.*

383
384 Corbin reported that the Emerging Issues Committee has established a new working group to
385 look at the issue of federal programs dealing with loan modifications and/or collateral risk using
386 the services of real estate brokers instead of appraisers for valuations. Several areas of concern
387 arose under A-27 including a discussion regarding appraiser competency:

- 388
- 389 • Realtors pricing Real Property in government liquidations.
- 390 • Credible assignment results in liquidation pricing programs.
- 391 • Current lack of requirements for RE Appraisers in pricing liquidations.
- 392 • CMA opinions of value and USPAP compliance.
- 393 • Standards for Appraisers' opinions of value and USPAP compliance.
- 394 • Creating USPAP-compliant Restricted Use Reports for multiple users with
- 395 liquidation values.
- 396

397 New Discussion Points

- 398
- 399 1. Information Statement
400 *Status: As David Bunton reported in the President's Report – Following*
401 *discussion it was decided that no action would be taken at this time by*
402 *the EIC.*

403
404 Corbin reported the Emerging Issues Committee read and discussed a statement/letter from
405 the Appraisal Institute and ASA, etc. regarding appraisal management companies.

- 406
- 407
 - 408 2. AMC desktop appraisal products
409 *Status: Dave Bunton will continue to look into this concern.*

410
411 Corbin reported that the Emerging Issues Committee had lengthy discussions regarding this
412 issue. Bunton met with Wells Fargo and issues regarding USPAP compliance were addressed.

413
414 Potential Future Issue:

- 415
- 416 1. Is the AQB education requirement for appraisers appropriate for appraiser
417 competency?
418 *Status: This issue will be discussed at the next meeting*

419
420 Corbin stated that the Personal Property Working Group is currently addressing updated
421 appraiser qualification minimum requirements. Corbin asked representatives to send any new
422 issues to Cole and they will be forwarded to the Committee.

423
424 Discussion ensued regarding the growing concern of education competency problems and
425 profession recruitment.

426
427 **Motion** by Flynn, seconded by Riedel: To accept the Report of the Emerging Issues Committee

428
429 Motion carried.

430
431 **Motion** by Corbin, seconded by Knight: That TAFAC recommends to The Appraisal Foundation
432 to meet with the Federal Financial Institutions Examination Council (FFIEC) to discuss the
433 feasibility of The Appraisal Foundation being an integral part of a training program for bank
434 examiners

435
436 Motion carried.

437
438 **Report of the AQB Issues Committee**

439
440 Snyder reported on behalf of Freeman. He reported that Tropper, Josko and himself updated
441 the Committee on the work of the Personal Property Working Group on the proposed revisions
442 to the Personal Property Appraiser Criteria. The Committee had a good discussion of several
443 proposed changes and information on some of the applicable issues. Snyder indicated that the
444 AQB Issues Committee supports the work of the Personal Property Working Group. Snyder
445 reported that after the Personal Property Working Group completes their work, the Working
446 Group will send the draft to the AQB Issues Committee for approval. The AQB Issues Committee
447 will send it to TAFAC for approval so it can be sent to the AQB by June.

448
449 Snyder reported that Vasquez discussed the upcoming June meeting to seek input for potential
450 real property appraiser qualification criteria revisions; a survey seeking more information
451 involving potential revisions from interested groups that will be sent out over the next several
452 weeks; the graduate degree approval program being offered by AQB, which is so far seeing little
453 interest from the educational community; and the required Instructor Recertification Course.

454
455 Discussion ensued regarding the education and accountability of appraisers.

456
457 **Motion** by Corbin, seconded by Riedel: To accept the Report of the AQB Issues Committee

458
459 Motion carried.

460
461 **Motion** by Snyder, seconded by Riedel: That TAFAC recommend to the AQB three proposed
462 criteria changes to include a background check requirement before earning a credential, that
463 the certification exam be the last step in the qualification process, and that all existing Guide
464 Notes and Interpretations be incorporated in the AQB criteria

465
466 Motion carried.

467
468 **Motion** by Snyder, seconded by Heiden: That TAFAC recommend that, in future criteria, the
469 AQB require an Associate's degree which includes the specific subject matter noted in the
470 seven courses cited in the current criteria for residential certification; and the AQB require a
471 Bachelor's degree which includes the subject matter noted in the nine courses cited in the
472 current criteria for general certification.

473
474 Discussion ensued regarding the limitations of the motion and the lack of other alternatives.

475
476 Bunton stated that the motion may be premature as the AQB will have their public meeting
477 panel in June to discuss this issue.

478
479 Motion withdrawn.

480
481 **Report of the ASB Issues Committee**

482
483 Coleman reported that ASB member Barry Shea attended the Committee meeting yesterday
484 afternoon and provided an update on ASB activities related to the First Exposure Draft of
485 proposed changes to the 2012-13 edition of USPAP. She stated that Shea reported that the ASB
486 was essentially starting over on the issues presented in the exposure draft and is considering
487 the possible directions for improving USPAP with regard to reporting. She indicated that Shea
488 stated that the exposure draft served a good purpose by revealing issues and concerns,
489 especially regarding "draft reports" and related topics such as preliminary reports and
490 fragments of analyses. She stated that Shea asked that the Committee and TAFAC to assist the
491 ASB by deliberating these topics and making recommendations if possible.

492 Coleman reported that the Committee discussed "drafts" and related issues at length. The
493 discussion included the definitions of "report" and "assignment results." The meeting was
494 concluded after passing two motions.

495 **Motion** by Flynn, seconded by Josko: To accept the Report of the ASB Issues Committee

496
497 Motion carried.

498
499 **Motion** by Coleman, seconded by Canino: That TAFAC recommend to the ASB that they
500 reconsider the definition of "assignment results" in that it may be inconsistent with the
501 definition of "report." *(Note: The definition of "assignment results" is broad and includes all*
502 *opinions and conclusions whereas the definition of "report" specifies that a report is what is*
503 *communicated to the client at the end of the assignment).*

504 Motion carried.

505
506 **Motion** by Coleman, seconded by Rosenthal: That TAFAC recommend to the ASB that it
507 eliminate the requirement that a Restricted Use Appraisal Report have only one intended user.

508

509 Discussion ensued regarding the users and credibility of restricted use reports.

510

511 Motion carried.

512

513 **Report of the Personal Property Working Group**

514

515 Miceli reported that the Personal Property Working Group met twice yesterday afternoon with
516 eleven members in attendance. The 2010 goal of the Working Group is to rewrite the minimum
517 Personal Property Criteria. The Working Group has been successful with the rewrite. The
518 qualifications have been elevated and the document will be reviewed one last time by the
519 Working Group members, the AQB Issues Committee and then to TAFAC so it will be forwarded
520 to the AQB by June. He stated that it will be a few weeks turnaround time. He thanked Cole and
521 the Working Group for their participation and help during the two webinars prior to the
522 meeting and at the Working Group meeting yesterday.

523

524 Bunton stated that he thought the Personal Property Working Group's revisions would take
525 over a year to complete but it only took a few months. He commended the great leadership
526 and participation of the Working Group.

527

528 **Motion** by Corbin, seconded by Snyder: To accept the Report of the Personal Property Working
529 Group

530

531 Motion carried.

532

533 **Report of the Nominating Committee**

534

535 Rosenthal reported that due to the timing of this meeting, the Nominating Committee has not
536 yet finished working on the 2011 slate. He asked if anyone is interested in an executive position
537 on TAFAC, to please contact him. The Committee will be meeting via conference call to discuss
538 nominations. The 2011 slate would include Chair, Vice Chair, Secretary and the TAFAC BOT
539 Representative.

540

541 **Motion** by Snyder, seconded by Flynn: To accept the Report of the Nominating Committee

542

543 **9. New Business**

544

545 Bunton thanked the presenters of the Housing Forum and stated that he would like to continue
546 to have forums in the future to also include the ASC and AARO.

547

548 Keith thanked the National Association of Home Builders for allowing TAFAC the use of their
549 facilities.

550

551 Keith stated that the APB Working Group will become a standing committee after the board is
552 constituted. He asked for representatives to contact him if they would like to serve on the

553 Working Group. In addition, Keith indicated that there are items that need to be resolved
554 before the next meeting; the review and approval of the Personal Property Working Group
555 criteria revisions; nominations for TAFAC 2011 slate; and the establishment of the Emerging
556 Issues subcommittees. Keith stated that he would like these items to be completed by April
557 15th.

558

559 **10. Next Meeting**

560

561 *September 17, 2010 – National Association of Home Builders – Washington, DC*

562

563 **Motion** by Josko, seconded by Cramer: To adjourn the meeting at 12:00pm

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565 Motion carried.

DRAFT