

Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 22, 2010

Mr. David Bunton, President
The Appraisal Foundation
1155 15th Street, NW
Suite 1111
Washington, DC 20005

RE: The Appraisal Foundation 2011 Federal Grant Proposal

Dear Mr. Bunton:

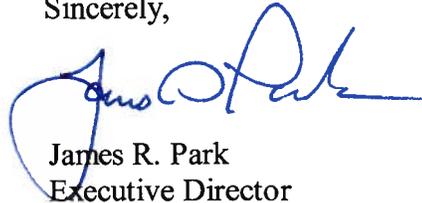
Thank you for the submittal to the Appraisal Subcommittee (ASC) of the Appraisal Foundation's (Foundation) 2011 federal grant proposal. Please provide supplemental information concerning the following:

1. Provide additional justification for the Appraiser Qualifications Board (AQB) grant request and include the rationale for re-evaluating the AQB Real Property Appraiser Qualification Criteria (Criteria) every four to five years. Explain why the grant proposal for AQB work has not declined from 2006-2008 levels when the AQB was finalizing and addressing implementation of significant changes to the Criteria, implemented January 1, 2008. Explain why AQB costs are increasing although the number of appraisers is declining.
2. Address whether the University graduate degree program has met the Foundation's goals and objectives. Explain the rationale for expanding the program's scope to include undergraduate programs. Also address the Foundation's efforts to verify with the States' appraiser regulatory agencies and other stakeholders that the program is creating the desired change in appraiser education.
3. Appraisal Standards Board (ASB) grant requests have increased at an annual rate of approximately 5% since 2002 when the US rate of inflation has been approximately 2.7% annually. Why have the expenses increased more than the rate of inflation?
4. What percentage of the Foundation's overall revenue comes from the grant?
5. Provide more detail regarding the Board of Trustees (BOT) Title XI-related work and the expenses that would be covered by the proposed grant. Explain how the BOT ensures its governance over the work of the AQB and ASB and how the stated initiatives are consistent with the Appraisal Foundation's strategic plan and objectives for the year. Further, explain how the BOT is involved in the two Board's business plans and adherence to their business plans.
6. Please provide a prioritized list of the projects/issues on each Board's agenda for 2011. Identify the items that are the most important for the ASC to fund.
7. Given the recent turnover of ASB members, how do the current members determine whether to continue or revisit issues and work addressed by previous Boards?

8. Was any consideration given to the fact that adding a seventh Board member to the ASB will increase expenses? Explain the rationale for the decision by the BOT to expand the ASB to seven members from six.
9. In a statement, dated September 29, 2010, the ASB acknowledged that sufficient explanation was not provided in the exposure drafts addressing proposed revisions to the 2012-13 edition of the Uniform Standards of Professional Appraisal Practice (USPAP). How is the Foundation ensuring that the ASB's work in 2011 will reflect public comments received on prior exposure drafts and address deficiencies in the exposure draft process? Explain how the ASB's proposed work to revise USPAP will further improve the understandability and enforceability of USPAP, and contribute to public trust in the profession?

I appreciate your attention to this inquiry and look forward to your response on or before November 29, 2011. Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Park". The signature is fluid and cursive, with a large initial "J" and "P".

James R. Park
Executive Director