

**STATE OF ALASKA  
DEPARTMENT OF COMMERCE, COMMUNITY AND  
ECONOMIC DEVELOPMENT  
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING  
BOARD OF CERTIFIED REAL ESTATE APPRAISERS**

**MINUTES OF MEETING  
May 24, 2006**

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Certified Real Estate Appraisers was held May 24, 2006 at the Atwood Building, Suite 1860, Anchorage, AK.

**Call to Order/Roll Call**

Mr. MacSwain, Chairman called the meeting to order at 8:39 a.m.

Those present, constituting a quorum of the Board:

Steven MacSwain, Chairman, General Real Estate Appraiser – Anchorage  
Gene Shafer, Vice Chair, Residential Real Estate Appraiser – Fairbanks  
Nelida Irvine, Public Member – Anchorage  
William Larick, General Real Estate Appraiser – Anchorage

Excused from the meeting was:

Butch Olmstead, Mortgage Banking Executive – Ketchikan

In attendance from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, was:

Jan Mays, Licensing Examiner – Juneau  
Jun Maiquis, Regulations Specialist – Juneau  
Cori Hondolero, Licensing Supervisor – Juneau  
Margo Mandel, Investigator - Anchorage

There were three guests present from the public:

Sandy Guilfoil – Appraisal Foundation  
Denise Graves – Appraisal Subcommittee  
Stephen Turner – Residential Real Estate Appraiser

## **Agenda Item 1 – Review Agenda**

Mrs. Mays advised the Board of the following additions to the agenda. The Board had no comments on the agenda.

### **Application Review**

- Charles Gray – Residential Real Estate Appraiser
- Michael E. Bernatz – General Real Estate Appraiser
- Monika Bethers – Registered Trainee

### **Course Approval**

- American Society of Farm Managers Rural Appraisers (ASFMRA)
  - Appraisal Review under Uniform Appraisal Standards for Federal Land Acquisition
  - Advanced Appraisal Review Case Studies

## **Agenda Item 2- Review Meeting Minutes**

Gene Shafer commented that on both the February 10, 2006 and the February 24, 2006 teleconference that it states “Mrs. Mays called the meeting to order”. Mr. MacSwain request that it be changed to “Mr. MacSwain called the meeting to order”.

**Upon a motion by Shaffer, seconded by Larick and approved unanimously, it was:**

**RESOLVED to amend the following meeting minutes as stated:**

- February 10, 2006
- February 24, 2006 Teleconference

## **Agenda Item 3 – Appraisal Foundation & Appraisal Subcommittee**

Present at the meeting was Sandy Guilfoil, Appraisal Foundation, and Denise Graves, Appraisal Subcommittee.

Ms. Guilfoil gave the Board a little background on what the Appraisal Qualification Board (AQB) has done in conjunction with the Appraisal Foundation. The Appraisal Foundation is trying to make sure States are as prepared as possible for the 2008 changes. AQB started doing seminars about 1 ½ year ago, called “Criteria Implementation Task Force” (CITF) seminars. There were two different seminars; 1) CITF 1 was going around the country explaining what the changes were in the criteria, why and how it’s going to impact the State 2) addressing implementation issues. Ms. Guilfoil prepared a power point presentation to review with the Board.

The Appraisal Standards Board has a very direct relationship with the appraisers that they work with. Ms. Guilfoil stated that there are seven members on the Appraisal Standards Board. All appointed for three year terms and appointed by the Appraisal Foundation Board of Trustees. All AQB does is establish minimum requirements. State certified appraisers are General and Residential, that's where the jurisdiction ends.

The 2008 minimum requirements address four areas, education, experience, examination and continuing education.

Denise Graves explained that there is a bill in Congress called HR1295. Part of that bill makes licensing mandatory just like certification. HR1295 was created as a mortgage fraud bill.

Ms. Guilfoil stated that one of the experience changes for 2008 is that experience has to be obtained after January 30, 1989 and must be Uniform Standards of Professional Appraisal Practice (USPAP) compliant. Qualifying Education is another requirement that the Board needs in order to get certified or licensed. The definition of "Qualifying Education" is an educational offering of 15 hours or more that must include examination. The State's job is to determine of those educational offerings how many of the hours are on appraisal education; it can be all or part of it. Once it qualifies as education, the state can decide if the other part can qualify towards continuing education.

Ms. Guilfoil explained for certified residential real estate appraisers it requires an Associate Degree in any subject and for certified general real estate appraiser it requires a Bachelor Degree with any major. If there isn't college degree then the education requirements would be 21 semester hours for residential and 30 semester hours for general, in specific areas and subjects.

Ms. Guilfoil also explained to the Board that they are two ways to approach this, 1) Firm Date, which makes it effective January 1, 2008. Any applications that are complete on January 1, 2008 or later must meet all the criteria in education, experience and examination prior to January 30, 1989 2) Segment approach, which means that education, experience and examination are looked at separately.

AQB put together a Course Approval Program (CAP), which AQB receives submissions from course providers. AQB reviews the course and decides whether or not to approve for appraisal education. Once a course is approved than that course provider in the State that recognizes it can indicate that it's an AQB approved course. It will be an instant approval to whichever state, and also saves the state time. Ms. Guilfoil stated that there is no cost to the State, the providers pay for the service. The cost is between \$1500-\$1800 per course review, with a three year term. If the course hasn't changed, it can renew for three more years.

Break at 9:53 a.m.; back on record 10:11 a.m.

Mr. MacSwain brought up the issue of appraisal confidentiality. Mr. MacSwain stated that one Board member; Butch Olmstead, who is not present, had a different opinion on how to interpret confidentiality of appraisals. The Board would like clarification from the Appraisal Subcommittee on whether or not banks should submit to the Board a copy of the appraisal report even if there has been an investigation. Mr. MacSwain also stated that he has an email that he would like to share with Ms. Graves.

Break at 11:18 a.m.; back on record at 11:31 a.m.

Ms. Graves explained to the Board as far as the subcommittee is concerned that “yes” the Board can request copies of the appraisal from licensee, if the Board feels it’s necessary in the course of an investigation. Ms. Graves stated that USPAP slightly changed their wording on the licensing program to make sure that state enforcement agencies understand that requesting an appraisal report is not a violation of confidentiality. Ms. Graves quoted from the USPAP book “An appraiser must not disclose confidential information or assignment results prepared for planned to anyone other than the client and person specifically authorized by the client, state enforcement agencies and such third parties as maybe authorized in due process by law”. The Board has the right to request the appraisal report and the Appraisal subcommittee supports the Boards effort to enforce this issue.

#### **Agenda Item 4 – Investigative Report**

Margo Mandel Investigator for the Division of Corporations, Business and Professional Licensing was present.

Ms. Mandel advised the Board that during this reporting period, January 10, 2006 to May 8, 2006, the Investigative Unit opened three (3) cases and closed three (3) cases. There are currently fourteen (14) open cases; seven (7) of the fourteen (14) cases are currently involved in litigation.

#### **Open Cases**

3300-98-006 Violating Professional Ethics  
3300-02-004 Violating Professional Ethics  
3300-04-001 Violating Professional Ethics

3300-05-004 Negligence  
3300-05-005 Fraud/Misrepresentation  
3300-05-006 Incompetence  
3300-05-007 Violating Professional Ethics  
3300-05-008 Violating Professional Ethics  
3300-05-009 Fraud/Misrepresentation  
3300-05-010 Conversion  
3300-05-011 Conversion  
3300-05-012 Conversion  
3300-05-013 Conversion  
3300-06-001 Conversion

3300-06-003 Fraud  
3300-06-004 Violating Professional Ethics

Closed Case

3300-04-001 Violating Professional Ethics  
3300-05-009 Fraud/Misrepresentation  
3300-06-002 Conversion

Case 3300-05-10; 3300-05-011; 3300-05-012; 3300-05-013; & 3300-06-001

Ms. Mandel explained to the Board that Aaron H. Legare, General Real Estate Appraiser; Anchorage, Alaska. These cases involve multiple instances occurring in 2005 where the appraiser accepted a monetary fee for appraisal services from clients and then failed to produce the appraisal report. All of the clients who filed complaints regarding this conduct reported that once Mr. Legare received their payment, they were unable to contact him either telephonically, by certified mail, or at his registered business address.

Ms. Mandel presented a Motion for Default for the Board's consideration.

**Upon a motion by Shaffer, seconded by Irvine and approved unanimously, it was:**

**RESOLVED that the Motion for Default be issued against Mr. Aaron H. Legare and that his certification be revoked.**

**Agenda Item 5 – Goals and Objectives FY06**

**Upon a motion by Shaffer, seconded by Larick and approved unanimously, it was:**

**RESOLVED to adopt the amended Goals and Objectives for FY 2007.**

The following are the fiscal year 2007 Goals and Objectives:

1. Review recommendations/changes and modify current statutes and regulations to include changes as needed and encourage their implementation.
2. Seek comments/input from other organizations that are involved in our use of appraisal services in Alaska.
3. Circulate the Board meeting dates to appraisal organizations, interested individuals, and users of appraisal services.
4. Provide public notice of all meetings in the newspaper and email notices.

5. Continue to make listings of approved and expired initial certification and continuing education courses/seminars available to certified individuals.
6. Set up and implement the dissemination of Appraiser Board activities through email database addresses of certified appraisers and other interested parties.
7. At the time of initial certification, the Board is to review the appraiser's application along with one appraisal report completed by the applicant, in accordance with 12 AAC 70.110 (e).
8. To request to have at least two face-to-face meetings per year.
9. Update website to include relevant appraisal foundation documents/information.
10. Encourage course providers to submit applications in PDF format via email.

Lunch at 12:16 p.m.; back on record at 1:26 p.m.

### **Agenda Item 6 – Budget Report**

The Board called Cathy Mason, Administrative Manager II, Division of Corporations, Business and Professional Licensing.

The Board reviewed the Memorandum of Expenditure and Revenue Report. Gene Shafer explained to Ms. Mason that the general expenditure has no break down or details. The Board would like to know what has been charged off the budget and what has not.

Ms. Mason explained to the Board that page one is the report from AKSAS and the second page will consist of what personal services are. Mr. Shafer asked Ms. Mason as the Board are they asked to vote whether or not to accept the budget report. Ms. Mason said "no", the Board has no control over the budget. Ms. Mason clarified to the Board that it's not a "budget" it's a recap of the Board's expenditures. The budget is for the entire division, that this is just a small portion of the Board's expenditures. Ms. Mason explained that the Board is not held to a budget, that the report is basically to keep the Board up to date on their expenses. The Board has no authority or control over the budget, but the Board can keep the cost down. For example, the Board can try to keep travel expenses down. Also, the Board does not have their own appropriation, the Division has one.

Ms. Irvine asked how far is the Board on their projected budget and what the budget is for 2007. Ms. Mason explained that the Board only has actual expenses not a projected budget.

### **Agenda Item 7 – Review Correspondence**

There were no correspondence items for the Board to review.

Break at 2:45 p.m.; back on record at 2:50 p.m.

### **Agenda Item 8 – Ethics Disclosure**

There were no ethics conflicts to disclose.

### **Agenda Item 9 – Application Review**

The Board reviewed applications. Mr. MacSwain abstained from voting on Joshua Watts application and Mr. Larick abstained from voting on Lorrie Irwin-Saunders application.

#### **Registered Trainee**

The Board reviewed seven Registered Trainee applications. The following applications were approved.

**Upon a motion by MacSwain, seconded by Shaffer and approved unanimously, it was:**

**RESOLVED to approve the following applications for Registered Trainee.**

- **Fred Hall**
- **Patricia Jean Meyers**
- **Lorrie Irwin-Saunders**
- **Craig Channer**
- **Barbara J. Belluomini**
- **Brandon A. Barnes**
- **Monika Bethers**

#### **General Real Estate Appraiser**

The Board reviewed three General Real Estate Appraiser applications. The following applications were approved.

**Upon a motion by MacSwain, seconded by Shaffer and approved unanimously, it was:**

**RESOLVED to approve the following applications for General Real Estate Appraiser.**

- **Tim D. Garey**
- **Landell S. Froerer**
- **Michael E. Bernatz**

Residential Real Estate Appraiser

The Board reviewed two Residential Real Estate Appraiser applications and one renewal application on a lapsed licensed. The following applications were approved.

**Upon motion by MacSwain, seconded by Shaffer and approved unanimously, it was:**

**RESOLVED to approve the following two applications for Residential Real Estate Appraisers and one renewal application for a lapsed license.**

- **Joshua S. Watts**
- **Charles G. Gray**
- **Patricia Ellen Matthews**

**Agenda Item 10 – Course Review**

Appraisal Institute

**Upon a motion by MacSwain, seconded by Shaffer and approved unanimously, it was:**

**RESOLVED to approve the following courses for continuing education.**

- **Condominiums, Co-Ops and PUDS – 7 Hours**
- **Washington Appraisal Summit 2006 – 6 Hours**

Acheson Appraisal Classes

**Upon motion by MacSwain, seconded by Shaffer and approved unanimously, it was:**

**RESOLVED to approve the following courses for continuing education:**

- **Defensive Report Writing – 3 Hours**
- **Adjustment Techniques – 4 Hours**

The Beckman Company

**Upon motion by MacSwain, seconded by Shaffer and approved unanimously, it was:**

**RESOLVED to approve the following course for continuing education:**

- **The Technicals Inspection of Real Estate – 20 Hours**



American Society of Farm Manager & Rural Appraisers (ASFMRA)

**Upon motion by MacSwain, seconded by Shaffer and approved unanimously, it was:**

**RESOLVED to approve the following courses for both initial certification and continuing education:**

- **Appraisal Review under Uniform Appraisal Standards for Federal Land Acquisition – 20 Hours**
- **Advanced Appraisal Review Case Studies – 20 Hours**

**Agenda Item 11 – Public Comment**

There was no public comment.

**Agenda Item 12 – 2008 Regulation Changes**

The Board called Jun Maiquis, Regulation Specialist, Division of Corporations, Business and Professional Licensing.

The Board looked over the proposed regulations prepared by Mr. Maiquis. Mr. MacSwain stated that Denise Graves from the Appraisal Subcommittee would discuss the changes for 2008.

Ms. Graves explained that there are several requirements that will be effective January 1, 2008.

1. Experience: All experience after January 1, 2008 has to be obtained after January 30, 1989.
2. Examination: Add another subparagraph under 12 AAC 70.130 “Examination must be taken within 24 months of submitting a complete application”.
3. Course Approvals: This is how the State is going to handle course approvals and applications. Ms. Graves stated that she is not sure how the Board wants to handle the course approval part, that the Board hasn’t had a chance to look it over and to discuss the matter. Ms. Graves suggested the Board look at it a bit closer.

Mr. Maiquis asked the Board if those are the two additions to add to the regulations and if the Board would like to see a new draft prior to adopting the proposed regulations for public notice. The Board would like to schedule a teleconference once regulations are drafted. The Board request that Vicki Ledbetter from the Appraisal Subcommittee join in on the teleconference. Mr. Maiquis will notify Mrs. Mays once the regulations are drafted. Mrs. Mays will notify the Board and Ms. Ledbetter regarding the upcoming teleconference.

Break at 4:13 p.m.; back on record at 4:27 p.m.

Board discussed scheduling a teleconference on June 23, 2006 at 9:00 a.m.

Task List for Board Members

Jan Mays

- Update CE fee approval to \$195.00 on the Course approval application.
- Change application to request a copy of appraisal report in accordance with 12 AAC 70.110(e).
- For future Board meetings print current roster of licensees.
- Schedule teleconference for June 23, 2006 at 9:00 a.m.
- Email the Board and Vicki Ledbetter regarding the June 23, 2006 teleconference.

There being no further business, the meeting adjourned at 4:45 p.m.

Respectfully Submitted:

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Jan Mays, Licensing Examiner

Approved:

\_\_\_\_\_  
Steve MacSwain, Chairman  
Board of Certified Real Estate Appraisers

Date: \_\_\_\_\_