

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

**MINUTES OF MEETING
May 29, 2009**

By the 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 29, 2009, at the Atwood Building, 550 W. 7th Avenue Suite 1860, Anchorage, AK.

Call to Order/Roll Call

The meeting was called to order at 8:37 a.m. by Steve MacSwain, Chairman.

Those present, constituting a quorum of the Board:

Steve MacSwain, Chairman, General Real Estate Appraiser
Gene Shafer, Vice Chair, Residential Real Estate Appraiser
William Larick, General Real Estate Appraiser
Butch Olmstead, Mortgage Banking Executive
April Moore, Public Member

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

Jan Mays, Licensing Examiner
Margo Mandel, Investigator

Guests Present were:

Paul Christian Andrews
Neal Fenochietti, Policy Manager, Appraisal Subcommittee
Jenny Tidwell, Policy Manager, Appraisal Subcommittee

Agenda Item 1 – Review Agenda

The following items have been added to the Agenda.

- Add item 14 – Appraisal Subcommittee

Item 13

- Appraisal Subcommittee

Item 7

- Scott Montalbo
- Christian Paul Andrews

- Anneliese Henley

Item 8

- Appraisal Institute
 - Intro to Conservation Easement Valuation
- McKissock, LP
 - Ad Valorem Tax Consultation
 - Intro to Expert Witness Testimony
 - Current Issues In Appraising
- Greater Oregon Chapter of Appraisal Institute
 - Case Studies in Ltd Partnerships
- William King & Associates, Inc
 - Home Valuation Code of Conduct & The 1004 MC Form

Agenda Item 2 – Investigative Report

Margo Mandel, Investigator presented the investigative report.

During this reporting period, December 22, 2008 to December 22, 2008, the Investigation Unit opened four (4) cases and closed three (3) cases. Currently there are six (6) open cases.

FY2009 Statistics to date:

Cases Opened:8

Cases Closed: 8

The Board has also requested a status report on licensee compliance regarding disciplinary sanctions imposed on licensees through a Memorandum of Agreement or Consent Agreement:

Kim Wold: Imposition of disciplinary sanctions have been stayed by the Alaska Superior Court pending the outcome of his appeal.

Jimmie Johnson: Successfully completed all MOA requirements and completed his probation as of 2/15/08.

Patricia Hoover: Successfully completed all MOA requirements and completed her probation as of 3/2/09.

Open Cases:

3300-06-003	Violating Professional Ethics	Active
3300-08-004	Violating Professional Ethics	Active
3300-09-001	Fraud/Misrepresentation	Active
3300-09-002	Fraud/Misrepresentation	Active

3300-09-003 Negligence Active

3300-09-004 Fraud/Misrepresentation Active

Closed Cases:

3300-06-009 Continuing Education License Action

3300-08-001 Continuing Education License Action

3300-08-002 Violating Professional Ethics Advisement Letter

3350-08-004 Continuing Education License Denied

Agenda Item 3 – Ethics Report

No ethics issues to disclose.

Agenda Item 4 – Review Minutes

The Board reviewed the following meeting minutes:

January 9, 2009

- Page 4, Item 6, first motion, change “Olmstead” to “Moore”.

Upon a motion by Moore, seconded by Shafer and approved unanimously, it was:

RESOLVED to approve the January 9, 2009 meeting minutes as amended.

January 21, 2009 Teleconference

Upon a motion by Olmstead, seconded by Moore and approved unanimously, it was:

RESOLVED to approve the January 21, 2009 Teleconference meeting minutes.

Agenda Item 5 – Goals & Objectives

The Board reviewed and discussed the Goals & Objectives. One change has been made, to change the fiscal year to 2010.

The primary goals for this coming year are to investigate revisions to statutes and regulations to enhance consistency with the policy of the Appraisal Subcommittee. The Board’s goal and objectives for FY2010 are as follows:

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.
5. Continue to make listings of approved, denied, and expired initial certification and continuing education courses/seminars available to certified individuals.
6. Look into the set up and notice-giving possibilities of disseminating Appraiser Board activities through email database addresses of licensed appraisers.
7. At the time of initial certification, the Board is to review the appraiser's application along with a minimum of one appraisal report completed by the applicant, in accordance with 12 AAC 70.110(e).
8. To have at least two face-to-face meetings per year.
9. To encourage and develop dialog promotional education in the State of Alaska for the state certified appraisers.

Upon a motion by Moore, seconded by Olmstead and approved unanimously, it was:

RESOLVED to approve the Goals & Objectives for FY2010 as amended.

Agenda Item 6 – Budget Report

The Board reviewed the Expenditure and Revenue Report.

Break at 10:16 a.m.; back on record at 10:29 a.m.

Agenda Item 7 – Application Review

General

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

RESOLVED to approve the following for certification as General Real Estate Appraisers.

- **John Morris**
- **Scott Montalbo**
- **William Westover**

Residential

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

RESOLVED to approve Christian Paul Andrews for certification as Residential Real Estate Appraiser.

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

RESOLVED to approve Anneliese Henley for certification as Residential Real Estate Appraiser.

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

RESOLVED to approve William Westover's for certification as General Real Estate Appraiser.

Registered Trainee

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

RESOLVED to approve David O'Malley-Keyes licensure as a Registered Trainee.

Break at 11:32 a.m.; back on record at 11:34 a.m.

Lunch at 11:53 a.m.; back on record at 1:09 p.m.

Agenda Item 8 – Course Approval

Upon a motion by Olmstead, seconded by Moore and approved unanimously, it was:

RESOLVED to approve the following courses by the following sponsor.

McKissock, LP

- Ad Valorem Tax Consultation – 3 hours continuing education
- Intro to Expert Witness Testimony – 7 hours continuing education
- Current Issues In Appraising – 7 hours continuing education

Upon a motion by Olmstead, seconded by Moore and approved unanimously, it was:

RESOLVED to approve the following course by the following sponsor.

Appraisal Institute

- Online Valuation of Green Residential Properties – 7 hours continuing education
- Quality Assurance In Residential Appraisals – 7 hours continuing education
- Intro to Conservation Easement Valuation – 7 hours continuing education

Upon a motion by Olmstead, seconded by Moore and approved unanimously, it was:

RESOLVED to approve the following course by the following sponsor.

William King & Associates, Inc

- Home Valuation Code of Conduct & The 1004 MC Form – 7 hours continuing education

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

RESOLVED to approve the following courses by the following sponsor.

ASFMRA

- Appraisal Review Under Uniform Appraisal Standards for Federal Land Acquisition (A-380) – 16 hours continuing education
- Advanced Appraisal Review Case Studies (A-390) – 16 hours continuing education

Upon a motion by Olmstead, seconded by Moore and approved unanimously, it was:

RESOLVED to approve the following course by the following sponsor.

Greater Oregon Chapter of Appraisal Institute

- Case Studies in Ltd Partnerships – 14 hours continuing education

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

RESOLVED to approve the following course by the following sponsor.

Ted Whitmer

- Attacking & Defending an Appraisal in Litigation – 15 hours continuing education

Agenda Item 9 – Correspondence

No correspondence.

Agenda Item 10 – Public Comment

There were no individuals in attendance for public comment.

Agenda Item 11– Proposed Regulation Changes

The Board reviewed the following Proposed Regulations:

- 12 AAC 70.108(a)
- 12 AAC 70.108(b)
- 12 AAC 70.115(a)
- 12 AAC 70.115(b)
- 12 AAC 70.115(c)
- 12 AAC 70.115(d)
- 12 AAC 70.140(c)
- 12 AAC 70.990(1)

Upon a motion by Moore, seconded by Olmstead and approved unanimously, it was:

RESOLVED to approve the following proposed regulations for public comment, 12 AAC 70.108(a)(1)(2), 70.108(b)(1)(2), 70.115(a), 70.115(b), 70.115(c), 70.115(d), 70.140(c), and 70.990(1):

Agenda Item 12 – Regulation Changes

No regulation changes at this time.

Agenda Item 13 – Board Business

Sign Wall Certificates

No Wall Certificates to sign.

Schedule Next Meeting

The following are meeting dates for 2009.

October 2, 2009

Sign Meeting Minutes

The Board chair signed the following meeting minutes:

- January 9, 2009
- January 21, 2009 Teleconference

Sign TA's and Collect Receipts

Travel Authorization forms were given to each Board member to sign.

Task List

Jan Mays

- Email Board the Ohio Appeal.
- Contact Appraisal Standards Foundation Board to schedule the 15 Hour USPAP for Board members; coincide with a face-to-face meeting.
- Find the definition of "Scope of Supervision" from the Appraisal Foundation and email the Board.

Agenda Item 14 – Appraisal Subcommittee Field Review Audit

Neal Fenochietti, Policy Manager and Jenny Tidwell, Policy Manager from Appraisal Subcommittee (ASC) was present to stipulate the Field Review process. Mr. Fenochietti addressed that the field review will be processed differently from how it's been in the past.

The process will provide a preliminary report, which allows the individual state to correct any deficiencies; those corrected will be removed from the preliminary report. Any findings that have not been corrected will be on the final report and noncompliant with Title XI. Mr. Fenochietti suggested that the Board refers to the policy statements, which is provided in the Appraisal Subcommittee Annual Report when implementing regulation changes.

Mr. Fenochietti supplied the results and findings from the May 2007 Field Review Audit. There was four points; two points were from applications. The courses that were used for initial certification were not a minimum of 15 hours and the work logs provided were not sufficient to make a determination if the individual had enough experience hours/months for initial certification. After conducting this field review, both Mr. Fenochietti and Ms. Tidwell did discover that those two areas have been corrected completely. Three files needed to be corrected with a revised work log. Only one individual responded and the other two remains outstanding.

Mr. Fenochietti explained that the two files needs to be addressed. The Board needs to take whatever steps necessary to downgrade the two as a registered trainee or to respond with a revised work log. The work log needs to demonstrate that the individual has the appropriate number of hours and months to hold the certificate. The hours of experience do not need to display hours obtained before they were issued a certificate, but does have to include enough experience hours to qualify them now.

Both Mr. Fenochietti and Ms. Tidwell reviewed the statutes and regulations. The only statutory issue is the records retention. Currently, the Alaska Statute requires an appraiser to maintain records for three years and two years beyond litigation. USPAP requirement is five years and two years beyond litigation. Mr. Fenochietti is aware that it's a difficult process to change statutes in Alaska. The Board does need to be concerned that if there's a finding in a discipline manner for the reason that an appraiser failed to maintain records for a minimum of five years. As a result, the Board may have a problem when challenged.

Mr. Fenochietti discussed regulations that need to be amended which will be in the preliminary report. In 12 AAC 70.215, concerns distance education for continuing education, which needs to be International Distance Education Certification Center (IDECC) approved, unless it's been approved through the Course Approval Program (CAP) than it's automatically approved through IDECC.

In 12 AAC 70.140(B), it currently states a minimum of 2 classroom hours, which is incorrect for initial certification. The minimum number of classroom hours for initial certification is 15 classroom hours.

In 12 AAC 70.220, this concerns continuing education requisites; the criteria require 14 hours per year. Effective May 2006, the criteria requires if a certificate is issued more than a 12 months and more than 185 days prior to renewal, than the licensee needs to complete 28 hours of continuing education. If a certificate is issued with 12 months and less than 186 days, the licensee only needs to complete 14 hours of continuing education.

Another regulation that requires some change is 12 AAC 70.920, which will allow both certified and licensed appraisers to apply for a courtesy license. In Policy Statement 5, Title XI requires a State agency to recognize on a temporary basis the certification or license of an appraiser from another State, under the following three conditions:

1. The property appraised is part of a federally related transaction.
2. The appraiser's business is of a temporary nature; and
3. The appraiser registers with the State appraiser regulatory agency in the State of temporary practice.

In 12 AAC 70.210 (b) (1) to remove "business", since the business courses related to appraisals has been eliminated.

The next area is the National Registry, how disciplinary actions are reported to ASC. The only issue is in the cases where a discipline has been taken as a result of continuing education audit, the process is not getting communicated from Juneau to Anchorage in a timely manner. Another area is the application review. Mr. Fenochietti commended Mrs. Mays on how closely the applications are being examined for completeness. However, there is one area of concern

that was consistent with the files that were reviewed are the work experience log. Both the old and revised version was reviewed. Mr. Fenochietti realized that an area to enter "Scope of Supervision" was not included. Mr. Fenochietti provided a copy of Kentucky's work log, which has all the requirements. Mr. Fenochietti stated that the Board can either add the "Scope of Supervision" or adopt the Kentucky version and apply to the applications.

One serious issue is an application that includes a log with a several block of hours which didn't explain in detail on what type of appraisal work was conducted. Mr. Fenochietti did notice the 300 hours claimed towards broker experience, which did not exhibit any analysis and the 2200 hours claiming under registered trainee did not specify a property or a reference. Mr. Fenochietti requested that the Board review the application again. The work log that was submitted was not sufficient to make a determination for certification.

Mr. Fenochietti stated the Board has 60 days to respond to the preliminary report and to fix the findings. Mr. Fenochietti requested that Mrs. Mays review the applications that were not reviewed starting from the last field review audit.

There being no further business, the meeting adjourned at 3:46 p.m.

Respectfully Submitted:

Jan Mays
Licensing Examiner

Approved:

Steve MacSwain, Chair

Date: _____