

**APPRAISER LICENSING AND CERTIFICATION BOARD
HEBER M. WELLS BUILDING
ROOM 210
October 26, 2011
9:00 A.M.**

MINUTES

STAFF MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Education/Licensing Director
Kent Nelson, Chief Investigator
Xanna Hardman, Assistant Attorney General
Jennie Jonsson, Hearing Officer
Renda Christensen, Board Secretary
Carla Westbroek, Appraisal Education/Licensing Specialist
Craig Livingston, Investigator
Ken Wamsley, Investigator

BOARD MEMBERS PRESENT

Craig Morley, Chair
Paul Throndsen, Vice Chair
Debra Sjoblom, Board Member
Jeanette Payne, Board Member
Daniel Brammer, Board Member

GUESTS

Vern Meyer
Carol Owens
Mike Carter
Joel Frost

The October 26, 2011 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Morley conducting.

PLANNING AND ADMINISTRATIVE MATTERS

A motion was made to accept the minutes from the September 28, 2011 meeting as written. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Brammer, yes; Board Member Payne, yes. The motion carries.

DIVISION REPORTS

DIRECTOR'S REPORT – Jonathan Stewart

Director Stewart announced that Dee Johnson has recently reached his ten year anniversary with the Division. We are grateful for him and his service to the State and the industry.

Director Stewart and Mr. Fagergren attended the AARO conference a few weeks ago. Mr. Fagergren will report on what information we gathered.

A copy of the legislative outline was sent out to all the members of the Board. Director Stewart received comments from Chair Morley. The comments regarded clarifying the proposal that an appraiser be prohibited from appraising a property on which the appraiser has also acted under a real estate or mortgage license. This would apply to each individual transaction and not separate transactions. A separate comment from Chair Morley was about AMCs that get an up-front fee from the client and then shop around for the cheapest appraiser. Director Stewart said the Division will review these issues and see what we can come up with.

ENFORCEMENT REPORT – Kent Nelson

Mr. Nelson reported in September the Division received 13 complaints of which none remain to be screened; opened 18 cases; closed 14 cases; leaving a total number of open cases at 72. He said the numbers are remaining consistent and the investigators are working hard.

A recent news release from the U.S. Attorney's office announced the prosecution of Portia Louder for mortgage fraud. Mr. Nelson and Mr. Alamilla worked on this case five years ago, and prosecutors finally charged her. The record showed that Louder had paid several appraisers over \$300,000 as part of a scheme to get inflated appraisals. One of those appraisals named in the criminal action was done by Golden Meier, and he was also charged. All of the co-conspirators have pled guilty and are serving time. They will be testifying against Louder.

There are two stipulations to review today:

Kirk Barker

Linda B. Hacking

Both individuals were advised of their right to attend today but have declined to do so.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren thanked Chair Morley and Board Member Brammer for their attendance at the IDW. All the Chairs from the Board/Commissions sat on a panel with Director Stewart to answer questions from the audience. This session was very helpful to our educators. They are the people who are training people on the various licenses.

Director Stewart and Mr. Fagergren returned from an AARO conference. One of the things they pointed out was the new upcoming version of USPAP 2012-2013. One of the requested modifications that the AQB has made is to require appraisers to take the update course during the first six months of a two-year license. The State of Kentucky has this requirement in place, and they physically track everyone. It is the Division's opinion that appraisers are heavily regulated, and to take this class during the first two years seems reasonable to us. The AQB has backed off with the requirement that appraisers must take a 7-hour USPAP update course within the first six months of the effective year.

Mr. Fagergren brought up several items of interest that he picked up during the conference, and mentioned them to the Board. He felt the conference was extremely informative and there were people from federal agencies, Appraiser Subcommittee, Qualifications Board, and CFPB.

- Educational standards are going up for appraisers in 2015. The lowest level of appraisers (State-Licensed) will now have to hold an Associate's Degree. Certified Residential appraisers will be required to have a Bachelor's Degree in 2015.
- In 2007 before the increased standards went into effect, there were 1,008 certified residential test takers. In 2011 there have been 250 certified residential test takers.
- Utah meets AQB standards for both our Trainee and State-Licensed categories. A trainee in our state isn't actually licensed to perform an appraisal on their own. In July 2012 the AQB will require that the trainees will have to meet AQB requirements. Utah currently meets these requirements by requiring 75 hours of AQB education.
- Jim Park of the Appraisal Subcommittee spoke in general about states and the predominance of issues where they are substantially out of compliance. The orders of most common violations are enforcement (timeliness), application process, National Registry issues, and temporary practices.
- The Government Accounting Office did a study on AMCs that gave them some concern regarding the review of completed appraisals, and the minimum qualification of appraisal reviewers.
- Discussion was held on how appraisers report assignment results, and how appraisers are accountable for the development and communication of those results. Whether it is an interim, preliminary, draft, or final assignment, they are responsible for each level. There is a letter of policy to discuss each of those various levels.
- Examinations are reviewed and re-done every year. For example, currently there are 600 USPAP questions in the exam data base.
- The AQB is concerned that the appraisal industry is perceived as a trade, and they spoke about the future in trying to change it from a trade to a profession. This can be done primarily through universities. The University of Colorado has a four-year degree program. When a person graduates, he has a certified residential license in addition to a college degree. In that program, there are summer apprenticeships that allow students to get practical experience. The AQB is going around the country to encourage universities to make the program a more feasible option. There are approximately ten universities that have this type of program in place. All programs now available have been implemented within the last three or four years.

Mr. Fagergren presented the following list to the Board:

Certified and Licensed Appraiser Applicants Approved by both Education and Experience

Review Committees:

Jessica Byington, CR Candidate
 Leilani Garfield, LA Candidate
 Troy Van Tassell, CG Candidate

David Child, CG Candidate
 Monte Roberts, CG Candidate

Discipline List:

Theddi Wright Chappell, CG reciprocity

Joe M. Reid III, Main Control Person
Robert Pisani, Control Person

COMMISSION AND INDUSTRY ISSUES

Discussion: Update on Proposed Rules – Jennie Jonsson

Ms. Jonsson said one motion and vote on these proposed rule filings can cover the twelve different proposed rule filings are ready for a vote:

- A reorganization of the appraiser rules, R162-2g, to replace the existing rule and to make the rule organization in to a statutory format. The public comment period ended on August 1, 2011 and we did receive public comment that was dealt with.
- Changes to the proposed rule R162-29. The filing was published for informational purposes on October 1, 2011 and will come through the 30-day publication period on November 1, 2011. They are not open for public comment. Therefore, both the changes and the initial rule filings can be made effective on November 1, 2011.
- Repeal of the existing rules, R162-101 through R162-110, noting that there is no R162-108.
- An amendment to section of the newly reorganized rule, R162-2d-304(d), which is the section that deals with experience hours that are required for a mass appraiser who is seeking certification. That public comment period ended on September 14, 2011 and no public comments were received. The filing became eligible to go into effect in late September.

A vote was made to make these twelve filings effective on November 1, 2011. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Brammer, yes; Board Member Payne, yes. Director Stewart concurs, and the motion carries.

10:00 Board Member Training – Assistant Attorney General Tony Patterson

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence, or physical or mental health of an individual. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Payne, yes; Board Member Brammer, yes. The motion carries. Executive Session was held from 11:48 a.m. to 12:18 p.m.

CLOSED TO PUBLIC

Consideration and Review of Lists
Deliberation on Stipulations

OPEN TO PUBLIC

The Board agreed with the Committee on their decisions:

Certified and Licensed Appraiser Applicants **Approved** by both Education and Experience Review Committees:

Jessica Byington, CR Candidate
Leilani Garfield, LA Candidate

David Child, CG Candidate
Monte Roberts, CG Candidate

Troy Van Tassell, CG Candidate

Discipline List:

Theddi Wright Chappell, CG reciprocity - Approved

Joe M. Reid III, Main Control Person - Approved

Robert Pisani, Control Person - Approved

Results of Stipulations

Kirk Barker - Approved

Linda B. Hacking - Approved

A motion was made to adjourn the meeting. Vote: Chair Morley, yes; Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Payne, yes; Board Member Brammer, yes. The motion carries. The meeting adjourned at 12:19 p.m.