

**APPRAISER LICENSING AND CERTIFICATION BOARD**

Heber M. Wells Building

Room 210

9:00 a.m.

July 21, 2011

**MINUTES**

**STAFF MEMEBERS PRESENT:**

Thad Levar, Interim Division Director  
Xanna Hardman, Assistant Attorney General  
Kent Nelson, Chief Investigator  
Dee Johnson, Assistant Chief Investigator  
Mark Fagergren, Education and Licensing Manager  
Jennie Jonsson, Hearing Officer  
Renda Christensen, Board Secretary  
Carla Westbroek, Appraiser Licensing  
Ken Wamsley, Investigator

**BOARD MEMBERS PRESENT:**

Paul W. Throndsen, Vice Chair  
Debra Sjoblom, Board Member  
Jeanette Payne, Board Member  
Daniel Brammer, Board Member

**GUESTS:**

Vern Meyer	Tom Brady
Carol C. Howell	Jonny Stewart
Neil Jensen	Mike Carter
Joel Jensen	Bill Lifferth

The July 21, 2011 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Vice Chair Throndsen conducting.

Chair Morley has been excused for this meeting.

**PLANNING AND ADMINISTRATIVE MATTERS**

Elections were held for the Chair and Vice Chair positions for the 2011-2012 year. The Board has unanimously voted to re-elect Craig Morley as Chair and Paul Throndsen as Vice Chair. Vote: Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Brammer, yes; Board Member Payne, yes. Motion carries.

Approval of Minutes -. A motion was made to approve the minutes from the June 22, 2011 meeting as written. Vice Chair Throndsen was absent last month and has

recused himself for this vote. Vote: Board Member Sjoblom, yes; Board Member Brammer, yes; Board Member Payne, yes. Motion carries.

Vice Chair Throndsen said he has received a notice from Director Sabey announcing her departure from the Division of Real Estate, and that she has chosen to move back to the private sector. The Interim Director will be Thad Levar until August 22, 2011 when Jonathan C. Stewart will be appointed as Division Director.

Mr. Stewart is present today and Vice Chair Throndsen asked him to briefly introduce himself to the Board and those present. Mr. Stewart said he started with the Division of Consumer Protection seven years ago as an investigator, and then moved to the Division of Securities.

## **DIVISION REPORT**

### **DIRECTOR'S REPORT – Thad Levar**

Interim Director Levar said that recent press reports over the last couple of years from the Division of Securities reporting criminal fraud cases haven't mentioned the investigators' names, but Mr. Stewart has been involved in the largest cases, as well as some that are still being investigated. We are very pleased to have him accept the position of Director for the Division of Real Estate.

Interim Director Levar said that if the Division will be seeking any changes to the Appraiser or AMC statutes, we will anticipate vetting those through this Board during the next two or three months. We are aware that the reasonable and customary fee issue is a top priority for the industry.

Mr. Kent Nelson has joined the Division. Mr. Nelson has been the Chief Investigator for the Division of Consumer Protection for 15 years, and will now be permanently reassigned with the Division of Real Estate. Mr. Nelson's background covers law enforcement, and he has been a property manager, real estate broker, and owner of a mortgage company. He has had a lot of success with the Department in identifying which cases should be taken administratively and which cases are big enough to bring criminal prosecution.

### **INVESTIGATIONS REPORT – Dee Johnson**

Mr. Johnson said, on the suggestion of the Board, a letter of correction was sent to J. D. Rogers.

Mr. Johnson reported in June the Division received 11 complaints; screened no complaints; opened 11 cases; closed 9 cases; leaving the total number of appraisal cases at 68. With the presentation of the next case the Board will see, it will resolve all but two of our outstanding cases over one year old. Mr. Johnson said that by the next visit from the ASC there will not be any cases over one year old, unless they are in the process of being handled.

The issue of getting a copy of the title report to the appraiser before the loan is closed was discussed. A suggestion was made to bring up this request in the next Mortgage Commission and Real Estate Commission meetings.

#### EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren said the Division newsletter came out at the end of June.

The statistics for June have remained consistent, and it is the biggest month for appraiser renewals.

Mr. Fagergren discussed the Fourth Exposure Draft of the Real Property Appraisal Criteria that has now been vetted by the Appraisal Qualifications Board. A copy of this 42-page report is available on [www.appraisal.org](http://www.appraisal.org). Their third meeting was held in Salt Lake City on April 29, 2011 with approximately six Utah appraisers in attendance. Public comments will be taken until September 30, 2011. These proposed changes will be in effect the first part of 2015:

1. Requiring appraisers to have completed their experience before taking the exam.
2. Licensed Appraisers will soon have to have an Associate Degree with the exception that in lieu of an Associate Degree, 38 semester hours of education may be taken in specific topics to satisfy the Associate Degree requirement.
3. Certified Residential Appraisers will have to hold a Bachelor Degree.
4. Certified General Appraisers will remain the same in requiring a Bachelor Degree.
5. Criminal background checks are being strongly encouraged on all existing appraisers.
6. Revocation of a license, or a felony conviction within the last five years involving fraud, dishonesty, breach of trust, or money laundering will bar someone from obtaining a license.
7. Some credit for appraiser Qualifying Education may be received from universities that offer a degree in real estate.
8. The proposal to require the 7-hour USPAP update course to be completed within the first six months of introduction, was eliminated..
9. Eliminate the segmented approach to licensing and certification.
10. Eliminate repeat courses.
11. A proctored examination is required for distance education to pass the class.
12. Continuing education requires a written or electronic examination to pass the class.

Changes for trainees and supervisors of trainees are as follows:

1. Trainees are authorized to perform whatever appraisal assignments their supervisor is competent to do.
2. Trainees are given greater authority to get copies of reports or access to appraiser files.
3. Qualifying Education must be completed within five years.
4. There will be an AQB category for trainees.

5. There will be a required AQB course to be a trainee in addition to the 75-hour pre-licensing course.
6. Supervising appraisers will personally inspect with the trainee until the trainee is competent.
7. A supervisor can't have had any discipline within the last three years.
8. A supervisor training course is now required.
9. The new curriculum defines courses according to a trainee's anticipated career path: residential or commercial.
10. There will be three new topics for CE: developing real property value appraisals that also do personal property for business value; seller concessions and their impact on value; energy efficient items and green building appraisals.

These changes proposed will apply only to applicants for new licenses or certifications.

Mr. Fagergren submitted the following lists to the Board for their review:

Discipline List for Board's Consideration

Joseph E. Arico, AMC Main Control Person  
Michael J. Baxter, CR Renewal  
Steven J. Chopp, CG Reciprocity  
Farhood Samimi, CR Reciprocity  
Stephen D. Stuart, CG Renewal  
Robert S. Jacobs, AMC Main Control Person Renewal  
Robert V. Pasani, AMC Control Person

COMMISSION AND INDUSTRY ISSUES

Rule Updates – Jennie Jonsson

Ms. Jonsson said last month the Board voted to make effective an amendment to R162-104-14. This is the amendment that establishes a December 31, 2011 deadline for a person who has completed a segmented application but needs to do additional education in order to meet new standards. That rule did go into effect on June 22, 2011 and it has been replicated in the reorganized section of the rules which are currently out for public comment.

The reorganization is R162-2g and the public comment period ends on August 1, 2011. The first possible effective date would be August 8, 2011. Because this is a reorganization of the old rules, we were not able to file the repeals at the same time that we filed R162-2g. The repeals can't go into effect on August 8, 2011. The earliest date they can be effective will be August 22, 2011.

The Board proposed an amendment, R162-2g-304, to the experience requirement for a mass appraiser who is applying for certification. The experience would require a variety of different property types. This has been submitted to the Division of Administrative Rule, and will be published on August 15, 2011. The public comment period will end on September 15, 2011.

The committee formed to work on reasonable and customary fees can not continue its meeting at this time. The issue has been turned over to the Attorney General's office for research as to the jurisdictional issues.

**OPEN TO PUBLIC**

INFORMAL HEARING

10:00 Christine Pearson – Appeal of Order  
This was a telephone hearing.

**CLOSED TO PUBLIC**

Motion to hold an Executive Session: Vote: Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Brammer, yes; Board Member Payne, yes. Motion carries. An Executive Session was held from 10:42 a.m. to 11:32 a.m.

**OPEN TO PUBLIC**

RESULTS OF DELIBERATIONS

Discipline List

Joseph E. Arico, AMC Main Control Person - Approved  
Michael J. Baxter, CR Renewal - Approved  
Steven J. Chopp, CG Reciprocity - Approved  
Farhood Samimi, CR Reciprocity - Ms. Jonsson will prepare an order.  
Stephen D. Stuart, CG Renewal - Approved  
Robert S. Jacobs, AMC Main Control Person renewal - Approved  
Robert V. Pasani, AMC Control Person – Ms, Jonsson will prepare an order.

A motion was made to adjourn the meeting. Vote: Vice Chair Throndsen, yes; Board Member Sjoblom, yes; Board Member Brammer, yes; Board Member Payne, yes. Motion carries. The meeting adjourned at 11:34 a.m.