

**APPRAISER LICENSING AND CERTIFICATION BOARD
HEBER M. WELLS BUILDING
ROOM 210, SECOND FLOOR**

**April 26, 2006
9:00 a.m.**

MINUTES

STAFF MEMBERS PRESENT

Derek Miller, Division Director
Mark Fagergren, Education/Licensing Director
Jon R. Brown, Enforcement Director
Dee Johnson, Chief Investigator
Shelley Wismer, Assistant Attorney General
Jim Bolton, Investigator
Ken Benson, Investigator
Renda Christensen, Board Secretary
Carla Westbroek, Appraiser Secretary

BOARD MEMBERS PRESENT

Holly Christensen, Vice Chair
Lynn Christensen, Board Member
Jennifer Szczykowski, Board Member

The April 26, 2006 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Vice Chair Christensen conducting.

The minutes for the February 22, 2006 meeting were approved during a teleconference call on March 29, 2006.

DIVISION REPORTS

ENFORCEMENT REPORT, Jon R. Brown

Mr. Brown reported in January the Division received 10 residential written complaints, opened no cases, screened and closed 1 case (no case opened), leaving the number of open cases at 78 residential and 9 commercial cases. Six of the complaints received were from FHA.

In the month of February the Division received 7 residential written complaints, opened 4 new residential cases, closed no cases, screened and closed 1 residential case complaint (no case opened), leaving the number of open cases at 82 residential and 9 commercial cases.

In the month of March the Division received 11 residential written complaints, opened 1 residential case, closed 3 residential cases, screened and closed 2 residential cases (no case opened), leaving the number of open cases at 80 residential and 8 commercial cases.

DIRECTOR'S REPORT, Derek Miller

Director Miller said he and Mr. Brown spoke at the UAA meeting last month in St. George. There were approximately 100 people in attendance. Director Miller focused his report on what the Division is trying to do to fight loan fraud.

The Legislature made some changes to the Open Meetings Act that will take effect on May 1, 2006. It will make a change in how the telephone meetings are currently being done. The law required the Department have a rule in place for teleconference meetings and how they will be handled, and the Department will not have the rule in place prior to the next regularly scheduled teleconference meeting on May 17, 2006. The following meeting will be an in-person meeting on June 28, 2006. After June, the rule will be in place so we can continue the regular teleconference meetings every other month.

Board Member Christensen had a call from the FBI wanting to meet with him regarding loan fraud and how appraisers are involved in loan fraud. He asked if there were any items the Division would like him to bring up in his meeting. Director Miller said there has been a trend in appraiser identity theft. Mr. Brown said there are a number of poorly trained people. They may have put the time in and passed the test, but there are a number of errors and inappropriate methods showing up. Mr. Brown said he would say the number one weakness is not considering super adequacy and their adjustment. It comes down to the inappropriate method being used. The next weakness would be sales and listing histories and bad comparisons.

Vice Chair Christensen said she often finds when there is a problem, it usually involves the real estate agent, loan officer, and appraiser. Mr. Brown said the majority of the complaints filed are anonymous from review and tech panel appraisers.

Mr. Johnson and Mr. Bolton went to the AARO convention in San Antonio, Texas. Most of the issues that were brought up are not strong issues in Utah. An example was the 7-hour USPAP update course. Many states have a 3 or 4 year license cycle that don't correspond with the 2 year USPAP course and they find some of their appraisers will have to repeat the same course twice in one licensing period.

There was also discussion on practicum courses. There are some states, such as Texas, that have university courses and a degree in appraising. Consequently, someone will come out of this with a degree and as far as the state is concerned, they are an appraiser. The federal government doesn't agree with this method, and will not allow them to do government sponsored loans. A maximum of 50% experience can come from practicum courses.

The subject of state disciplinary hearings was also discussed. Mr. Johnson said we may have a few cases that go past the one year deadline, but other states have been 4 to 5 years out on their appraiser hearings and actions.

The Appraisal Sub-Committee will be out in early 2007 to audit our files. They will also want to attend a Board meeting and sit in on an Executive Session. Currently, twelve

states are being monitored. Some of the top reasons for non-compliance include the following: qualifying experience and education that the state issues; CE affidavits; awarding credit for classes that do not contain appraisal information; allowing carry-over for continuing education from one year to another; and, blanket approval of CE where one provider will get approved and any course this provider sends in will be approved.

Mr. Johnson said Utah seems to be in very good shape in the eyes of the Appraisal Subcommittee.

EDUCATION/LICENSING, Mark Fagergren

Mr. Fagergren handed out a breakdown of Appraiser Statistics for Counties as of February 2006. It breaks down each county, population, number of appraisers and population per appraiser.

Currently, there are 350 Principal Lending Managers licensed with the Division. Many companies are scrambling, and Promissor has opened other dates and hours to accommodate the need. These applicants must have a minimum of three years of license experience, exempt experience in Utah (i.e., working for a bank), or out of state companies. The deadline for this license to be in place in April 30, 2006, and currently there are approximately 1,780 entities that need a PLM (branches don't need a PLM). This will help tighten up the regulations in the mortgage and real estate industries.

The upcoming Caravan will be traveling to Tooele, Logan, Provo, and Vernal. The Division is encouraging the Board members to attend.

Mr. Fagergren said the largest volume of phone calls from appraisers are trainee-related issues, and secondly, the January 1, 2008 calls about education and what will count. There will be an article in the next newsletter about these changes, and we will review the Division's website to see how clear the instructions are regarding the upcoming change.

OTHER BUSINESS

Ms. Wismer distributed a copy of the Order signed by the Administrative Law Judge on the hearing for Timothy Drake.

LICENSE APPLICATION HEARING

11:00 Walter T. Keene – Experience Review

REVIEW OF LISTS:

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

Alan Bassett, LA Candidate
Kevin Cloward, CR Candidate
Brian Hoffmeier, LA Candidate

Mark LeMere, LA Candidate
Jennifer Roundy, CR Candidate
Jeffrey D. Wood, CR Candidate
Peter Chudleigh, CR Candidate
Ginger Fawson, CR Candidate
Jonathan Keyser, CG Candidate
Tiffany Opheikens, CR Candidate
Nadine Thompson, LA Candidate

Certified and Licensed Appraiser Applicants – Approved by Education Review Committee, Not Approved by Experience Review Committee:

Darren Green, LA Candidate
Cameron Chris Wright, LA Candidate

Criminal Convictions List
James S. Bradley

A motion was made to go into Executive Session from 11:45 a.m. until 12:06 p.m.

RESULTS OF EXECUTIVE SESSION

Reviews

Walter T. Keene - Denied

Criminal Convictions List
James S. Bradley - Denied

The Board has reviewed the following list and has been agreed with the Division on the following Applicants:

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

Alan Bassett, LA Candidate
Kevin Cloward, CR Candidate
Brian Hoffmeier, LA Candidate
Mark LeMere, LA Candidate
Jennifer Roundy, CR Candidate
Jeffrey D. Wood, CR Candidate
Peter Chudleigh, CR Candidate
Ginger Fawson, CR Candidate
Jonathan Keyser, CG Candidate
Tiffany Opheikens, CR Candidate
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Certified and Licensed Appraiser Applicants – Approved by Education Review Committee, Not Approved by Experience Review Committee:

Darren Green, LA Candidate
Cameron Chris Wright, LA Candidate

A motion was made to adjourn at 12:08 p.m.