

**APPRAISER LICENSING AND CERTIFICATION BOARD  
HEBER M. WELLS BUILDING  
ROOM 2B  
April 28, 2010  
9:00 A.M.  
TELEPHONIC MEETING**

**MINUTES**

**STAFF MEMBERS PRESENT**

Deanna Sabey, Division Director  
Dee Johnson, Enforcement Director  
Mark Fagergren, Education/Licensing Director  
Jennie Jonsson, Hearing Officer  
Renda Christensen, Board Secretary  
Carla Westbroek, Appraisal Education/Licensing Specialist  
Pam Radzinski, Assistant Board Secretary

**BOARD MEMBERS PRESENT**

Ron Smith, Chair  
Craig Morley, Vice Chair  
Debra Sjoblom, Board Member  
Paul Throndsen, Board Member  
Jeanette Payne, Board Member

**GUESTS**

Allen Larsen	Ryan Sedgwick
John Blanck	Lee Gardner
Kevin Prowell	Austin Christensen

The April 28, 2010 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Smith conducting.

Ms. Gundersen will be excused from the meeting today.

The Minutes for the March 24, 2010 meeting were reviewed and found to have one correction. The name of Traci Gundersen needs to be added on page 7 with the notation under Executive Summary. With this correction, the Board approved the Minutes as corrected.

**DIVISION REPORTS**

**DIRECTOR'S REPORT** – Deanna Sabey

Director Sabey said that HUD has issued a mortgagee letter 2009-28 for all case numbers issued after February 15, 2010. This mortgagee letter is significant because it now incorporates some of the same types of provisions that we have been dealing with regarding HVCC. FHA-approved lenders are now prohibited from accepting appraisals prepared by FHA roster appraisers who are selected, retained, or compensated in any manner by a mortgage broker or any member of a lender's staff who compensates on a commission basis.

With regard to this, HUD has also stated the standard for the payment of funds to appraisers: FHA roster appraisers are supposed to be compensated on a customary and reasonable basis for appraisal services. It also includes frequently asked questions dealing topics such as appraiser independence, and what constitutes customary and reasonable compensation. Appraisers, AMCs and other parties, have to be compensated at rates that are customary and reasonable, and are commensurate with the level of the service provided. The service has to match what is being paid. There are about six pages of frequently asked pages to review.

Director Sabey also informed the Board and public present today that the U.S. Government's HAFAs (Home Affordable Foreclosure Alternatives) program was implemented on April 5, 2010. This program has been criticized by a number of appraisal organizations. HAFAs permits the use of Broker Price Opinions to establish property value. The appraisal organizations sent a letter to the Secretary of the Treasury, Timothy Geithner on March 8, 2010 stating that it is against the public interest to allow Broker Price Opinions in property valuation components of the HAFAs program. The National Association of Realtors countered that on March 12, 2010 by stating that while the appraisal is an important part of the purchase in the mortgage transaction, it may not be the best rule for other real estate transactions. The Appraisal group has cited particular concerns with exacerbating mortgage fraud, and the NAR took issue with that saying there is no evidence that shows that BPOs and mortgage fraud are in any way related. There is one government official who has agreed with the appraiser group, the Inspector General for the TARP (Troubled Asset Relief Program) program, Neil Barofsky. He agrees that it is irresponsible to utilize anything but appraisals for the HAFAs program, and he testified to that effect in front of Congress.

Director Sabey presented at the UAA legislative update last week on April 21, 2010, and discussed the statutory and rule changes that we have had recently. The other people who spoke were Representative Draxler, Representative Froerer, and Chris Kyler. Representative Draxler asked whether the AMC statute has helped out there in the marketplace. People generally felt like there were a few good things to come out of it, but there is a lot of work that still needs to be done.

Board Member Thronsen asked Director Sabey how the Division stands on the Broker Price Opinions at this point. Director Sabey responded that the Division has found, as a whole, there is not any consensus amongst appraisers as to what a BPO is or isn't, and Chris Kyler has been active in getting some kind of common ground between the UAR and the appraiser groups. The next step would be to get something codified that everyone can sign off on. The Division is not actively negotiating for one position over the other, because it is a marketplace issue.

Board Member Payne said she attended the same meeting Director Sabey did, and that she wanted to compliment Director Sabey in representing the Division. Board Member Payne asked the Board if they would consider making a statement to give the Board's opinion on what is a "reasonable and customary fee." She stated that it should not be a set fee.

Chair Smith asked Director Sabey if there was an update on the appointment from the Governor to fill the open position on the Board. She said there has not been any appointment that has been officially approved by the Governor yet.

ENFORCEMENT REPORT – Dee Johnson

Mr. Johnson thanked the Board for the card and messages he received while off on a medical leave. The Board welcomed him back and wished him well.

Mr. Johnson reported in the month of March the Division received 15 complaints; screened 0 complaints; opened 9 cases; closed 11 cases; leaving the total number of appraisal cases at 91. There are two individuals who have ten cases each who will be handled by an appearance before the Board or by stipulation, and which when completed, will reduce the case load. Mr. Johnson said there is a backlog of screenings to address.

There are no stipulations to review today.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren said the Division is getting ready to present the Caravan tour. This week they will go to Layton and Provo, and last week they went up to Logan. There are seven locations where we will be presenting. The attendance is up in each location with stand-by lists available.

Mr. Fagergren presented the following list to the Board:

Certified and Licensed Appraiser Applicants Approved by both Education and Experience

Review Committees:

Tyler Andrus, LA Candidate	Bowring Critchfield, CR Candidate
Steve Davidson, CR Candidate	Kristy Kaminska, CR Candidate
Robert McMurphy, LA Candidate	Kevin Miles, LA Candidate
Zachary Nope, CR Candidate	Timothy Peel, LA Candidate
John Phillips, CR Candidate	Matthew Primm, LA Candidate
Brett Robinson, CG Candidate	Linda Sheeran, CR Candidate
Bryan Wong, CG Candidate	

Certified and Licensed Appraiser Applicants Approved by Education Review Committee and Denied by Experience Review Committee

Greg Livingston, CR Candidate  
Dwight Anjewierden, CR Candidate

Discipline List for Board's Consideration

Marc G. Nassif, CG Applicant

The electronic newsletter was sent out at the end of March. The article by Vice Chair Morley brought some comments from the appraisal community. The first comment was about the statement under number four, “The trainee’s specific participation in the appraisal development and reporting must be disclosed in the appraisal certification.” The appraiser making the comment said that he knows we have to report, but disclosure is something that he questions. Mr. Fagergren read from Standard 2 of USPAP, “The names of individuals providing significant real property assistance who do not sign the certification must be stated in the certification.

It is not required that the description of their assistance be contained in the certification, but disclosure of their assistance is required in accordance with Standards 2.2(a), (b), or (c) as applicable.” It appears that the appraiser needs to state in the certification the participation of others (i.e., trainees), but does not necessarily have to describe or report what the extent of another’s participation was in the certification. Mr. Fagergren said that this Board has been satisfied as long as the part stated the trainee’s name in the certification, that the specific work could be described elsewhere in the report.

Board Member Thronsen said in reviewing the rules, he could not find any requirement in the state rules that the trainee’s contribution be included in the certification. He said that USPAP does not require that delineation of participation within the certification. Board Member Thronsen said that many clients don’t like to see it there because it sometimes appears to detract from the principal appraiser’s efforts. Mr. Fagergren agreed and said that there has been some confusion in the article indicating that it had to be disclosed in the certification. He said that in the Division’s Administrative Rules R162-106-9 (Inspections), it states that all appraisal reports should include a statement as to whether or not the subject property was inspected as part of the appraisal process. The following information concerning the inspection shall also be included: “the names of all appraisers and appraiser trainees who participated in each property inspection; whether each inspection was an interior inspection only, or an exterior and interior inspection; and the date each inspection was preformed.” Vice Chair Morley said there is another section under trainees in the disclosure section. Perhaps there should be a follow-up article in a subsequent newsletter to help clarify the questions being received.

Another issue was a statement in the same area in the article, “The appraiser signing the report must comply with all scope of work and assignment conditions described in their report. If the scope of work states that the appraiser has inspected the property, you can not sign the report unless you have visited and physically inspected both the subject property and the comparable sales.” The main concern was that this is somewhat out of line with what commercial appraisers do. They rarely inspect comparables. Vice Chair Morley said this statement addresses the residential FannieMae appraisal report forms where the certification and scope of work specifically describe the appraiser as having inspected the subject property and the comparable sales. In many of the commercial assignments you can custom design your scope of work, and as long as you comply with what you said you did, there is no problem.

Vice Chair Morley asked Mr. Fagergren if anyone from the Division would be attending the AARO conference this weekend in San Diego, California. Mr. Fagergren said because the Department of Commerce has a travel freeze, there will be no one attending the conference.

## COMMISSION AND INDUSTRY ISSUES

### Discussion: AMC Rules – Jennie Jonsson

Ms. Jonsson said Rule R106.7 has been out for public comment. The public comment period has ended and there were no comments received. This rule currently says “...appraisers shall analyze and report the listing history of the subject property for the three years preceding the appraisal.” The proposed amendment would read “...analyze and report the sales and listing history...” The Board made a motion to make the rule amendment for R106.7 effective as of today. The motion passed unanimously.

Request to Expand the AMC Rules Committee – Jennie Jonsson

Ms. Jonsson said the Division has received a request from Rels Valuation to expand the AMC Rules Committee. The question was placed before the Board for their comments and decision. Chair Smith asked the names of those currently on the committee. The names are: Craig Morley, fee appraiser and representing the Board; Director Sabey and Ms. Jonsson, representing the Division; and, Allen Larsen, fee appraiser. Representing the AMC community: Ryan Sedgwick, with First American Credit Union; and Austin Christensen and Kevin Prowell, with AMC Links. After discussion, it was decided through motion and approval, to allow Rels Valuation to represent the AMC community, and Board Member Payne as another fee appraiser and Board representative.

Director Sabey said that Ms. Gundersen passed on the message that there is nothing new to report on the on-going case.

A motion was passed to go into Executive Session from 9:50 a.m. to 10:12 a.m.

**CLOSED TO PUBLIC**

Consideration and Review of Lists

**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:

Tyler Andrus, LA Candidate	Bowring Critchfield, CR Candidate
Steve Davidson, CR Candidate	Kristy Kaminska, CR Candidate
Robert McMurphy, LA Candidate	Kevin Miles, LA Candidate
Zachary Nope, CR Candidate	Timothy Peel, LA Candidate
John Phillips, CR Candidate	Matthew Primm, LA Candidate
Brett Robinson, CG Candidate	*Linda Sheeran, CR Candidate
Bryan Wong, CG Candidate	

\*Vice Chair Morley recused himself on this name.

Certified and Licensed Appraiser Applicants Approved by Education Review Committee and **Denied** by Experience Review Committee

Greg Livingston, CR Candidate  
Dwight Anjewierden, CR Candidate

Discipline List for Board's Consideration

Marc G. Nassif, CG Applicant - Approved

A motion was made to adjourn at 10:14 p.m.