

**APPRAISER LICENSING AND CERTIFICATION BOARD
HEBER M. WELLS BUILDING
ROOM 2B
May 26, 2010
9:00 A.M.
TELEPHONIC MEETING**

MINUTES

STAFF MEMBERS PRESENT

Deanna Sabey, Division Director
Dee Johnson, Enforcement Director
Mark Fagergren, Education/Licensing Director
Traci Gundersen, Assistant Attorney General
Jennie Jonsson, Hearing Officer
Renda Christensen, Board Secretary
Craig Livingston, Investigator

BOARD MEMBERS PRESENT

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

GUESTS

Austin Christensen
Kevin Prowell
Bill Lifferth
Joel Frost
Ryan Sedgwick

The May 26, 2010 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Smith conducting.

The Minutes for the April 28, 2010 meeting were reviewed and found to have one correction. On page 2, second paragraph, the word “institutes” should be changed to “organizations.” With this correction, the Minutes were approved as written.

DIVISION REPORTS

DIRECTOR’S REPORT – Deanna Sabey

Director Sabey said Board Member Payne shared a press release from the Federal Housing Finance Agency that was given on May 20, 2010. It discusses a complaint process that will be coming forward shortly for suspected HVCC violations. The process will include a mechanism for providing pertinent information to state and federal regulatory and enforcement departments. This complaint process is supposed to be an internet-based process and the Division is looking forward to interfacing with the Federal Housing Finance Agency

in getting access to this database and being able to process the complaints that deal specifically with Utah.

Director Sabey wanted to advise the Board that last Thursday, May 20, 2010, Mr. Fagergren and Director Sabey had the privilege of meeting with the Utah Chapter of the Appraisal Institute, and discussed a number of issues. One of the issues was the use of MLS photos in appraisals. There is no rule or statute that prohibits the use of MLS photos in appraisals. However, the review appraisers that the Board has are not allowing these MLS photos. This is an issue that should be discussed and resolved so everyone is on the same page as to what is and what is not allowed with regards to photos in appraisals. This topic was tabled for future discussion.

The U. S. Senate has passed the Restoring American Financial Stability Act of 2010. It is a huge bill, which was previously HB 4173. The reason why appraisers might care about this act is because the proposed legislation (which Congress is hoping to get to the President by July 4th for signature) states that an independent negotiated rulemaking committee will be required to promulgate rules to ensure appraisal independence for residential loan purposes. When the committee promulgates these rules, the HVCC will have no more force and effect. This rule that is going to be promulgated by this negotiated rulemaking committee will take the place of HVCC.

ENFORCEMENT REPORT – Dee Johnson

Mr. Johnson reported in April the Division received 12 complaints; screened 4 complaints; opened 6 cases; closed 9 cases; leaving the number of total appraisal cases at 88. This number has been holding steady for the last twelve months. The appraisal investigators are doing an excellent job in trying to manage that workload.

There are no stipulations to review.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren said the Division has continued in our discussions and preparations to track trainees through their supervising certified appraisers. In so doing, we have had conversations with the Division and also briefly discussed this in our meeting with the Appraisal Institute last week. The Division brings you either a proposal or at least a thought for your consideration. The only time the Division has contact with appraisers, in terms of knowing where they are, is when they renew their licenses. It is true that we have our Real Estate License Management System (RELMS) on the Division website, and appraisers should be updating their addresses. The comment from enforcement is that very often these addresses are not updated, and it is difficult to track the trainee. The Division would like to have the Board's thoughts as to whether we could have some kind of rule which would require company affiliations to be revealed. We recognize appraisers may work for more than one company. It would be easier to track a trainee in our database to see who is working for each company. If the Board is in agreement, we would like to come back with a draft rule to present to the Board for discussion.

There would be one person designated a point of contact, so when the Division calls the company, they would be able to verify the roster of appraisers. Mr. Lifferth stated the Appraisal Institute fully supports the change card system. Mr. Johnson said the Division

needs another method besides the change cards to help us track these individuals. After further discussion, the Board proposed a motion to leave the responsibility on the appraiser to keep the Division updated on their information. The vote was as follows: Chair Smith, Yes; Vice-Chair Morley, Yes; Board Member Thronsdon, Yes; Board Member Payne, Yes; Board Member Sjoblom, Abstained. The motion passed, and Ms. Jonsson will prepare a draft of the rule for presentation to the Board next month.

Mr. Fagergren presented the following list to the Board:

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

Sandra L. Baker, CR Candidate	Kenneth Marc Dyer, CR Candidate
Mandi Frost, LA Candidate	Eric Golden, CR Candidate
Amy Offinga, LA Candidate	Jason D. Richman, LA Candidate
Brant Thorstrom, LA Candidate	

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

Shawn Bandle, CR Candidate	John Jeffrey May, CR Candidate
Bracken Petersen, CR Candidate	

Discipline List for Board's Consideration

Jay Josephs, AMC Control Person
Elizabeth Stapley, Renewal CR License

The Board asked Mr. Fagergren to sit in on their Executive Session to answer any questions they might have regarding the Discipline List.

COMMISSION AND INDUSTRY ISSUES

Discussion: AMC Rules – Jennie Jonsson

Ms. Jonsson said last month the Board approved including Bill Baker, a representative from Rels Valuation, to join the AMC rules committee. Mr. Baker gave some suggestions and input in the last meeting which will be discussed when the rules committee meets this afternoon.

Board Member Payne received some information indicating Rels Valuation is asking appraisers to perform what it is calling a “desktop appraisal.” There is some concern among the industry that desktop appraisals might be problematic under USPAP. This type of appraisal would be used to evaluate a borrower’s equity position. The appraiser’s are then told that if they participate in this type of program, they will have a greater chance of being offered the assignments upon upgrade of the reports. Discussion from the Board on this issue included some of the following comments: as long as the company complies with USPAP, we can’t control their business; there are ethical issues that might come up, and then might possibly violate existing state rule; and, there is a need for restricted use appraisals.

Board Member Payne suggested any decisions might be tabled until after the AMC rules committee meets following this meeting.

Discussion: Land Appraisal Authority and Competence

Board Member Thronsen said the Board has been receiving information about the kind of land appraisals and valuation assignments licensed and certified residential appraisers can accept. Chair Smith submitted a chart breaking down the categories of Licensed and Certified Residential Appraisers; Utah code; federal code; and, AQB criteria. Board Member Thronsen said certified residential appraisers sometimes have a hard time figuring out if a subdivision appraisal requires a book sale analysis or cash flow analysis, or is within their legal ability to do the appraisal. Most of these assignments in question are raw land assignments where the highest and best use is for single-family development. If the property has more than four lots it requires discounting or a bulk sale value to a single person. The question is what residential appraisers can appraise as far as land, and to see if the definition will help them see if they are eligible to do the assignment or not. Vice Chair Morley said this issue does need to be clarified. He suggested that if the highest and best use is for more than four units, the property would fall outside the scope of a license, but would require certification. After much discussion on this issue, the Board gave Board Member Thronsen some suggestions for wording, and he will come back next month with a draft rule to present to the Board and Division.

Ms. Jonsson brought up the topic of the difference between a “day” and a “business day” in the Appraiser rules. The AMC rules committee is meeting next, the issue will be placed on next month’s agenda.

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 10:26 a.m. to 10:57 a.m.

Executive Session: The Strategy Session to Discuss Pending Litigation – Blaine Ferguson and Traci Gundersen, Assistant Attorneys General was canceled this month.

OPEN TO PUBLIC

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

The Board has upheld the decisions made by the Committees:

Sandra L. Baker, CR Candidate	Kenneth Marc Dyer, CR Candidate
Mandi Frost, LA Candidate	Eric Golden, CR Candidate
Amy Offinga, LA Candidate	Jason D. Richman, LA Candidate
Brant Thorstrom, LA Candidate	

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

The Board has upheld the decisions made by the Committees:

Shawn Bandley, CR Candidate	John Jeffrey May, CR Candidate
Bracken Petersen, CR Candidate	

Discipline List for Board’s Consideration

Jay Josephs, AMC Control Person – Approved with Conditions
Elizabeth Stapley, Renewal CR License - Approved

A motion was made to adjourn at 10:58 a.m.