

UTAH APPRAISER LICENSING AND CERTIFICATION BOARD

Heber M. Wells Building

Room 210

9:00 a.m.

September 25, 2013

Telephonic Meeting

MINUTES

DIVISION STAFF

Jonathan Stewart, Division Director

Jeffery Nielsen, Chief Investigator

Mark Fagergren, Director Licensing/Education

Xanna DeGooyer, Assistant Attorney General

Renda Christensen, Board Secretary

Mykah Travis, Real Estate Education Coordinator

Carla Westbroek, Appraiser Licensing

Jim Bolton, Investigator

Craig Livingston, Investigator

Theron Case, Investigator

John Bickmore, Investigator

BOARD MEMBERS

Daniel Brammer, Chair

Paul Throndsen, Vice Chair

James Bringham, Board Member

John Ulibarri, Board Member

GUESTS

Vern Meyer

Mike Carter

Kris Coleman

Joel Frost

Cory Larsen

Terry Coon

Jake Parkinson

The meeting on September 25, 2013 of the Utah Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Brammer conducting.

PLANNING AND ADMINISTRATIVE MATTERS

A motion was made to approve the minutes from the August 28, 2013 meeting. Vote: Chair Brammer, yes; Vice Chair Thronsdon, yes; Board Member Bringhurst, yes; Board Member Ulibarri, yes. The motion carries.

DIVISION REPORTS

DIRECTOR'S REPORT – Jonathan Stewart

Director Stewart said that he and Mr. Fagergren will be attending the AARO Conference in mid-October. In the meeting next month they will be giving their reports on topics that were discussed.

Director Stewart reviewed the legislative changes that the Division is submitting for the upcoming year. Most of the changes in statutes will be made to bring the Division in compliance with the Appraisal Qualification Board ("AQB") for the January 1, 2015 criteria. They will include:

- 1) having criminal background checks for all new licensees and license upgrades;
- 2) removing the educational requirements and change 61-2g-311, 313, and 314 to state that all educational requirements will meet or exceed the AQB's criteria and be determined by rule;
- 3) update reciprocity requirements to be consistent with AQB's criteria. Any credential holder in good standing in any jurisdiction shall be given a reciprocal license if they have passed an AQB-approved qualifying examination for that credential;
- 4) allow a licensee to voluntarily surrender their license similar to 58-1-306, a Division of Occupational and Professional Licensing statute.

INVESTIGATIONS REPORT – Jeffery Nielsen

Mr. Nielsen reported in the month of August the Division received 4 complaints; no cases were opened; referred 2 cases to the Attorney General's office; closed 8 cases; leaving the number of cases at 47.

There are no stipulations to review this month.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren commented on the proposed legislative changes by the Division. He said that Director Stewart is having all managers meet today to review all of

the requirements from the AQB, and other items that can be implemented by rule by January 1, 2015.

Director Stewart and Mr. Fagergren have been out of town attending the ARELLO Conference. Mr. Fagergren placed a call to Ron Smith to present the firmed-up supervisor/trainee curriculum. Mr. Smith isn't at the meeting today, so Mr. Fagergren will contact him to see what the timeframe will be for the curriculum. Mr. Fagergren will send the outline to the Board Members for review when he receives it so the Board can act on the outline at the next meeting.

Mr. Fagergren mentioned an issue that was brought up in a phone call he recently had, and wanted to discuss it with the Board. The caller is an appraiser was a former board member that now works for a bank. He posed the question regarding the portion of our statute regarding exemptions where people are not required to hold an appraisers license. Statute 61-2g-301(b) regarding exemptions states, "an employee of a company who states an opinion of value, or prepares a report containing value conclusions relating to real estate or real property solely for the company's use." This person would not have to be licensed.

If a bank has people falling under the exemption rule, and also has licensed or certified appraisers at the same bank, do the licensees have to meet USPAP requirements? When a certified appraiser preforms a similar type of work for internal purposes for a bank or lending institution, are they required to comply with USPAP on evaluations done for the bank's purposes, or small loans less than \$250,000?

In January 2011, Ms. DeGooyer was asked to do research on the question, Can a licensed or certified appraiser give a price opinion regarding real estate in the course of doing business, and not comply with USPAP? The main issue at that time was BPOs, but it would also apply to this question on bank employees. Ms. DeGooyer's conclusion was an appraiser was required to provide USPAP compliant work, and they couldn't do a BPO at that time. Subsequently, the statute has changed, to a limited extent, that if the appraiser has a real estate license and if they disclose that they are acting as a real estate agent to perform a BPO. Ms. DeGooyer's opinion applies to a certified appraiser has to comply with

USPAP. The caller stated that banks were using the exemption to have certified appraisers not do USPAP required work by falling under the exemption rule.

Mr. Fagergren opened the discussion to the Board and the public in attendance. He said that based on the comments today, the Division will have an article in the next Division newsletter dealing with this topic.

The Division's Instructor Development Workshop will be held on October 28 and 29, 2013. There are 77 registered so far and the cap will be 100 in attendance.

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

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

James K. Letz, LA Candidate

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

Patrick C. Manis, LA Candidate

Discipline List for Board's Consideration

Thomas R. Jeffries, Reciprocity

Shannon Wheeler, Two Temporary Permits

There are no stipulations for review this month.

COMMISSION AND INDUSTRY ISSUES

Rule Updates – Justin Barney

Mr. Barney reported the amendment to rule 162-2g has been published and received no public comments. The amendment is regarding the deferral for active military or those affected by natural disasters to defer their continuing education. A motion was made to make the rule effective. Vote: Chair Brammer, yes; Vice Chair Throndsen, yes; Board Member Bringhurst, yes; Board Member Ulibarri, yes. The motion carries.

Another rule amendment is progressing that has to do with requiring pre-licensing instructors to be current, actively licensed, and have experience in the

topic they are teaching. The rule was published September 16, 2013 and will be open for public comments.

CLOSED TO PUBLIC

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 Brammer, yes; Vice Chair Thronsen, yes; Board Member Bringham, yes; Board Member Ulibarri, yes. The motion carries. An Executive Session was held from 9:52 a.m. to 10:06 a.m.

OPEN TO PUBLIC

Results of Lists

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

James K. Letz, LA Candidate - Approved

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

Patrick C. Manis, LA Candidate - Denied

Discipline List for Board's Consideration

Thomas R. Jeffries, Reciprocity - Approved

Shannon Wheeler, Two Temporary Permits - Approved

A motion was made to adjourn the meeting. Vote: Chair Brammer, yes; Vice Chair Thronsen, yes; Board Member Bringham, yes; Board Member Ulibarri, yes. The motion carries. The meeting was adjourned at 10:08 a.m.