

UTAH APPRAISER LICENSING AND CERTIFICATION BOARD

Heber M. Wells Building

Room 210

9:00 a.m.

March 25, 2015

Phone Meeting

MINUTES

DIVISION STAFF PRESENT:

Jonathan Stewart, Division Director
Mark Fagergren, Education and Licensing Director
Jeffery Nielsen, Chief Investigator
Justin Barney, Hearing Officer
Judith Jensen, Assistant Attorney General
Renda Christensen, Board Secretary
Kendelle Christiansen, Appraisal Licensing/Education
Theron Case, Investigator
Jim Bolton, Investigator

BOARD MEMBERS PRESENT:

John E. Ulibarri, Chair
Kristin Coleman-Nicholl, Vice Chair
Paul W. Thronsdon, Board Member
Jim Bringhurst, Board Member

GUESTS:

Jake Parkinson
Troy Campbell
Bob Danahey
Ron Jensen

Board Member Brammer was excused from the meeting this month.

The March 25, 2015 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Ulibarri conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - A motion was made and seconded to approve the minutes from February 25, 2015 meeting as written. Vote: Chair Ulibarri, yes; Vice Chair Coleman-Nicholl, yes; Board Member Bringhurst, yes. The motion carries.

DIVISION REPORT

DIRECTOR'S REPORT – Jonathan Stewart

Director Stewart reported the Division's bill has passed the Senate floor with no opposition. In the middle of the session, Director Stewart was contacted by an

appraiser who asked for a couple of additions to the bill. In speaking with this appraiser and our sponsor, it was decided to not make any changes at this time. The changes recommended would need to be discussed with the Division and Board, so it appears that there will be some statutory changes for the next legislative session.

ENFORCEMENT REPORT – Jeffery Nielsen

Mr. Nielsen reported there are no statistics for the month of February. Ms. Stutsman has returned to work and is in the process of preparing the numbers for all three industries. In next month's meeting, there should be statistics for January through March for your review.

There are no stipulations for review.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren mentioned the Division's Caravan that will begin in April. Many of the larger locations have already filled and have a waiting list. The newsletter will be going out at the end of this week and it will have the flyer but no registration form.

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

Discipline List for Board's Consideration:

Robert C. Jorgensen, CR renewal

Brandon Hawks, CG temporary application

An Appraisal Management Company requested a license history which is often done when they want to be licensed in another state. The Division typically lists every action, for example, if a bond expires the Division revokes the license (according to rule). In this particular case, we reported a revocation of the license and indicated a reversal of the revocation six days later. The question is, is this a licensing action as opposed to a disciplinary action? Mr. Fagergren asked the Board what their opinions are on this subject.

After discussion on this topic, the Division will continue to report the revocations on license histories.

COMMISSION AND INDUSTRY ISSUES

Rule Updates – Justin Barney

Mr. Barney mentioned that last month Chair Ulibarri had asked if the agenda could list a line item regarding public comments. Ms. Jensen has done some research and has an answer for the Board. The Open and Public Meetings Act tells us that it is the discretion of the presiding member of the public body a topic of the public may be discussed. It may be discussed even if the topic was not listed on the agenda. Comments are not required to be listed as part of the agenda. If the Board chooses to do so, it can be done. The comment period would not need to list the topics, unless a public member had contacted the Division earlier. The topics can be discussed at the Board's discretion; however, no findings or actions can be taken by the Board on a topic

discussed unless there is required notice on the agenda. The comment period can be listed on the agenda where the Board chooses, or the Board may choose not to establish a comment period.

The fourth quarter newsletter from the Division has established a process for the public to contact Renda Christensen and request a topic be placed on the agenda.

Discussion: R162-2g-502a(f) Three-Year Sales and Listing History: Mr. Barney discussed R162-2g-502a(f), three-year sales and listing histories. Vice Chair Coleman Nicholl has asked Mr. Barney to do some research on this item. The current rule requires three years on the sales and listing histories on the subject property. Vice Chair Coleman-Nicholl asked about the time frame for comparables. Mr. Nielsen said the state does not require a three-year history on comparables, only on the subject property. Mr. Barney will research the time frame on comparables to see if it has been three years, or just the current one year.

Mr. Nielsen and Mr. Fagergren are taking a moment to check the rules on this issue. The rule states that a licensee shall comply with the current edition of USPAP except on this rule R162-2g-502a(f) where the state requires a three-year sales and listing history on the subject property. Mr. Fagergren said after checking the rules, the Division does not have any rule that speaks to a time frame on comparables. Mr. Case referred to USPAP and found no time but found that Fannie Mae requires a one-year sales and listing history.

Discussion: Board Approval for Division to Review Lesser Criminal Convictions: Mr. Barney brought up the issue of Board approval for Division to review lesser criminal convictions. In the 2014 bill, the Board was given the authority to delegate to the Division matters with regard to criminal history. Currently, the Division reviews both the real estate and mortgage criminal histories. The Appraiser Board is a little different in that the Division forwards these cases on to the Board for review. The drawback is if an application comes in within a few days after the meeting, that person has to wait a month before the Board can review the application. A motion was made and seconded to give the Division discretionary oversight over the review of the criminal reports that come forward on the applications. Vote: Chair Ulibarri, yes; Vice Chair Coleman-Nicholl; Board Member Throndsen, yes; Board Member Bringhurst, yes. The motion carries.

Discussion: Effect of AMC rule R162-2e-401 Unprofessional Conduct 45-day Rule to Pay for Completed Appraisal Assignment: Ron Jensen and Troy Campbell have appeared to discuss this topic. Other states have anywhere from 14 days to 60 days on time frames to pay for a completed appraisal assignment. These rules impact the AMC in that they have no bearing on the mortgage company or bank paying the AMC. The new CFPB regulations as of August 1, 2015 are going to have an additional 3 to 7 days in disclosures for closings. What has been the industry standard of a 30-day close will now be 37 days minimum. Mr. Jensen proposes changing the time to 60-days.

Troy Campbell is the main controller of an AMC. He agrees with Mr. Jensen's comments. There are some instances where the consumer can't pay for the appraisal up front, and they want the fee added at closing. Mr. Campbell proposed a consideration to 60-days. Mr. Jensen asked the Board to table this decision so they can talk to others in the industry (mortgage and title companies).

Director Stewart was asked to approach the Mortgage Commission on this topic. Mr. Nielsen said there is something similar in place with the mortgage rules requiring mortgage companies who come into receipt of third-party funds for something specific, like an appraisal, to forward that money along. The Division is proposing a rule to the Mortgage Commission to add a 30-day time frame on this matter. The Division does not regulate Department of Financial Institutions (banks) or the Department of Insurance (title companies).

There are no other proposed rule amendments to discuss this month.

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 Ulibarri, yes; Vice Chair Coleman-Nicholl, yes; Board Member Thronsdén, yes; Board Member Bringhurst, yes. The motion passes. An Executive Session was held from 10:20 a.m. to 10:35 a.m.

OPEN TO PUBLIC

RESULTS OF DELIBERATIONS

Discipline List for Board's Consideration:

Robert C. Jorgensen, CR renewal – approved with the concurrence of the Director
Brandon Hawks, CG temporary application – approved with the concurrence of the Director

The Board has asked Ms. Christensen to add to the Agenda a public comment period at the beginning of the meeting. It will be added under the Planning and Administrative Matters. Director Stewart will give the results of his discussion with the Mortgage Commission.

A motion was made to adjourn the meeting. Vote: Chair Ulibarri, yes; Vice Chair Coleman-Nicholl, yes; Board Member Thronsdén, yes; Board Member Bringhurst, yes. The motion passes. The meeting adjourned at 10:40 a.m.