

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

**January 24, 2007**

**9:00 a.m.**

**MINUTES**

**STAFF MEMBERS PRESENT**

Derek B. Miller, Division Director  
Mark Fagergren, Education and Licensing Director  
Dan Lau, Assistant Attorney General  
James Bolton, Investigator  
Craig Livingston, Investigator  
Renda Christensen, Board Secretary  
Carla Westbroek, Appraisal Licensing

**BOARD MEMBERS PRESENT**

Craig Morley, Chair  
Lynn Christensen, Vice Chair  
Ron Smith, Board Member  
Ambria Spencer, Board Member

**GUESTS**

Art Partridge  
Darrin Liddell  
Allen Payne  
Rick Lifferth

The January 24, 2007 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Morley conducting.

The minutes for the October 25, 2006 meeting were approved as written.

**DIVISION REPORTS**

**DIRECTOR'S REPORT**, Derek B. Miller

Director Miller introduced Dan Lau, Assistant Attorney General, who is sitting in for Shelley Wismer on this meeting.

Director Miller said the Legislative session has been meeting for about a week and a half. Today is the budget hearings before the Appropriations Subcommittee and part of the discussion for the Division's budget will be a request to have two new licensing staff. The request has already been approved by the Governor's office and now needs Legislative approval. The two licensing people will be used to create an information hotline. They will also be used to answer the phones which have been averaging 1,000 per week. It averages 50-60 calls per employee in addition to their regular duties.

Director Miller gave an update on the Division's bill status. The bill would include the ability to prosecute unlicensed activity and also the ability to levy fines equal in the amount of the profit of the fraud/violation instead of the \$1,000 limit per violation currently in place. These same proposed changes have been put in one bill and is currently being sponsored by Senator Sheldon Killpack. The draft bill should be finished today and the bill should be numbered and ready to be calendared on the Senate calendar. The bill is being received very well because it seems to make sense to people that if the Division has the ability to regulate people who actually went out and got a license, that they ought to have the ability to go out and regulate the people who should have gotten a license but didn't bother to.

Late last night the Division received on behalf of Timothy Drake, a request for reconsideration. An order was sent to Mr. Drake within the last month, and he has asked for reconsideration. There are a number of things that need to be considered. The Attorney General's office plans on providing a response to this request basically representing what the Division's position with regards to the request. The Attorney General's office has 10 days in which to respond, and when this is done the Division will mail to each member of the Board both the Petition for Reconsideration and the Division's response to it. The law requires a decision be made, and an order issued within 20 days of receiving the Petition. These timelines are important because we do not have a regularly scheduled meeting within that 20 day period. What will have to be done is after receipt of the Petition and the response to it, a meeting will need to be convened and the Board can decide what it wants to do on the Petition. Ms. Christensen will let you know when the meeting is scheduled.

#### ENFORCEMENT REPORT, James Bolton

Mr. Dee Johnson was not in attendance today and Mr. Bolton is giving his report. Mr. Bolton said he will be giving the reports for October, November, and December 2006.

In October 2006 the Division received 7 residential written complaints, screened and closed 3 residential complaints (no cases opened), opened 2 residential cases for investigation, closed 1 residential case, leaving 111 residential cases and 5 commercial case files.

In November 2006 there were 5 residential and 1 commercial complaints, screened 5 residential complaints (no case opened), 5 residential cases were opened, 1 residential case and 1 commercial complaints closed, leaving 115 residential and 4 commercial case files.

In December 2006 there were 4 written residential complaints, 14 complaints screened and closed (no cases opened), opened 2 residential cases for investigation, closed 2 residential cases, leaving 115 residential and 4 commercial case files.

Director Miller announced the Division has hired Dee Johnson as the Enforcement Director. He will be meeting with the investigators to decide on how to clean up the older case files.

EDUCATION/LICENSING, Mark Fagergren

Mr. Fagergren said the statistics show there are 1,195 appraisers in the state with the number of trainees now at 457. In January 2006 there were 1,121 appraisers and 310 trainees. If you add trainees from the beginning of 2006, the number is 1,652 at the end of the year, so the numbers keep growing.

Mr. Fagergren handed out a year-end summary of the testing statistics. The report shows all of the people who have tested in 2006. For Licensed candidates there were 83.67% who passed the test the first time, with repeat candidates at 35% passing the second time. On Certified Residential candidates there were 76.67% who passed the first time, and 35% who passed the second time. The Certified General candidates show 63.64% of the first time test takers passed, with 28.57% passing the second time. The statistics show it is a successfully performing test.

There was a rule passed at the end of 2003 which says “In order to qualify as experience credit for certification, the additional points for certification required must have been accrued while the applicant was a licensed appraiser in Utah.” Prior to this rule there were some people who the Division had never heard of taking the test to be a Certified General Appraiser or meeting before the Board because their experience had been denied. No one had seen them or even knew they existed. After this had been found to be happening, the Board passed a rule that said people need to have a stop-over point where they need to be licensed. That way the Division knows they exist and we have had a chance to evaluate their work to make sure they are on track and progressing.

The national requirement doesn't mandate this stop-over point for being a Licensed Appraiser. This is just a Utah requirement. There is still some benefit in the rule, but there are some definite drawbacks. It's causing a challenge for some applicants and Darrin Liddell has agreed to discuss what some possible solutions for this problem might be.

Mr. Liddell said the issue that needs to be dealt with is in Utah for appraisers to be licensed you will have to be taking the Residential classes to be licensed. So what about the person who is on the General track? Because if you are going to have someone who is going to be a Commercial appraiser it will force them to have to take the Residential course first, then if they want to become Certified later on, they will have to go back and take other courses. It would mean that you have to take the first 150 hours, then you would have to go back and take the other classes and they wouldn't count. Mr. Liddell provided some options as to what can be done. Option One, leave it as is. This would require all appraisers to become licensed prior to certification, require all appraisers (as per AQB) to take the residential courses, and require a Certified General to take 180 more hours than required.

Option Two, leave it as is except: allow all General courses to count toward becoming Licensed.

Option Three, create a new License General appraiser category: essentially the same as Option Two, but with a specific classification.

Option Four, no license requirement for Certified General: residential licensing would be required; no licensing required for appraisers on a Certified General path.

Option Five: no mandatory licensing: licensing is optional; many states are on this path.

Mr. Liddell believes the minimum solution is that Option Two be implemented.

A motion was proposed to allow General courses to apply to Licensing and accept Option Two. The motion passed unanimously.

Mr. Fagergren said the Board has approved a segmented approach for education. The thinking behind it was if someone was a Licensed appraiser this year, and they are not going to make it to Certified Residential by the end of the year, they can get their education in with their application and be approved as a Certified Residential. The Division has been receiving calls from Trainees saying they want to submit all their education in to be a Certified General. Mr. Fagergren said he doesn't believe it's acceptable, because that's jumping up several steps in your career. He told the person he can do it for one step. The Board agreed with Mr. Fagergren's decision on only a one step.

**LICENSE APPLICATION HEARINGS – CLOSED TO PUBLIC**

10:10 Erin Peabody – Experience Review  
Randall Skeen, Attorney  
Bill Rosqvist, Appraiser  
Allen Larsen, CG Appraiser  
Darrel Clark, CR Appraiser

11:00 Jon Whitlock – Experience Review

**REVIEW OF LISTS:**

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

Henry Bounds, LA Candidate  
Jeffrey J. Eaton, CR Candidate  
Ryan Fish, CR Candidate  
Benjamin D. LeFevre, CG Candidate  
Craig Turner, CG Candidate  
Michael W. Dutson, LA Candidate  
Ernest P. Felix, LA Candidate  
Ryan Barry Judd, LA Candidate

Brent Tarr, LA Candidate  
Derek White, LA Candidate

Certified and Licensed Appraiser Applicants Approved by Education Review Committee,  
Not Approved by Experience Review Committee:  
Andrew Hansen, LA Candidate

Discipline List for Board Consideration  
Jay Amon, CR Reciprocity Application  
John Limpert, LA Renewal  
Kevin Nielsen, CR License Application  
Konnie L. Sanders, Temporary License Application  
Robert J. Schalk, CR Reciprocity Application

EDUCATION/LICENSING (Continued), Mark Fagergren

Mr. Fagergren brought up the topic of supervised inspections. Initially inspections required supervision on 400, then it was reduced for residential to 100 and 20 for commercial. There are some people that say the 100 number should be reduced. Mr. Fagergren said he would like to see a rule that specifically states the remaining X number of points have to be inspected by the supervisor (not always with the trainee). Chair Morley said the confusion he has seen tends to be the Residential appraiser, who is doing work on the FannieMae form, to understand that the Supplemental Standard that is imposed by the use of that form is higher than what the state requires. If they are using that form they have to inspect the property every single time that you sign the appraisal.

Board Member Smith said he wants to address the number. The number of residential inspections is five times the amount of what the commercial number requires. It seems unreasonable to him. The other members of the Board believe that it will lower the standards to lower the numbers. Director Miller suggested that we allow the UAA to come in and give further input.

Mr. Fagergren said he has had a bit of input on the point schedule. It hasn't really been evaluated much. He has had comments that some of the things they do are not being adequately reflected. He would like the Board's input on a revision or modification on the point schedule. Chair Morley said to put the UAA on the Agenda and allow them time to comment on the point schedule.

A motion was made to go into Executive Session from 12:13 p.m. to 1:00 p.m.

### **RESULTS OF EXECUTIVE SESSION**

#### Hearing Results

Erin Peabody – Application was denied.  
Jon Whitlock – Application has been withdrawn.

Discipline List for Boards Consideration

Jay Amon, CR Reciprocity Application - Approved  
John Limpert, LA Renewal - Approved  
Kevin Nielsen, CR License Application - Approved  
Konnie L. Sanders, Temporary License Application - Approved  
Robert J. Schalk, CR Reciprocity Application - Approved

The Board has agreed with the Division's recommendations on the following list:

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

Henry Bounds, LA Candidate  
Jeffrey J. Eaton, CR Candidate  
Ryan Fish, CR Candidate  
Benjamin D. LeFevre, CG Candidate  
Craig Turner, CG Candidate  
Michael W. Dutson, LA Candidate  
Ernest P. Felix, LA Candidate  
Ryan Barry Judd, LA Candidate  
Brent Tarr, LA Candidate

The Board has agreed with the Division's recommendations on the following list:

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

Andrew Hansen, LA Candidate

A motion was made to adjourn at 1:03 p.m.