

**APPRAISER LICENSING AND CERTIFICATION BOARD**  
**HEBER M. WELLS BUILDING**  
**ROOM 210**  
**August 27, 2008**  
**9:00 a.m.**

**MINUTES**

**STAFF MEMBERS PRESENT**

Mark B. Steinagel, Division Director  
Dee Johnson, Enforcement Director  
Mark Fagergren, Education/Licensing Director  
Traci Gundersen, Assistant Attorney General  
Laurie Noda, Assistant Attorney General  
Renda Christensen, Board Secretary  
Carla Westbroek, Appraiser Licensing  
Jim Bolton, Investigator  
Craig Livingston, Investigator  
Ken Wamsley, Investigator

**BOARD MEMBERS PRESENT**

Craig Morley, Board Member  
Ron Smith, Board Member  
Ambria Spencer, Board Member  
Debra Sjoblom, Board Member  
Paul Throndsen, Board Member

**GUESTS**

Rick Lifferth  
Bill Lifferth  
Darrin Liddell  
Art Partridge  
Lee Gardner

The August 27, 2008 meeting of the Appraiser Licensing and Certification Board began at 9:03 a.m. with Mr. Morley conducting and serving as Acting Chair until elections of new officers.

Administrative Law Judge Masuda Medcalf administered the Oath of Office to the new Board Members: Debra Sjoblom, Paul Throndsen and Craig Morley. Mr. Throndsen introduced himself and said he has practiced in the appraisal industry for 30 years and owns a company called the Appraisal Group. Ms. Sjoblom said she has been a realtor for 32 years and is affiliated with Chapman Richards Real Estate.

The Minutes for the July 23, 2008 meeting were found to have one word changed on page 3 under the Education/Licensing Report. The change will be in the sentence reading "...official of the university; or 3) the course has received..." With this correction the Minutes were approved.

## **DIVISION REPORTS**

### **DIRECTOR'S REPORT** – Mark B. Steinagel

Director Steinagel said he appreciates the new Board members and the Division is pleased to have them with their years of experience in the industry. There was an Associated Press article that came out last week talking about how the state system of appraising regulation has failed. Specifically, the article targeted the enforcement actions that states take against licensees, and how long it takes and how few happen. Director Steinagel said there has been an increase in appraisal management company interest expressed to the Division.

Director Steinagel said last week he attended a conference for the mortgage industry. Mortgage licensing is undergoing changes on a national level. In the Housing and Economic Recovery Act of 2008 there was a provision for mortgage licensing and the federal government is creating a model similar to the appraisal side. This Act states that state mortgage licensing must meet certain requirements or HUD will take over.

There was also a recent article that included a quote from Rick Lifferth saying the Division of Real Estate was doing a very good job in stepping up their enforcement efforts. There have been increases in enforcement actions and also a few licenses have been surrendered. The Division has three investigators assigned to appraisal cases and the system is working. It is a tough time for regulation with people trying to pass blame on others (i.e. lenders pointing fingers at mortgage brokers, mortgage brokers pointing at lenders, everybody pointing at appraisers, etc.).

Rule R162-103-7 on continuing education requirements and course certification presented last month has been modified and distributed to the Board. Board Member Smith sent out some comments and suggestions which have been incorporated in the rule. Under R106-103-7(d) the Division referred back to the existing language for pre-licensing requirement for distance education. The language is different and will need to be modified to eliminate two of the requirements. One is a testing requirement for courses that are pre-licensed for distance education, and the other is for the 15-hour continuing education requirement. If the Board is comfortable with the rest of the changes, they can make a motion to accept the rule with these pending changes. A motion was made to have the Division submit the rules as will be corrected by Director Steinagel. The areas to be corrected are the continuing education requirements versus the pre-license for distance education. The motion was passed unanimously.

Director Steinagel said the Division has obtained a good training opportunity for the Board members. Two trainers, Dennis Badger and Tom Lewis, have been active in the regulatory association involving investigations. A three-day course will be set up with the first day scheduled to discuss USPAP. The training will be on Monday, October 27, 2008 and the Division is encouraging the Board to attend the USPAP training. The training will be held at the Division and is scheduled to take the entire day.

Pamphlets were distributed last month on options for additional regulations for trainees and the standards for supervisors of trainees. Copies of these pamphlets were given to the new Board members and discussion will be held next month to see if any new rules or statutes drafted that will accomplish these ideas presented.

ENFORCEMENT REPORT – Dee Johnson

Mr. Johnson said (for the benefit of the new Board members) from the enforcement side there are two different forms in which the Division can bring something before the Board. One is a stipulation where the Division has negotiated with the licensee/respondent and reached an agreement which requires approval by the Board. The second form is in a hearing which can be for enforcement actions or licensing experience.

Mr. Johnson reported in the month of July the Division received 10 complaints; screened 4 complaints; opened 11 cases; and, closed 19 cases. It is not unusual for the Division to receive a complaint against, for example, a real estate agent or a mortgage broker, and then find there are grounds for an appraisal case because it includes mortgage fraud.

For the benefit of the new Board members, Mr. Johnson introduced the Division's appraiser investigators: Jim Bolton, Craig Livingston, and Ken Wamsley.

There is one Stipulation for the Board to review today. The respondent was given the opportunity to attend today and has chosen not to appear.

Review of Stipulations:

Paul Kent Carlsen

EDUCATION/LICENSING REPORT – Mark Fagergren

Mr. Fagergren said he appreciates the Board adopting the rules on education today. He said these rules will help the licensees to track their CE in a more professional manner. Up until now, providers have not been obligated to submit a course to the Division for advance approval. At times the Division has had concerns regarding the qualifications of a particular course. Now education providers will be required to submit CE courses for evaluation and approval in advance of such courses being taught.

Mr. Fagergren wanted to thank Director Steinagel and Board Member Smith for their help on these rules. The Division receives many phone calls each month from people wanting to get into the appraisal business. Currently, the Division has a model where all the individual has to do is register with the Division. Since this registration started in 2004, there are some trainees that may have signed up with a supervisor and left that supervisor the following month. From the Division's perspective, we have no idea who they are working with, or if they are still in the business.

Chair Morley said he would like to discuss cooperation with state universities to offer qualifying education. He suggested perhaps the Board could discuss with the Boards of Education to develop courses in their curriculum. Mr. Fagergren said it would be something that could be worked on. A problem would be having the instructor follow exactly the outline approved by the AQB.

Chair Morley also suggested updating the outline used by reviewers. The outline is currently 2003-2004 USPAP that may work fine in some residential environments, but he believes developing consistency for the reviewers would help give them direction. He said he will come up with a draft and e-mail it to the other Board members during this next month to see if

there will be something that can be discussed in the meeting next month to help standardize the process.

UTAH ASSOCIATION OF APPRAISERS – Rick Lifferth

Mr. Lifferth is currently serving as President of the Utah Association of Appraisers (“UAA”). The Board of the UAA has asked Mr. Lifferth to present some issues before the Appraiser Board before they become rule.

Mr. Lifferth disclosed a conflict of interest on two items. He owns a market data service that provides photos to customers. Some are MLS photos and some are taken by his company that extends back for approximately 13 years. His company also provides public records for appraisers.

Mr. Lifferth is asking for clarification on using MLS photos. Chair Morley said the concern the Board has is that the Board was receiving residential appraisal reports in which their scope of work certifies certain things the appraiser has done. One of these things that the appraiser is required to do is inspect the comparable sales. The Board was finding that when an experience review came in it showed comparable photos by the MLS, and was concerned if the appraiser even inspected the property. The question came up if they were violating USPAP by saying they had done something they hadn’t done, and they were misleading their clients. The Board took the position that the experience would be denied and require the appraiser to come to a hearing before the Board and testify under oath that they had really looked at those comparable sales before they would get the experience credit. The results from these hearings show that in the majority of cases the appraiser had not inspected the comparable sales. Mr. Lifferth suggested perhaps an article in the Division’s newsletter might help to clarify the issue.

The second issue is data verification using public records. Mr. Lifferth said the majority of appraisers do not know how to verify data from public records. The Board answered by asking does the level of verification consistent with the scope of work that was agreed to do with the client? The problem is when discrepancies arise in the data. Mr. Lifferth suggested that more education be given on data verification. Chair Morley suggested the UAA propose a class for continuing education to the Division for their approval.

Mr. Lifferth said the next issue is review appraisals. These are hidden under confidentiality requirements and this causes some problems. The Board said if there is a problem to report it to the Division and the Division will request information as to who preformed the review.

Art Partridge said, on behalf of the mass appraisers, they thank the Division for their work in the last year for the standards in that segment of the industry.

Lee Gardner brought up the turn around time of the experience reviews. He suggested the licensing fees be increased to cover the time required to expedite reviews.

Chair Morley asked about fines that are collected by the Division, and if they stay with the Division or are allocated to the general fund. Director Steinagel said currently what isn’t used at the Division level goes into the general fund.

Mr. Lifferth brought up the topic of how an appraiser pays his trainee came up, and it was decided to have the topic revisited at another time.

A motion was made and passed unanimously to close the meeting for hearings at 11:10 a.m.

**CLOSED TO PUBLIC**

**INFORMAL HEARINGS:**

11:11 Terianne Lang – Disciplinary Hearing  
Ms. Lang did not appear or notify the Division for her hearing today.  
Witness for the Division: Craig Livingston, Investigator

Those Investigators in attendance from the Division of Real Estate were:

Elizabeth Beazley	Ken Wamsley
Marv Everett	Jim Bolton
Van Kagie	Carlos Alamilla
Kurtis Hughes	

**CLOSED TO PUBLIC**

A motion was made to go into an Executive Session from 11:49 a.m. to 1:00 p.m. The motion passed unanimously. This was a working lunch.

**CLOSED TO PUBLIC**

**INFORMAL HEARINGS (Continued)**

1:04 Karsten Reed – Experience Review

2:05 David Messer – Disciplinary Hearing  
Mr. Messer has not appeared nor has he returned the calls from Ms. Noda.  
Mr. Morley has recused himself because he is familiar with Mr. Messer’s work.

Witness for the Division: Jim Bolton, Investigator

Those Investigators in attendance from the Division of Real Estate were:

Jim Bolton	James Cross
Craig Livingston	Van Kagie
Carlos Alamilla	Ken Wamsley

A motion was made to go into an Executive Session from 3:22 p.m. to 3:55 p.m. The motion passed unanimously.

4:00 Niels Griffith – Experience Review  
Megan Gunderson, Certified Residential, Supervisor  
Board Member Smith knows Mr. Griffith as a student but is not familiar with his work.

**OPEN TO PUBLIC**

**EDUCATION/LICENSING REPORT (Continued) – Mark Fagergren**

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

Cathy Barney, LA Candidate  
Joel Frost, CR Candidate  
Daniel Brent Tarr, CR Candidate  
Mark Tebbs, CR Candidate

Richard Blackmore, CR Candidate  
Brian Hoffmeier, CG Candidate  
Mark Tarr, LA Candidate  
Emily D. Pedersen, CR Candidate

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

Richard W. Christenson, CR Candidate  
Patrick Weaver, CR Candidate  
Richard Scott, CR Candidate

Review of Discipline List for Boards Consideration

Brian D. Coup  
David G. King  
Daniel A. Palmer  
Kamyar Samimi  
Kevin B. Weed

**CLOSED TO PUBLIC**

A motion was made and passed unanimously to go into an Executive Session from 5:00 p.m. to 5:15 p.m.

**OPEN TO PUBLIC**

**RESULTS OF EXECUTIVE SESSION**

Results of Stipulation:

Paul Kent Carlsen - Approved

The Board has agreed with the recommendations on the following lists:

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

Cathy Barney, LA Candidate  
Joel Frost, CR Candidate  
Daniel Brent Tarr, CR Candidate  
Mark Tebbs, CR Candidate

Richard Blackmore, CR Candidate  
Brian Hoffmeier, CG Candidate  
Mark Tarr, LA Candidate  
Emily D. Pedersen, CR Candidate

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

Richard W. Christenson, CR Candidate  
Patrick Weaver, CR Candidate  
Richard Scott, CR Candidate

Review of Discipline List for Boards Consideration

Brian D. Coup - Approved  
David G. King - Approved  
Daniel A. Palmer - Approved  
Kamyar Samimi – Application Denied  
Kevin B. Weed – Application granted temporary 2 month extension pending Idaho restitution.

Elections were held and the new officers for the upcoming year are Ron Smith as Chair and Craig Morley as Vice Chair.

A motion was made and passed unanimously to adjourn at 5:27 p.m.