

**APPRAISER LICENSING AND CERTIFICATION BOARD  
HEBER M. WELLS BUILDING  
ROOM 210  
November 12, 2008  
9:00 a.m.  
TELEPHONE MEETING**

**MINUTES**

**STAFF MEMBERS PRESENT**

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

**BOARD MEMBERS PRESENT**

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

**GUESTS**

Darrin Liddell

The November 12, 2008 meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Smith conducting.

The Minutes from the October 22, 2008 meeting were approved as written.

**DIVISION REPORTS**

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

Director Steinagel discussed the calendar for 2009. It was decided that every other month will be a phone meeting. January will start with a phone meeting. Ms. Christensen brought up the dates for the meeting in November and December. After discussion, it was decided to move those meeting dates to the second week in November and December. Ms. Christensen will update the calendar and send it out to everyone.

Director Steinagel gave a legislative update. He spoke with Representative Froerer who is sponsoring the Division's bill this year. Representative Froerer has asked the legislative attorney to include the background check for trainees. There were several areas where language need to be changed to allow the Board to have the authority to better regulate trainees (i.e., renewal, continuing education, change cards, etc.). Director Steinagel will add

wording to give the Board authority to exempt specific individuals who are performing appraisal related government activities. The Board can define in rule who is exempt without having to get legislative approval.

Board Member Thronsen asked if the Division had someone on the Senate side to sponsor the bill. Director Steinagel said there has been no decision yet on who will sponsor our bill.

A few weeks ago the Appraisal Institute sent a copy of the Appraisal Management Company Model Act. The Act describes the changes and effects that have occurred on the quality of appraisals and the protection of the public in property valuations. Director Steinagel wanted a preliminary discussion on what ideas the Board has on this issue. Vice Chair Morley said this should be a priority if the Home Valuation Code of Conduct (“HVCC”) goes through.

Chair Smith asked what the biggest problems were expected to be with the Appraisal Management Companies. Vice Chair Morley said from the appraiser side the single biggest problem is that there is no requirement for the appraiser to be competent to perform the assignment they have been given. He said the sole criteria for giving an assignment to an appraiser is how much they will do it for, and how fast can they get it done. There is no requirement that asks if the appraiser has geographic competence or property specific competence to do this kind of assignment. The Appraisal Management Company (“AMC”) has a self-interest in doing whatever provides the most profit to them, but it has no real interest in seeing that the appraisal assignments that are being produced through their efforts are the best, most competent, qualified appraisals. This creates an inherent flaw that the management company wants to get the assignment done as cheaply as possible with little regard for quality and competence.

Director Steinagel said the key question will be is there a public protection issue; is AMC involvement in an appraisal enough that the Division should step in and have some oversight. He asked what determines lawful behavior. There are concerns on both sides of the issue that are being raised. Vice Chair Morley said we can require disclosure by making the AMC disclose how much they paid the appraiser and how much money they kept. If there is no regulatory oversight, who do you file a complaint with? If what the AMC is asking the appraiser to do violates USPAP, who does a person complain to and who will take action against the AMC?

Director Steinagel said the Board should figure out who they want to sponsor a bill and get a strategy session with the industry groups now. Chair Smith and Vice Chair Morley said they would like to see something done this session. Director Steinagel said the committee should get a group together and file a bill before December 1, 2008. A motion was made to support the concept of the management of appraisal companies and have Vice Chair Morley in charge of moving things along for this legislative session. The motion was passed unanimously.

#### ENFORCEMENT REPORT – Dee Johnson

Mr. Johnson said there are no stipulations before the Board today.

Mr. Johnson reported in the month of October the Division received 10 complaints; screened 7 complaints; opened 10 cases; closed 16 cases; leaving 95 total open cases. The Division is in the process of cleaning up and eliminating all of the old cases without closing them for no

justifiable reason. In the last month there were 16 cases closed and out of those 10 cases were just two people (Messer and Dunlop). There are several more situations like these coming in the future where the Division will be able to close multiple cases.

Mr. Johnson said all three Division appraiser investigators have been doing a great task in getting where we are. He said that by the time the ASC is here in February for their audit, the case load will be at a manageable number. Chair Smith asked how many cases were opened that are over one year. Mr. Johnson said there are 18 cases which are 2005/2006. There are 12 additional cases that are from 2007. Of the 2005/2006 cases the Division is working on closing 9 of them within the next 30 days.

EDUCATION/LICENSING REPORT – Mark Fagergren

Mr. Fagergren brought up the discussion of the new Experience Points Log and Experience Points Schedule. Mr. Fagergren played a brief taped phone message from a trainer that is confused about the experience log and the experience points schedule. The rule that gives trainees points went into effect in September of 2004. This rule states that a third of the points a trainee gets come from selecting comps; a third of the points come from adjusting comps; and, one third of the points come from drafting reports. According to the recently approved appraiser experience log, trainees can track experience on their log in ten different areas. Seven of the ten areas on the log currently provide no experience points. Mr. Fagergren suggested that there should be some expanded area of points and perhaps modify Rule 105.3.7 that might more fully reflect some of the tasks that we are asking trainees to report on and receive credit for. It was decided that a committee be formed to discuss the issue and come back with recommendations for next month. The committee would consist of Chair Smith, Board Member Thronsen, and Mr. Fagergren.

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

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

- Jed Cook, CG Candidate
- Bryan Wong, LA Candidate
- Lucas Hendrickson, LA Candidate
- Corey Cook, CG Candidate

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

- Aaron D. Henderson, CG Candidate
- Kevon Inouye, CR Candidate

Review of Discipline List for Boards Consideration

- Craig Smith, CR renewal

Mr. Johnson asked Chair Smith and Board Member Sjoblom what they thought of the AARO training they attended last month. They said the presenters were well prepared and the written material was good. It was a little hard to follow because it was too detail oriented and primarily focused on the investigators rather than serving Board members.

APPRAISER TRAINEE AND SUPERVISOR REGULATION – Ron Smith

Chair Smith said at the recognition lunch last month for the Experience Review Committee, a questionnaire was passed out asking if they thought the Board should be regulating supervisors and trainees more. He also taught two USPAP classes (Ogden and Salt Lake), and passed out a similar questionnaire to those people. The second questionnaire had remarkably different conclusions.

At the Experience Review Committee luncheon the questionnaire showed almost unanimously that there should be more regulation on supervisors and trainees. The responses from the USPAP classes showed there was a high majority showing there was too much regulation and supervising. They were in favor of regulating the trainees with one exception. Those answering thought it was a good idea to renew their registrations and that the trainees take the USPAP updates if they go more than two years. They were not excited about requiring continuing education.

The decision was to go forward with the recommendations.

**CLOSED TO PUBLIC**

A motion was made and passed unanimously to go into an Executive Session from 10:17 a.m. to 11:00 a.m.

Strategy Session to discuss pending litigation – Blaine Ferguson and Laurie Noda, Assistant Attorney Generals

**OPEN TO PUBLIC**

**RESULTS OF EXECUTIVE SESSION**

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

Jed Cook, CG Candidate

Bryan Wong, LA Candidate

Lucas Hendrickson, LA Candidate – Chair Smith has recused himself

Corey Cook, CG Candidate

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

Aaron D. Henderson, CG Candidate

Kevon Inouye, CR Candidate

Review of Discipline List for Boards Consideration

Craig Smith, CR renewal – Denied, schedule for hearing

A motion was made and unanimously passed to adjourn the meeting at 11:03 a.m.