

**APPRAISER LICENSING AND
CERTIFICATION BOARD MEETING**

Heber M. Wells Building

Room 2B

9:00 a.m.

May 27, 2009

Telephonic Meeting

MINUTES

STAFF MEMEBERS PRESENT:

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

BOARD MEMEBERS PRESENT:

Ronald M. Smith, Chair
Craig Morley, Vice Chair
Paul W. Thronsen, Board Member
Debra Sjoblom, Board Member

GUESTS

Debbie Coburn, UAA
Darrin Liddell
J. Allan Payne

The May 27, 2009 telephonic meeting of the Appraiser Licensing and Certification Board began at 9:00 a.m. with Chair Smith conducting.

PLANNING AND ADMINISTRATIVE MATTERS

The Minutes for the April 22, 2009 were approved as written.

DIVISION REPORTS

DIRECTOR'S REPORT – Mark B. Steinagel

Director Steinagel handed out a proposed rule, R162-150. The action points for the Division are: the Division shall prescribe the registration form to be used by AMC applicants; determine a fee; register AMC's in accordance with the Act; conduct background checks; receive upon registration or renewal an explanation for: (1) AMC plan to ensure use of licensed appraisers in good standing; (2) review process; (3)

record keeping. At this time, the Division has received three applications for AMC's. All of the forms listed are on the Division's website. The Department of Commerce held its annual Fee Hearing meeting on May 13, 2009, and adopted the fees per the Board's discussions last month. The trainee fee will be \$100 and the AMC fee will be the same as the Appraiser fee of \$350. The Division is waiting on the FBI now for final approval. The applications are being held until we get approval to run the background checks.

The action points for the Board are: they may make rules consistent with the law to implement AMC regulation; shall determine if applicants for AMC registration are of good moral character; may define "total compensation" that an AMC pays to an appraiser and is disclosed to the client; shall determine AMC employee qualifications in some instances; and, may establish rules for AMC conduct.

Proposed Rule 162-150, Appraisal Management Companies, was discussed. The most important item under Sub-Section 2 is that the Division brings people before the Board who have something in their past that raises concerns. R162-150-2 is about employee qualifications. The applicant must provide proof of completion of the 15-hour USPAP course, or that they will take the course within 6 months of the initial registration. There will be no leeway given on renewals, because the person must be in good standing, which means they will have taken the 7-hour USPAP course.

A motion was made to start the proposed rule in the rulemaking process. The motion was passed unanimously.

The BPO Committee update is that information is being collected but no meeting has been held yet. The members from the Real Estate Commission are Sam Sampson and Stefanie Madsen-Tugaw.

Director Steinagel said there has been no confirmation on the new Board member yet. He also announced that he has been asked to change positions. Director Steinagel will now be the Director of the Division of Occupational and Professional Licensing. He thanked the Board for their support, and said he has appreciated working with them. Director Steinagel said the new Director replacing him is Dee Johnson. The change will be effective the end of next week. Chair Smith said the Board wanted to thank Director Steinagel for his help and wished him well in his new assignment.

Mr. Johnson said he is excited about his new position. The Division appreciates what Director Steinagel has done and is sorry to see him leave. The Division has not replaced the Enforcement Director position as of yet.

Mr. Johnson said the Division is hiring a new Hearing Officer to help with writing rules and in reviewing criminal applications.

ENFORCEMENT REPORT – Dee Johnson

Mr. Johnson said there are no Stipulations to present today. The monthly report shows in the month of April the Division received 6 complaints; screened 2 complaints; opened

1 case; closed 4 cases; leaving the balance of 98 open cases. The Division just received the Orders for the recent hearings held last month which will allow us to close 16 cases.

EDUCATION/LICENSING REPORT – Mark Fagergren

Mr. Fagergren said Ms. Westbroek has informed him the Division has received three applications for AMC's. One will be scheduled for a hearing and the Board will have an opportunity to evaluate them. One is incomplete and is being returned. We can't submit the fingerprints until we get the authorization from the FBI, and that should be some time this week.

Mr. Fagergren said he has had a conversation with an Appraisal Management Company regarding the application form. Their concern was that they are required to indicate all of those who review an appraisal. The company said they have some people reviewing items in the appraisals that an appraiser is not required to do (i.e., checking for signatures are provided, check to see if photos are MLS photos, etc.). Their interpretation of the word "review" is different from what the Division or Board may require, and the Board and Division are considering it as a Standard 3 USPAP review.

Director Steinagel said he discussed this topic of reviews with Mr. Fagergren and they believe the Division should go on with our rules until further direction is received. The Division is taking the broad interpretation. The statute is worded broadly, so when the AMC's raise these frustrations, we say if the person selects the appraisals or reviews them, you submit their names with a USPAP course. The AMC's believe that someone who is clerical can review and that it doesn't require an appraiser.

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

Tyler Aicher, LA Candidate	Diliya Berrett, CR Candidate
David Burris, LA Candidate	Janalyn Kennard, CG Candidate
Nathan Luke, LA Candidate	Sam Mast, CR Candidate
Levi West, LA Candidate	Eric Bergstrom, LA Candidate

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

Gil McDougald, LA Candidate - Denied

Discipline List for Board's Consideration

James Tippetts

KFS Properties submitted a letter to the Division for the Board's review. After a brief discussion, it was decided that no action will be taken and to wait for the appraisal report to come out. The Division will write a letter to Mr. Simons in response.

COMMISSION AND INDUSTRY ISSUES

The Board discussed a letter sent in by Daniel Steffen. In 2007 the Appraiser Qualification Board recommended almost doubling the amount of education required to be an appraiser. This board elected to have people who had their appraiser education already done in 2007 be able to segment their application, which meant going on the lower number of hours required for education and then in 2008 and beyond, prove their experience to go ahead and become an appraiser. This Board put down the deadline of January 1, 2011 which is three years for these people to get their experience. Mr. Steffen's letter is based on several changes in the industry since January of 2008 such as the HVCC, the Appraisal Management Companies, and the recession which has lowered the amount of business, that there is a good possibility that many trainees, including himself, will have a difficult time completing the amount of experience required in that three year time period. Mr. Steffen would like that time frame extended.

A vote was taken regarding making a change in extending the deadline. The vote was split with Vice Chair Morley and Board Member Throndsen voting no, and Chair Smith and Board Member Sjoblom voting yes. There will be no change at this time. The Division will write a letter to Mr. Steffen.

The Board discussed a letter submitted by J. Allan Payne regarding a draft rule on concessions. Mr. Payne was in attendance to present his proposal. Mr. Payne believes that concessions should be deducted from an appraisal because they do not reflect the market value. After discussing Mr. Payne's proposed rule, the Board voted. The vote was as follows: Vice Chair Morley, No; Board Member Throndsen, No; Board Member Sjoblom, No. Chair Smith did not vote for the record. The decision was that there will be no new rule at this time.

A motion was made and accepted to go into Executive Session from 10:45 a.m. to 11:27 a.m.

PUBLIC SESSION

Results of Executive Session:

The Board has approved the recommendations on the following lists:

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

Tyler Aicher, LA Candidate
David Burris, LA Candidate
Nathan Luke, LA Candidate
Levi West, LA Candidate

Diliya Berrett, CR Candidate
Janalyn Kennard, CG Candidate
Sam Mast, CR Candidate
Eric Bergstrom, LA Candidate

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

Gil McDougald, LA Candidate - Denied

Discipline List for Board's Consideration

James Tippetts, Approved

A motion was made and unanimously passed to adjourn the meeting at 11:30 a.m.