

APPRAISER LICENSING AND CERTIFICATION BOARD

Heber M. Wells Building

Room 210

9:00 a.m.

December 9, 2009

MINUTES

STAFF MEMEBERS PRESENT:

Deanna D. Sabey, Division Director
Mark Fagergren, Education/Licensing Director
Dee Johnson, Enforcement Director
Traci Gundersen, Assistant Attorney General
Jennie Jonsson, Hearing Officer
Renda Christensen, Board Secretary

BOARD MEMBERS PRESENT:

Ronald M. Smith, Chair
Craig Morley, Vice Chair
Paul W. Throndsen, Board Member
Debra Sjoblom, Board Member
Jeanette Payne, Board Member

GUESTS:

Allen Larsen
Darrin Liddell
Austin Christensen
Kevin Prowell

The December 9, 2009 meeting of the Appraiser Licensing and Certification Board began at 9:10 a.m. with Vice Chair Morley conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

The Minutes for the November 12, 2009 meeting were approved as written.

DIVISION REPORT

DIRECTOR'S REPORT – Deanna Sabey

Director Sabey said that she and Mr. Fagergren spoke last week at the 2009 Assessor School, and shared the same information with the Board today.

In the last five years, there has been a steady line of existing appraisers, but it now appears there are fewer new licensees. The peak number in 2008 was 531 new licensees, and that same number dropped in 2009, which had 307 licensees. During this same period of time, appraiser trainees peaked in 2007 at 257, and it has greatly dropped since then.

The number of complaints has increased in the last five years. Director Sabey believes that this reflects the trend in the economy. Mr. Johnson said that people have time to complain now, and that often times he sees licensees turning in each other. Board Member Thronsdon mentioned in 2008 there was an increase in the criteria, and applicants were trying to beat in the deadline for increased education.

Vice Chair Morley asked Director Sabey if there was anything on the legislative front that will affect the industry. She said there is a bill dealing with foreclosure rescue, loan modifications, and short sales being presented by Representative Wilcox. The Division's bill is being worked on by the Office of Legislative Council, and has not been officially put out for review. Most of bill applies to real estate, and not much will affect the appraiser side.

INVESTIGATIONS REPORT – Dee Johnson

Mr. Johnson reported in the month of October the Division received 22 complaints; screened 4 complaints; opened 15 cases; closed 14 cases; leaving the total number of appraisal cases at 92. Mr. Johnson said there are approximately 13 cases that are over one year old.

Mr. Johnson said there were no stipulations for the Board to review.

EDUCATION AND LICENSING REPORT – Mark Fagergren

Mr. Fagergren said the 2007 statistics referred to by Director Sabey appear to be artificially high, because people were trying to complete their segmented component of their application. He expressed the position that after January 1, 2011 (the deadline for completing segmented applications) we will get a true picture of the growth or decline in trainee numbers. The growth in Continuing Education instructors is due to the fact that courses are now being approved by the Division.

Mr. Fagergren said that Ms. Westbroek was involved in a significant car accident, and will be mending for quite some time. He believes that it will be at least a week before she can even start back on a temporary schedule. Mr. Fagergren is fielding the calls and request for information that are coming in. He is encouraging appraisers to renew early so there will be no lapse on the National Registry.

Mr. Fagergren said there are still many questions about AMC's. He recently received one regarding a AMC that is owned by another company, and they wanted to know who, or how many control persons (from the parent company that owns the AMC), need to report. He said that an officer in the parent company should submit a control person application. In addition, we would need the managing control person to apply.

Another issue came up at the Assessor's School meeting. Some of the attendees were trainees, and currently our system tracks CE banking for licensees only. The Division is working with Utah Interactive to start providing CE banking for trainees. Currently, the trainees will have to retain their CE certificates.

In a previous discussion with Mr. Larsen, the issue arose of prices being artificially inflated on some properties because the seller offers lower than market conditions for financial terms. Often times the financial terms are not reported fully, or they are not researched adequately appraisers, and this is another method people have found to find a way to inflate the value of their properties. Builders have been creating their own markets by owning their own mortgage company, and some will not release information for comparables. Mr. Johnson said Enforcement is looking into these types of situations.

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

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

Spencer Hurst, CR
Annabel Martinez, CR
Matthew Vance Lucas, CR
Brett Bills, CR
Jacob P. Thronsdon, CG
Robert A. Davis, CG – Chair Smith has recused himself

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

Brant Thorstrom, LA

Discipline List for Board's Consideration

Jonathan Heaton, Main Control Person
Kelly John Peterson, CR, Renewal
Stephen Howell, CR, Reciprocity
Steven A. Zenker, CG

COMMISSION AND INDUSTRY ISSUES

Ms. Jonsson said she filed the rule to make the AMC rule amendments effective as written, and it became effective that same day. She has had several calls from AMC's trying to get in compliance and get registered.

The amendments to the appraiser rules have all been submitted to the Division of Administrative Rules, and they have all been accepted for publication. Rule 110, which is the rule specifically dealing with trainee registration and requirements, is published and is out for public comment now. The comment period ends on December 31, 2009, which means that it can be made effective as early as January 7, 2010. The next scheduled Board meeting is on January 27, 2010. The Board made and passed a motion to make this rule effective on January 7, 2010 unless comments have been received.

Rule 101, 102, 104, and 105 will all be published for public comment on December 15, 2009, and can be made effective on January 21, 2010. Rule 106 would exempt certain

people acting in an official capacity from complying with USPAP. That rule is also going to be published on December 15, 2009; however, we have to hold our public hearing at the next Board meeting. Public comments have been extended through the end of business day on that date. The public hearing will be held at the next Board meeting on January 27, 2010, beginning at 9:00 a.m. One hour has been allocated for the meeting, and there is an option of extending it if there is activity. The date and time is published on the Division's website, and in the newsletter there is an article about rules that are out for public comments.

The next Division newsletter will be an e-newsletter sent out on December 31, 2009, with links that will take the person to the rule and information on the public comment session.

A motion was made and accepted to close the public portion of the meeting.

CLOSED TO PUBLIC

INFORMAL HEARINGS

10:12 W. Ken Cole, Jr. – Experience Review
Chair Smith has recused himself on this hearing.

A motion was made to go into Executive Session from 11:29 a.m. to 12:20 p.m.

CLOSED TO PUBLIC

Executive Session: Strategy Session to Discuss Pending Litigation – Blaine Ferguson and Laurie Noda, Assistant Attorneys General.

Deliberation on Informal Hearing
Review of Lists

OPEN TO PUBLIC

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

Spencer Hurst, CR
Annabel Martinez, CR
Matthew Vance Lucas, CR
Brett Bills, CR
Jacob P. Throndsen, CG
Robert A. Davis, CG

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

Brant Thorstrom, LA

Discipline List for Board's Consideration

Jonathan Heaton, Main Control Person - Approved

Kelly John Peterson, CR, Renewal – Place a hold on license account to prevent him from renewing on-line, and he must keep the Division updated on his case.

Stephen Howell, CR, Reciprocity - Approved

Steven A. Zenker, CG - Submitted information for updating purposes only on his case.

A motion was made and accepted to adjourn the meeting at 12:20 p.m.