

**STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
BOARD OF CERTIFIED REAL ESTATE APPRAISERS**

**MINUTES OF MEETING
March 5th, 2013**

By the authority of AS 08301.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Certified Real Estate Appraisers was held March 5, 2013, at the Atwood Building, 550 West 7th Avenue, Suite 1270, Anchorage, Alaska.

Call to Order/Roll Call

The meeting was called to order at 9:02 a.m. by Donna Rulien, Chair.

Those present, constituting a quorum of the Board:

Donna Rulien- Chair, Residential Real Estate Appraiser
Lance Cook, Residential Real Estate Appraiser
James Picard- Public Member, Mortgage Banking Executive

In attendance from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing:

KC Odell, Licensing Examiner
Don Habeger, Division Director
Jennifer Wirawan, Investigator

Board members who were not in attendance:

Clint Lentfer, General Real Estate Appraiser
April Moore, Public Member

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and no changes were made.

Upon a motion by Ms. Rulien, seconded by Mr. Cook and approved unanimously, it was:

MOVED to approve the agenda as written.

Agenda Item 2 – Review Minutes

The board reviewed the minutes of the September 25th, 2012 meeting. Board chair wanted to have one thing removed as it implies the board was not aware of something they were in fact aware of. The examiner agreed to remove it before finalizing the meeting minutes.

Upon a motion by Mr. Picard, seconded by Mr. Cook and approved unanimously, it was:

MOVED to approve the September 25, 2012 meeting minutes once amended.

The board decided to move on to agenda item four instead of three since Ms. Paige Hodson was present for the discussion on Appraisal management companies.

Agenda Item 4 – Overview of the Appraisal Management Companies Minimum Requirements

The board was joined by Paige Hodson who is a member of the Alaska chapter of the Appraisal institute. They have been working on the model language to allow for Appraisal management company registration in our state. Ms. Hodson and the Alaska chapter she is with has pulled regulatory language from a number of different states which already made this change to come into compliance with the Dodd-Frank federal law as reference tools. She provided the board with a copy of informative packets which are included in the official board packet the examiner holds. They would like to get a bill pre filed for next legislative session and are currently trying to get support from senate members. She encouraged the board members to do the same in their respective districts. Ms. Hodson stated that she would like to form a work group to go over the Department of Law's revision once the model language is submitted. So that the Alaska chapter of the Appraisal institute can work within the framework of their corrections, but fine tune everything that will be submitted to the legislature so that they know nothing is missing. One of the concerns that came up was of the Appraisal Management Companies being grouped together with the Real Estate Appraisers themselves. The appraisers apparently want the AMC's to be their own entity so that the Real Estate appraisal board, and subsequently their licensees, aren't footing the bill for investigative or legal cost to Appraisal management companies. According to Ms. Hodson, this is the consensus amongst licensees as well apparently as she has discussed the issue with a number of Anchorage area appraisers. The board asked what would happen if no one backs the bill that they're working on? Ms. Hodson didn't see that happening since a number of states already have this in place and they're federal requirements Alaska must prepare for, so the reason for this is already evident it's just a matter of finding someone who will do the "leg work" to get it in place. Board chair Donna Rulien offered her assistance to Ms. Hodson in any way possible, and stated that she would place a call to Mia Costello's office who is currently the representative that has expressed interest. The board thanked her for her time and efforts in assisting the board, and moved on to the investigative report since Jennifer Wirawan was present.

Agenda Item 5 – Investigative Report

Jennifer Wirawan joined the board to discuss her investigative report. She took a few minutes to introduce herself as this was her first meeting with the Appraisal board and gave them her background with the division of licensing. The board chair recommend that she attempt to join an appraiser in the Anchorage area such as herself or Clint Lentfer to do a sort of "ride along" to see exactly what the appraiser goes through. Jennifer liked the idea and said that she would keep in contact to schedule such a trip. She then presented the following report.

FY2013 statistics to date:

Cases Opened: 2

Cases Closed: 3

Open Cases:

2012-000869 Violating Professional Ethics Active

2012-000952 Violating Professional Ethics Active

Closed Cases:

Fraud or Misrepresentation Closed

3300-09-003 Negligence Closed

2012-000876 Negligence Closed

The board asked if any more detail could be provided regarding the specific type of complaints that are being made, and Jennifer explained that it could not due to confidentiality. The board thanked her for her detailed description of the investigative terminology as well as the peer review process, and for giving them a more thorough report than they were used to. With no further investigative matters to discuss the board decided to move on to the budget report since Division director Don Habeger had joined their meeting.

Agenda Item 6 – Budget Report

Director Habeger started by explaining the report the board had in front of them as well as the nomenclature that the division uses fiscally. The board chair asked the director to estimate what an "average case" would cost. He had looked into that previously and gave the board his estimates as best he could surmise from his few years dealing with those fees. Director Habeger also described what a consent agreement is between a licensee and the board, and what sort of costs are associated with that. He wanted to make clear that the board is the one who disciplines their licensees not the division of licensing. If the licensee chooses not to agree to the terms presented to them then it goes to a hearing process. The licensee and division both have opportunities to prove their case in front of the Administrative law judge. The board then ultimately decides whether or not to adopt the decision the Administrative law judge creates from the hearing. This board just went through this process with a licensee who ended up in the state supreme court and was quite costly to the board and profession as a whole. The board chair asked when the board gets an opportunity to find out exactly what happened with an investigation and/or subsequent litigation was necessary? The department of law had previously informed Director Habeger that any information available to the board regarding these cases has to also be available to the public and licensees in the profession, thus not all information is presented to protect confidentiality. He also informed the board that the Department of Law is the board's attorneys and if they want to request that they join a meeting to assist the board then they are free to do so at anytime.

The board chair then turned their conversation to the increase in licensing fees that was sent out just a few days prior to this meeting. Director Habeger informed the board that his reason for attending their meeting was precisely to address the increase in fees and explain what he could in response to their questions. He went on to inform the board that the Department of Law does in fact have a fund for reimbursement of excessive court fees such as the ones accrued through the Ketchikan case that this board just went through. It was utilized to somewhat help the board to not get hit directly with an excessive fee increase. The board thanked him on behalf of all licensed appraisers in Alaska for finding such an opportunity to "lessen the pain." Mr. Habeger went on to inform the board that the division has proposed a way to stabilize fees for all licensing boards through the legislature, but

since the bill had not been presented at the time of this meeting he could not go into any sort of detail with them due to confidentiality. Once it is presented in session the division will send out notification of the proposal to all board members with a helpful description of what it means to them. The board then asked about the sunset audit that they are currently going through and the director informed them that the auditors compile all their information and form an initial report. That should happen around late summer or early fall and it would be sent to both Director Habeger and the board chair for any sort of comment they may have. So no matter what they will be able to see what is happening with their board before the legislature adopts anything, at which point it would be open to the public. The Director encouraged the board to discuss the proposed increase in fees amongst themselves now that they had a chance to ask him questions and then make an official motion to recommend what they believe to be reasonable. He then wanted to explain to the board exactly what happened to cause the major fee increase two years ago. He went in depth to the division's processes and what was discovered from the last administration fiscally that caused a dramatic overhaul of the fees to cover costs. The board thanked him for his time and explanation. Having nothing further to discuss the board decided to move on to the next agenda item after a short break.

The board took a short break at 10:59a
The board resumed the meeting at 11:04a

Agenda Item 3 – Board Business

Ethics Reporting-

There were no ethics issues to disclose.

Ratify New Licenses-

- 892- Geoffrey Oliver
- 893- Bristol Whitmore
- 894- Richard Bass
- 895- Michael Strong
- 896- Carol Norquist
- 897- Taft Tracey
- 898- Jason Graves
- 899- John Parsons
- 900- Todd Hawes
- 901- Brian O'Conner
- 902- Jennifer Forschler
- 903- Heather Martin
- 904- Frank Wagner
- 905- Joseph Key
- 906- Ronald Owens
- 907- Christopher Roach
- 908- Dean Myers
- 909- Shoeyb Yousofy
- 910- Sarah Aday
- 911- Sharilyn Moistner
- 912- *not issued*
- 913- Edward Baum
- 914- Peter Moegenburg

Review Annual Reports

The board reviewed their last annual report from fiscal year 2012, as well as another annual report from a different profession for comparison. Newly appointed board chair Donna Rulien will need to create the 2013 fiscal year annual report before the end of June.

Review Goals and Objectives FY13-

The board reviewed their fiscal year 2013 goals and objectives and wanted to add a goal eleven regarding coming into compliance with Dodd-Frank federal requirements and create a way to register Appraisal Management Companies.

Upon a motion by Mr. Cook, seconded by Mr. Picard and approved unanimously, it was:

MOVED to add a goal eleven to their goals and objectives to read: "Come into regulatory compliance with Dodd-Frank regarding Appraisal management company registration."

Agenda Item 7 – Application Review

The board reviewed seven certification applications; three for certification as a Residential Appraiser, two for certification as a General appraiser, and two for Courtesy licensure.

After reviewing all of the license applications the board members handed in the voting ballot containing all their votes attached to each individual application packet. Let the record show they have approved these applicants for licensure:

Certified residential real estate appraiser by examination
Kathy Hardenbrook
Melanie Breitenbach
Alan Higginbotham

Certified general real estate appraiser by endorsement
Nancy Dawn
Brian Younge

Real estate appraisal courtesy license
William Drewes
Stephen Brackett

Agenda Item 8 – Course Approval

After reviewing both of the educational course approval applications the board members handed in the voting ballot containing all their votes attached to each individual application packet. Let the record show they have approved these courses for continuing education:

McKissock, LP
FHA for today's appraiser: Live Webinar - #10867

Oncourse learning center DBA: Career Webschool
An FHA single family appraisal - #9342

The board recessed for lunch at 11:50a

The board resumed the meeting at 1:07p

Agenda Item 9 – Public Comment

Board chair called the meeting back to order and having no one present for public comment decided to move on with their meeting.

Agenda Item 10 – Regulation Change to allow Appraisal Management Companies

The board wished to continue to assist Paige Hodson, who joined them earlier, and the rest of the Alaska chapter of the Appraisal Institute in getting language to allow Appraisal Management Companies to be registered in Alaska.

Upon a motion by Ms. Rulien, seconded by Mr. Cook and approved unanimously, it was:

MOVED to continue working with Paige Hodson and the Alaska chapter of the Appraisal Institute to finalize the language they've already begun working on to allow for Appraisal Management Companies in the state of Alaska to become registered. They will continue to work with the A.I. to find a legislator to present their bill next legislative session (2014).

The board briefly discussed what would happen if the state of Alaska wasn't able to form a way to register AMC's before the federal deadline to do so. There was some speculation, but it was obvious that that is not what the board or the licensee's would want to happen. What's best for Alaska is to get this language drafted, approved, and presented to the legislature as soon as possible.

The licensing examiner handed out a packet of research information that would help the board members learn a little more about the Dodd-Frank federal regulations that all states must come into compliance with. Another copy of the same information has been filed with the examiners board packet.

Agenda Item 11 – New Board Business

The board wanted to state their fee recommendations on record as previously suggested by Director Habeger.

Upon a motion by Mr. Picard, seconded by Mr. Cook and approved unanimously, it was:

MOVED to recommend that the suggested fee increase for Biennial certification renewal fee be reduced to \$1000.00, that trainee registration fee and renewal fee be reduced to \$400.00, the fee for course approval be reduced to \$300.00, and the courtesy license fee be *increased* to \$350.00. They also recommend that the fees regarding subsequent renewal of these certifications be reduced to the same amounts as listed above.

It was discovered after the board meeting on 3/7/13 by the examiner that the courtesy license fee cannot be increased or decreased as the board had intended. So any recommendation to change that fee will not be permissible.

Agenda Item 12 – Correspondence

The board only had one piece of correspondence to review. It was from Jim Park who is the executive director for the Appraisal subcommittee. It was a notification to all state boards that the "Appraisal Complaint National Hotline" will begin operation no later than March 29th, 2013. Having nothing else to review the board moved on to the last agenda item: administrative business.

Agenda Item 13 – Administrative Business

Schedule Next Meeting

The board has a teleconference scheduled for May 23rd, 2013 with the Appraisal Institute's Neal Fenochietti to discuss the audit this board is under.

The next physical board meeting is scheduled for October 2nd, 2013 in Anchorage.

Sign Certificates

The board had no wall certificates they needed to sign.

Meeting Minutes

The September 25th, 2012 meeting minutes were signed.

Sign TA's and Collect Receipts

Blank Travel Authorization forms were signed by the board and the completed authorizations will be submitted when all receipts have been received.

Upon a motion by Mr. Picard, seconded by Mr. Cook and approved unanimously, it was:

MOVED to adjourn the March 5th, 2013 board meeting.

There being no further board business, the meeting adjourned at 1:42 p.m.

Respectfully Submitted:

Laura Carrillo (For KC Odell)
Licensing Examiner

Approved:

Dave Derry (For Donna Rulien, Chair)

Date