

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY, & ECONOMIC DEVELOPMENT
3 DIVISION OF CORPORATIONS, BUSINESS, & PROFESSIONAL LICENSING

4 BOARD OF CERTIFIED REAL ESTATE APPRAISERS

5
6 MINUTES OF THE BOARD MEETINGS

7 Monday, August 13, 2018
8

9 By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a
10 scheduled meeting of the Board of Certified Real Estate Appraisers was held via teleconference on
11 Monday, August 13, 2018.
12

13 **Agenda Item #1** **Call to Order/Roll Call**

14
15 The meeting was called to order at 10:10 a.m. by David Derry, Chair.
16

17 Those present, constituting a quorum of the Board:

18 David Derry, Chair, Certified General Real Estate Appraiser
19 Wendy Lawrence, Certified Residential Real Estate Appraiser (joined at 10:42 a.m.)
20 Renee Piszczek, Mortgage Lending Member
21 Robert Tracy, Certified Residential Real Estate Appraiser
22

23 Division Staff present in the meeting:

24 Dawn Dulebohn, Occupational Licensing Examiner
25 Greg Francois, Chief Investigator
26 Amber Whaley, Senior Investigator
27 Sara Chambers, Deputy Director
28

29 **Agenda Item #2** **Ethics Disclosure/Review Ethics**

30
31 There were no ethics issues to disclose.
32

33 **Agenda Item #3** **Review Agenda**

34
35 Chair David Derry prompted the Board to review the meeting agenda. There were no changes
36 made to the agenda.
37

38 **Agenda Item #4** **Draft and Approve New Regulations**
39

40 Proposed Amendment to Definitions

41

42 In the July 25, 2018 it was noted by Chair David Derry that 12 AAC 70.990(1) “Standard 1 and
43 Standard 2 of’ should be removed from the definition because Uniform Standards of Professional
44 Appraiser Practice (USPAP) has different spectrums that apply ad valorem for appraisals and
45 appraiser review and rather than specify the sections, the board feels it’s better to just reference
46 USPAP. OLE Dulebohn drafted an amended version of 12 AAC 70.990(1) to read: “*appraisal*
47 *experience” includes fee and staff appraisals, ad valorem tax appraisals, appraisal reviews, appraisal analysis, real*
48 *estate counseling, and feasibility analysis and study, all of which must have been performed in accordance with*
49 *Standard 1 and Standard 2 of the Uniform Standard of Professional Appraisal Practice.*

50

51 **In a motion made by Renee Piszczek, seconded by Robert Tracy, and passed unanimously**
52 **with a roll call vote, it was RESOLVED to APPROVE the amendment as written for 12 AAC**
53 **70.990(1).**

54

55 AQB Criteria 2018 Change

56

57 Mr. Derry directs the board to address the regulations changes needed for Alaska to comply with
58 The Real Property Appraiser Qualification Criteria (AQB) that went into effect May 1, 2018 in
59 accordance with AS 08.87.020(3) that states that the board *may not be more stringent than the corresponding*
60 *minimum requirements for receiving approval of the state’s program of certification of real estate appraisers under 12*
61 *U.S.C. 3331-3351 or other federal law.*

62

63 *Sara Chambers joined at 10:12 a.m.*

64

65 Board Member Wendy Lawrence was assigned in the July 25, 2018 meeting to go through and
66 identify the changes that need to be made to regulation and draft an outline to present to the board.
67 The board went line by line to review and discuss those changes made by Ms. Lawrence.

68

69 **In a motion made by Robert Tracy, seconded by Renee Piszczek, and passed unanimously**
70 **with a roll call vote, it was RESOLVED to APPROVE the amendment as written for 12 AAC**
71 **70.115(c)(d) and ADOPT The Real Property Appraiser Qualification Criteria 2018 by**
72 **reference.**

73

74 *Wendy Lawrence joined at 10:42 a.m.*

75

76 The board went on to discuss the notes by Ms. Lawrence regarding 12 AAC 70.108(a)(b) and the
77 reference *the board will only accept work experience that was obtained after January 30, 1989 and was performed*
78 *in compliance with Standard 1 and Standard 2 of the Uniform Standards of Professional Appraisal Practice*
79 *(USPAP) in effect at the time that the work experience was obtained.* OLE Dulebohn directs the board to
80 the reference in AS 08.87.020(3) and the board determined that this regulation is included because of

81 Title XI. Mr. Derry reminds the board that this verbiage also has the antiquated reference to
82 “Standard 1 and Standard 2” and asks for a motion to remove it from regulation.

83

84 **In a motion made by Renee Piszczek, seconded by Robert Tracy, and passed unanimously**
85 **with a roll call vote, it was RESOLVED to APPROVE the amendment as written for 12 AAC**
86 **70.108(a)(b).**

87

88 *Sara Chambers left at 10:58 a.m.*

89

90 The board went back to 12 AAC 70.115(b)(10), (d), and (d)(10) to discuss the removal of: *of which at*
91 *least 100 hours must be completed not later than five years immediately preceding the date of a complete application*
92 from (d), the addition of (*may include hours over minimum from above course topics*) to (b)(10), and the
93 addition of (*may include hours over minimum from above course topics*) to (d)(10).

94

95 **In a motion made by Robert Tracy, seconded by Wendy Lawrence, and passed unanimously**
96 **with a roll call vote, it was RESOLVED to APPROVE the amendment as written for 12 AAC**
97 **70.115.**

98

99 The board goes on to 12 AAC 70.108(a)(b) to address the changes to hours for work experience for
100 both general and residential real estate appraisers. As Ms. Lawrence shows in her draft, applicants
101 for general will now have to complete their 3,000 hours of work experience in 18 months instead of
102 30 and applicants for residential will have their hours reduced from 2,500 to 1,500 and be allowed to
103 complete them in 12 months instead of 24 months.

104

105 **In a motion made by Renee Piszczek, seconded by Robert Tracy, and passed unanimously**
106 **with a roll call vote, it was RESOLVED to APPROVE the amendment as written for 12 AAC**
107 **70.108.**

108

109 Next the board discussed the recommended changes by Ms. Lawrence to 12 AAC 70.125 to add an
110 item (c) the specify the classes to be completed by applicants for trainee appraisers. After
111 discussion, the board decided to not add anything to 12 AAC 70.125 but instead amend 12 AAC
112 70.140(c) to change the reference to the AQB Criteria January 1, 2015 to reference the AQB Criteria
113 May 1, 2018.

114

115 **In a motion made by Wendy Lawrence, seconded by Robert Tracy, and passed unanimously**
116 **with a roll call vote, it was RESOLVED to APPROVE the amendment as written for 12 AAC**
117 **70.140 and delete the change to her draft for 12 AAC 70.125(c).**

118

119 The board goes on to discuss 12 AAC 70.130(a) and the removal of *within the 24 months immediately*
120 *preceding the date of certification*. Ms. Lawrence stated that she believes it should be removed because it
121 is not in the new AQB Criteria 2018. The board references the AQB Criteria 2018 and OLE

122 Dulebohn directs the board to page 10, IV where the reference still stands. The Chair asks OLE
123 Dulebohn to correct Ms. Lawrence's regulation draft to reflect this information.

124
125 OLE Dulebohn asks whether the board would like to complete the Regulations Questionnaire
126 during the meeting or to appoint a board member to complete it and turn it in after the meeting.
127 Mr. Derry asks for a volunteer to complete the Regulations Questionnaire for the AQB Criteria
128 2018 regulations changes and Ms. Lawrence volunteered.

129
130 **TASK:**
131 **Wendy Lawrence will send the completed Regulations Questionnaire for the AQB**
132 **Criteria 2018 regulations change to OLE Dulebohn by close of business on August 15, 2018.**

133
134 SB 155 (Appraisal Management Companies)

135
136 The board begins their discussion of the needed changes stemming from the passing of SB 155
137 which addresses Appraisal Management Companies and the formation of a SB 155 Subcommittee
138 that was scheduled to meet on August 8, 2018 to formulate a regulations product to bring to the
139 current meeting for review and approval by the board.

140
141 The following outline was provided to the board by Regulations Specialist Sher Zinn as a tool to aid
142 their subcommittee meeting and subsequently the board's discussion of the needed regulations
143 pertaining to SB 155.

144
145 What SB 155 requires-

- 146 • Registration of real estate management companies- new license type, establish standards and
147 procedures for registration
- 148 • 08.87.020(a)-Establish standards for real estate appraisal management company's appraiser
149 panel, including size and member qualifications
- 150 • Report relevant information and disciplinary actions reported to the federal Appraisal
151 Subcommittee
- 152 • 08.87.020(b)- The board may examine records of the company, require the company to submit
153 reports, information and documents to the board, investigate violations of this chapter, conduct
154 background investigations
- 155 • 08.87.130- Registration required for a person as a real estate AMC
- 156 • 08.87.135(a)- Registration required for a company as a real estate AMC, must have a designated
157 controlling person who is the main point of contact meeting certain requirements, must have a
158 registered agent in Alaska if the company is not in Alaska, requires an appraiser to meet the
159 Uniform Standards of Professional Appraisal Practice, engages only appraisers who are certified
160 by the state, has a process to verify the person assigned to serve on the panel is certified and
161 qualified under to conduct federally related transactions
- 162 • May not be owned in part or whole by a person that has had a certificate to act as a real estate
163 appraiser denied, cancelled, suspended, revoked, etc., unless the person has had the certificate

164 reinstated

165 • Posted a surety bond no greater than \$50,000, set by the board in regulations

166 • Owned by persons meeting the requirements in (c) of this section

167 • 08.87.135(b)- a controlling person designated under (a) must be actively certified in a state as a

168 real estate appraiser at all times, may not have had a certificate denied, cancelled, suspended,

169 revoked, put on probation, or surrendered in lieu of a pending revocation in any state unless the

170 person has later had the certificate to act as a real estate appraiser granted or reinstated, and

171 must be of good moral character

172 • 08.87.135(d)- the board shall provide a copy of a registration under this section to the Appraisal

173 Subcommittee established under federal law on a form approved by the subcommittee

174 • 08.87.140- mandatory reporting by an AMC to the Appraisal Subcommittee of a real estate

175 appraiser that has failed to comply with the Uniform Standards of Professional Appraisal

176 Practice under federal law in a manner that materially affects a valuation appraisal

177 • 08.87.142- An AMC reporting to a borrower shall separately state fees paid to an appraiser for

178 the appraisal, and the fee charged to the borrower for the appraisal by the AMC.

179 • 08.87.145- retention of records and inspection by the board

180 • 08.87.150- Reporting requirements for federally regulated AMCs- annual submission to the

181 board of information that the board is required to submit to the Appraisal Subcommittee

182 including: report of intent to operate in the state, and disclosure of whether the company is

183 directly or indirectly owned in whole or in part by any person that has had a certificate to act as

184 a real estate appraiser denied, cancelled, suspended, revoked, put on probation, or surrendered

185 in lieu of a pending revocation in any state.

186 • 08.87.155- exemptions, outlines who is exempt

187 • 08.87.215- prohibited practices

188 • 08.87.220- disciplinary proceedings; outlines disciplinary action under AS 08.01.075. May also

189 suspend or revoke a registration for an AMC if the company has ceased to operate in the state

190 as an AMC under (5).

191 • 08.87.900- new definitions.

192 The act takes effect January 1, 2019, but the board may not enforce registration of the AMC until

193 March

194 1, 2019.

195 What regulations will be needed- a new section for each,

196 1. Application instructions for a company owning an AMC- new section outlining application

197 instructions and qualifications, and a copy of bond. This should include an individual as

198 described in 08.87.130.

199 2. Definition of good moral character, and who must be of good moral character

200 3. Bonding requirements set in regulation by the board no greater than \$50,000

201 4. Renewal requirements- Must meet the requirements in 08.87.135(a) through (c)- includes

202 background investigation, proof of bonding, designated controlling person, registered agent if

203 required under (a)(2), etc.

204 5. Reporting requirements, annually by board. What will the AMC be required to submit annually?

205 Possibly a form the AMC completes on an annual basis and submits to the board.

206 6. Standards for AMC panel and qualifications of members

207

208 The SB 155 subcommittee met on August 8, 2018 and was comprised of David Derry, Renee
209 Piszczek, and Robert Tracy. They were asked to send the draft regulations product stemming from
210 that meeting to OLE Dulebohn upon its conclusion. The subcommittee submitted the following
211 document for board review and approval:

212

213 What SB 155 requires-

214 • Registration of real estate management companies- new license type, establish standards and
215 procedures for registration

216 **AK Board:** As specified in the Statute; this will include application, fees, documentation to verify
217 all issues required. Verification by State staff of each of the required items. Then
218 consideration/approval by the Board. 08.87.135.

219 • 08.87.020(a)-Establish standards for real estate appraisal management company's appraiser
220 panel, including size and member qualifications

221 **AK Board: Follow Federal ASC requirement:**

222 -15 or more appraisers registered in AK; or 25 or more nationally in 2 or more states.

223 -State credentialed, follow USPAP, and have necessary geographic competency for the market
224 area for where the work is performed.

225 • Report relevant information and disciplinary actions reported to the federal Appraisal
226 Subcommittee

227 **AK Board:** See Section C, Policy Stmt. 9, ASC Final Revised Policy Statements, 3-2018; pg. 43.

228 • 08.87.020(b)- The board may examine records of the company, require the company to submit
229 reports, information and documents to the board, investigate violations of this chapter, conduct
230 background investigations

231 **AK Board:** The board wants to maintain the authority to perform the steps listed (steps 1-4), as
232 needed, and as part of the bi-annual renewal. For more specifics, refer to Oregon regs; Chapter
233 161-560-0010, 161-560-0020 & 161-570-0010 (Duty to cooperate).

234 • 08.87.130- Registration required for a person as a real estate AMC

235 **AK Board:** In this case, "person" and company are considered synonymous; details are specified.

236 • 08.87.135(a)- Registration required for a company as a real estate AMC, must have a designated
237 controlling person who is the main point of contact meeting certain requirements, must have a
238 registered agent in Alaska if the company is not in Alaska, requires an appraiser to meet the
239 Uniform Standards of Professional Appraisal Practice, engages only appraisers who are certified
240 by the state, has a process to verify the person assigned to serve on the panel is certified and
241 qualified under to conduct federally related transactions

242 **AK Board:** All items that are required for application for registration in AK. And should be
243 listed/included on the application. The "Controlling Person" must be a credentialed appraiser, in
244 good standing.

245 • May not be owned in part or whole by a person that has had a certificate to act as a real estate
246 appraiser denied, cancelled, suspended, revoked, etc., unless the person has had the certificate
247 reinstated

248 **AK Board:** In conformance with ASC Final Revised Policy Stmts., 3-2018; Policy Stmt. 8, 2, A, pg.
249 39.

250 • Posted a surety bond no greater than \$50,000, set by the board in regulations

251 **AK Board:** Provide confirmation/evidence of the bond in the amount of \$50K.

252 • Owned by persons meeting the requirements in (c) of this section
253 **AK Board:** Requires to be disclosed as part of the initial application process and on each
254 subsequent renewal or any changes in ownership.
255 • 08.87.135(b)- a controlling person designated under (a) must be actively certified in a state as a
256 real estate appraiser at all times, may not have had a certificate denied, cancelled, suspended,
257 revoked, put on probation, or surrendered in lieu of a pending revocation in any state unless the
258 person has later had the certificate to act as a real estate appraiser granted or reinstated, and
259 must be of good moral character
260 **AK Board:** Yes, as written. Any changes in the designated Controlling Person, must be reported
261 to the state (AK) within 30 days of such change.
262 • 08.87.135(d)- the board shall provide a copy of a registration under this section to the Appraisal
263 Subcommittee established under federal law on a form approved by the subcommittee
264 **AK Board:** Per the ASC Final Revised Policy Stmts. 3-2018; this is reported electronically to the
265 ASC. Policy Stmt. 9, C & D, pg. 43.
266 • 08.87.140- mandatory reporting by an AMC to the Appraisal Subcommittee of a real estate
267 appraiser that has failed to comply with the Uniform Standards of Professional Appraisal
268 Practice under federal law in a manner that materially affects a valuation appraisal
269 **AK Board:** Follow as specified in the statute.
270 • 08.87.142- An AMC reporting to a borrower shall separately state fees paid to an appraiser for
271 the appraisal, and the fee charged to the borrower for the appraisal by the AMC.
272 **AK Board:** -The appraiser contracted by the AMC will report in the appraisal report the fee paid
273 to him/her by the AMC.
274 • 08.87.145- retention of records and inspection by the board
275 **AK Board:** Oregon regs-161-550-0020; Maintain records 5 yrs.; etc.
276 • 08.87.150- Reporting requirements for federally regulated AMCs- annual submission to the
277 board of information that the board is required to submit to the Appraisal Subcommittee
278 including: report of intent to operate in the state, and disclosure of whether the company is
279 directly or indirectly owned in whole or in part by any person that has had a certificate to act as
280 a real estate appraiser denied, cancelled, suspended, revoked, put on probation, or surrendered
281 in lieu of a pending revocation in any state.
282
283 **AK Board:** As specified in the Statute; federally regulated AMCs are not subject to Alaska
284 regulation, but must provide the information as detailed in the statute.
285 • 08.87.155- exemptions, outlines who is exempt
286 **AK Board:** As specified in the Statute; clearly delineated and specific.
287 • 08.87.215- prohibited practices
288 **AK Board:** As specified in the Statute.
289 • 08.87.220- disciplinary proceedings; outlines disciplinary action under AS 08.01.075. May also
290 suspend or revoke a registration for an AMC if the company has ceased to operate in the state
291 as an AMC under (5).
292 **AK Board:** As specified in the Statute.
293 • 08.87.900- new definitions.
294 **AK Board:** See Appendix B, Glossary of Terms, ASC Final Revised Policy Statements, 3-2018; pg.
295 59.

296 The act takes effect January 1, 2019, but the board may not enforce registration of the AMC until
297 March
298 1, 2019.

299 What regulations will be needed- a new section for each,

300 1. Application instructions for a company owning an AMC- new section outlining application
301 instructions and qualifications, and a copy of bond. This should include an individual as
302 described in 08.87.130.

303 2. Definition of good moral character, and who must be of good moral character

304 3. Bonding requirements set in regulation by the board no greater than \$50,000

305 4. Renewal requirements- Must meet the requirements in 08.87.135(a) through (c)- includes
306 background investigation, proof of bonding, designated controlling person, registered agent if
307 required under (a)(2), etc.

308 5. Reporting requirements, annually by board. What will the AMC be required to submit annually?
309 Possibly a form the AMC completes on an annual basis and submits to the board.

310 6. Standards for AMC panel and qualifications of members

311 *AK Board subcommittee; 8/8/18*

312 *D. Derry*

313 *R. Tracy*

314 *R. Piszczek*

315

316 The subcommittee also submitted the Regulations Questionnaire on August 8, 2018.

317

318 Mr. Derry goes on to state that he did not feel like there was much “wobble room” for the board to
319 formulate regulations because of the specific language of SB 155. He goes on to state that whatever
320 regulation the board has formulated will be subject to extensive review by the Real Estate Valuation
321 Advocacy Association’s (REVAA) lobbying organization for Appraisal Management Companies.

322

323 At this time, Mr. Derry invites advice from the SB 155 Regulations Team which is comprised of Sara
324 Chamber and Greg Francois. Hearing nothing from Mr. Francois and as Sara Chambers had not
325 rejoined the meeting, OLE Dulebohn reminds the board that given the time constraints involved
326 with this project, Ms. Chambers had previously urged the board to deliver as close to a final product
327 as possible to the regulations specialists. She goes on to reiterate to the board that the regulations
328 specialist will mainly just format the information that the board has provided to them and the
329 Department of Law will just consult on things to do with Alaska law.

330

331 OLE Dulebohn goes on to address the board on some items from Regulation Specialists Zinn’s
332 outline that she does not see were clarified by the board. The first item is #2 on whether the board
333 had a definition of “good moral character”. Mr. Derry and Mr. Tracy state that they found a
334 definition in case law which states that “good moral character” refers to a personal history of
335 honesty, fairness, and respect for the rights of others and for state and federal law.

336 An individual applying for registration is ineligible due to failure to satisfy the requirement of good
337 moral character if:

338 a. there is a substantial connection between the lack of good moral character of the individual and
339 the professional responsibilities of a registered contractor; and

340 b. the finding by the board of lack of good moral character is supported by clear and convincing
341 evidence.

342

343 Mr. Derry asks that Mr. Tracy send OLE Dulebohn that definition to include in the meeting
344 minutes and to forward on to the regulations specialists. OLE Dulebohn also asks the board if they
345 would like to add the definition of “good moral character” to 12 AAC 70.990 Definitions.

346

347 **TASK:**

348 **Robert Tracy will send the definition of “good moral character” as decided by the**
349 **SB155 subcommittee to OLE Dulebohn by close of business August 13, 2018.**

350

351 Mr. Derry asks the board for a motion to adopt the regulations product from the SB 155
352 Subcommittee as written with the addition of the definition of “good moral character”. OLE
353 Dulebohn interjects to ask about the other items from the regulation outlines such as #5 “What will
354 the AMC be required to submit annually?” and #6 “Standards for AMC panel and qualifications of
355 members”. Mr. Derry responds that #5 is already addressed in the language for SB 155 and that the
356 board does not need to make a regulation pertaining to them. Mr. Derry goes on to state that there
357 is no such thing as an AMC panel, the board will be overseeing the AMC, and qualifications for
358 appraisers is already specified in SB 155.

359

360 **In a motion made by Renee Piszczek, seconded by Wendy Lawrence, and passed**
361 **unanimously with a roll call vote, it was RESOLVED to APPROVE the drafted regulations**
362 **to go to the regulations specialist as written for SB 155 and to ADD the stated definition of**
363 **“good moral character” to 12 AAC 70.990.**

364

365 Mr. Derry asks OLE Dulebohn to give a brief overview of the steps involved with the process of
366 regulations. Mr. Derry asks OLE Dulebohn to relay to the regulations specialists that if they have
367 any questions, they can contact him or Rob Tracy directly and they will confer with other board
368 members if need be and get back to them. OLE Dulebohn reminds Mr. Derry that the board
369 cannot conduct business outside of a publicly noticed meeting but if the board would like to appoint
370 Mr. Derry as a representative in this matter, a motion and vote would be in order.

371

372 **In a motion made by Wendy Lawrence, seconded by Renee Piszczek, and passed**
373 **unanimously with a roll call vote, it was RESOLVED to APPOINT David Derry to**
374 **represent the board to the regulations specialist in the matter of regulations pertaining to SB**
375 **155.**

376

377 Mr. Derry invites Mr. Francois to contribute any additional guidance or information that should be
378 addressed. Hearing none, Mr. Derry asks for a motion to adjourn.

379

380 **Agenda Item #14 Adjourn**

381

532 appraisal analysis, real estate counseling, and feasibility analysis and study, all of which must
533 have been performed in accordance with the Uniform Standards of Professional Practices
534 described in 12 AAC 70.900; because of updates to the Uniform Standards of Professional
535 Practices. OLE Dulebohn volunteers to re-write this regulation to present to the board for review
536 and approval at the August 13, 2018 meeting.

537

538 **TASK:**

539 **OLE Dulebohn will draft the amended language to 12 AAC 70.990(1) for the board to**
540 **review and approve during their August 13, 2018 meeting. She will distribute it to the**
541 **board prior to that meeting via OnBoard.**

542

543 OLE Dulebohn asks the board for guidance as to how much time they will need for both the
544 August 8, 2018 subcommittee and August 13, 2018 teleconference in order to public notice it
545 properly. Chair Derry responds that three hours should be adequate for each meeting.

546

547 **Agenda Item #11 Adjourn**

548

549 At this time the board concluded all scheduled business

550

551 **In a motion made by Donald Faulkenburry, seconded by Wendy Lawrence, and passed**
552 **unanimously, it was RESOLVED to ADJOURN.**

553

554 Hearing nothing further, Chair David Derry adjourned the meeting and the record ended at 2:14
555 p.m.

556

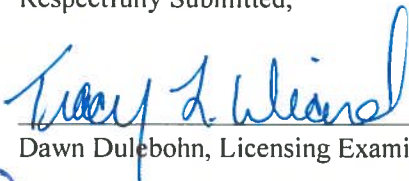
557 Respectfully Submitted,

558

559

560

561


Dawn Dulebohn, Licensing Examiner

10/9/2018
Date

562

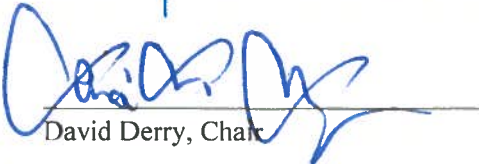
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David Derry, Chair

9/24/2018
Date