

Department of Commerce, Community
and Economic Development

Division of Corporations, Business
and Professional Licensing

**Alaska Board of Certified Real
Estate Appraisers
Annual Report**

Fiscal Year 2023



Department of Commerce, Community and Economic Development Division
of Corporations, Business and Professional Licensing

P.O. Box 110806

Juneau, Alaska 99811-0806

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**Alaska Board of Certified Real Estate Appraisers
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Identification of the Board

Board Member	Duty Station	Date Appointed	Term Expires
<p>Mae Hayes Chairman - Certified Residential Appraiser</p>	<p>Wasilla</p>	<p>September 18, 2020</p>	<p>March 1, 2024</p>
<p>Valery Kudryn Certified Residential Appraiser</p>	<p>Wasilla</p>	<p>March 1, 2022</p>	<p>March 1, 2026</p>
<p>William McKean Mortgage Industry Executive</p>	<p>Anchorage</p>	<p>March 1, 2021</p>	<p>March 1, 2025</p>
<p>Vacant Certified General</p>			
<p>Vacant Public Member</p>			

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Identification of Staff

Jun Maiquis – Regulations Specialist II

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Division of Corporations, Business and Professional Licensing
P.O. Box 110806
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(907) 465-2550

Nancy Harris – Executive Administrator

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(907) 269-8160

Sara Sather – Licensing Examiner

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550 West 7th Avenue, Suite 1500
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(907) 269-8160

Erika Prieksat – Senior Investigator

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550 West 7th Avenue, Suite 1500
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(907) 269-8160

Anna Gabriel – Investigator

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Narrative Statement

The Board of Certified Real Estate Appraisers (Board) has been endowed with the powers and duties conferred by AS 08.01, and the mandate to establish the examination specifications for certification as a general and residential real estate appraiser, the adoption of rules of professional conduct, and the adoption of regulations to carry out the purposes of this chapter, including regulations necessary to comply with the federally regulated requirements of 12 U.S.C. 3331-3351. Towards the goal of accomplishing these mandates, the Board met 5 times in FY 2023 via videoconference. All Board Meetings were public-noticed, and a copy of the agenda was made available to the public on the Board's website. Meeting minutes were approved at subsequent meetings and were also posted on the Board's website. The Board Regulation Committee has also met 3 times in FY 2023 via video conference.

The Board continued to conduct regular business including the review and approval of new licenses, as well as the registration and regulation of the Appraisal Management Companies (AMC's). Concerning AMC's, FY 2023 so far has 1 new AMC license issued. 2022 had 8 new AMC licenses issued. 2021 had 5 new AMC licenses issued. There are currently 85 active AMC licenses. Appraiser Certifications Applications for appraisal certifications were approved, denied, or pended on a case-by-case basis, following Board consideration. Review and determination encompassed applicants for General and Residential Certification, taking into consideration education, experience, work product review, and successful completion of the applicable approved examination. The Board also processed applications for Registered Appraisal Trainees, Trainee Supervisors, applications for Certification by Reciprocity and Courtesy Licenses. In FY 2023, a total of 33 new licenses were approved including General, Residential and Trainee Licenses, and 44 Courtesy Licenses were issued.

Appraiser disciplinary review complaints and/or conduct concerns have continued to be reported by the assigned departmental investigator to the Board. When needed, the investigator engaged the Board to advise and/or assist on technical appraisal issues. In FY 2023, we had three complaints that were submitted as an inquiry, but the complainant never filled out a complaint packet for further review. 4 cases remain open, 2 closed with no violation, 1 revoked by respondent failing to respond/participate in the complaint process.

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Budget Recommendations for FY 2024

Budget Recommendations section anticipates the board’s fiscal priorities for the upcoming year. Please complete all parts of this section with details about anticipated meetings, conferences, memberships, supplies, equipment, to other board requests. Meeting expenses that are being funded through third-party reimbursement or direct booking must be identified separately from expenses paid through license fees (receipt- supported services or RSS). Be sure to explain any items listed as “other” so they may be tracked appropriately.

Board Meeting Date	Location	# Board	# Staff
August 22, 2023	Videoconference	5	1-3
<input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Other (Please Specify):			
Total Estimated Cost:			\$0.00

Board Meeting Date	Location	# Board	# Staff
November 7, 2023	Videoconference	5	1-3
<input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Other (Please Specify):			
Total Estimated Cost:			\$0.00

Board Meeting Date	Location	# Board	# Staff
February 20, 2024	Videoconference	5	1-3
<input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Other (Please Specify):			
Total Estimated Cost:			\$0.00

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Budget Recommendations for FY 2024 (continued)

Board Meeting Date	Location	# Board	# Staff
May 21, 2024	Videoconference	5	1-3
<input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Other (Please Specify):			
			Total Estimated Cost: \$0.00

Travel Required to Perform Examinations			
<input checked="" type="checkbox"/> Not Applicable			
Date	Location	# Board	# Staff
Description of meeting and its role in supporting the mission of the Board:			
<input type="checkbox"/> Airfare: <input type="checkbox"/> Hotel: <input type="checkbox"/> Ground: <input type="checkbox"/> Conference: <input type="checkbox"/> Other (Please Specify): Click or tap here to enter text.			
			Total Estimated Cost: \$0.00

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Budget Recommendations for FY 2024 (continued)

Out-of-State Meetings and Additional In-State Travel (Rank in order of importance)

#1 Rank in Importance or Not Applicable

Date	Location	# Board	# Staff
October 6-9, 2023 (Tentative)	Salt Lake City, Utah (Tentative)	2	1

Description of meeting and its role in supporting the mission of the Board:

To effectively serve the public and licensees, it is imperative to stay up to date with current information, policies, and regulations. AARO training will support our role as regulatory officials and ultimately best serve the public.

Attendance of the AARO Conference provides valuable firsthand training with policy makers themselves and collaborative discussion opportunities for regulatory officials regarding both appraisers and appraiser management companies. The appraiser management companies (AMC) are federally mandated, and it can be a very complicated process. As management of AMCs is a newer process, it is important to stay informed with any changes and updates. Additionally, the Appraisal Subcommittee (ASC) members will be presenting at the conference, which provides regulatory officials needed information and updates to remain current with the federally regulated ASC policy statements, compliance with Title XI of Financial Institutions Reform, and the Recovery and Enforcement Act of 1989 regulatory requirements for appraisers and appraiser management companies. Lastly, attending the ARRO conference provides APR staff with access to firsthand training and information regarding any new updates/changes as well as newly produced/updated resources, and provides valuable collaborative discussion opportunities with other jurisdictions through AARO that are going through similar mandates/processes which allows for problem solving and establishing new business contacts.

The Board recognizes they have previously requested to send one board member, however, with two vacant seats that we are actively trying to fill the Board feels it would be appropriate to ensure new members receive training by attending an AARO Conference. Additionally, it is imperative to continue to support current board members as they continue to work on regulation projects.

Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$2,600.00			\$2,600.00
<input checked="" type="checkbox"/> Hotel:	\$3,000.00			\$3,000.00
<input checked="" type="checkbox"/> Ground:	\$200.00			\$200.00
<input checked="" type="checkbox"/> Conference:	\$1,400.00			\$1,400.00
<input checked="" type="checkbox"/> Other:	\$528.00			\$528.00
Describe "Other" (break out all sections): Per diem				
Net Total:	\$7,728.00			\$7,728.00

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Budget Recommendations for FY 2024 (continued)

Out-of-State Meetings and Additional In-State Travel (Rank in order of importance)

#2 Rank in Importance or Not Applicable

Date	Location	# Board	# Staff
Spring 2024 - TBD	TBD	2	1

Description of meeting and its role in supporting the mission of the Board:

To effectively serve the public and licensees it is imperative to stay up to date with current information, policies, and regulations. AARO training will support our role as regulatory officials and ultimately best serve the public.

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<input checked="" type="checkbox"/> Ground:	\$200.00			\$200.00
<input checked="" type="checkbox"/> Conference:	\$1,400.00			\$1,400.00
<input checked="" type="checkbox"/> Other:	\$528.00			\$528.00
Describe "Other" (break out all sections): Per diem				
Net Total:	\$7,728.00			\$7,728.00

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Budget Recommendations for FY 2024 (continued)

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
AARO Membership	Association of Appraiser Regulatory Officials	\$350.00

Description of item and its role in supporting the mission of the Board:

AARO is the nationwide group of Regulatory Officials for the profession of Real Estate Appraisers that works closely with the Federal oversight of the profession from the ASC (Appraisal Subcommittee), AQB (Appraisal Qualification Board), and TAF (The Appraisal Foundation). Membership continues to provide information/updates/resources from these organizations throughout the year to allow the State of Alaska to remain current with regulatory practices, as well as receive access to AARO Conference content.

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
Online Course	Approved Education Provider	\$1,320.00

Description of item and its role in supporting the mission of the Board:

15 hr. USPAP, Basic Appraisal Procedures, Basic Appraisal Principles, and other courses the Board may deem appropriate for staff. To assist staff in understanding the appraisal processes as they serve the public and licensees. (Approx. \$480, \$480, \$360 per staff member.)

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
Online Course	Approved Education Provider	\$300.00

Description of item and its role in supporting the mission of the Board:

Additional training for Board Members in regard to appraisal review and investigative matters. (Approx. \$300 per Board Member.)

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Budget Recommendations for FY 2024 (continued)

Other Items with a Fiscal Impact

Not Applicable

Cost Per Event:

Number of Events:

Product or Service	Provider	Cost Per Event

Description of item and its role in supporting the mission of the Board:

Other Items with a Fiscal Impact

Not Applicable

Cost Per Event:

Number of Events:

Product or Service	Provider	Cost Per Event

Description of item and its role in supporting the mission of the Board:

Summary of FY 2024 Fiscal Requests:

Board Meetings and Teleconferences:	\$0.00
Travel for Exams:	\$0.00
Out-of-State and Additional In-State Travel:	\$15,456.00
Dues, Memberships, Resources, Training:	\$1,970.00
Total Potential Third-Party Offsets:	\$0.00
Other:	\$0.00
Total Requested:	\$17,426.00

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Legislative Recommendations - Proposed Legislation for FY 2024

No Recommendations

The Board has no recommendations for proposed legislation at this time.

Recommendations

The Board has the following recommendations for proposed legislation:

The focus of FY 2023 was to make the required and suggested changes of the August Appraisal Subcommittee Off Site Assessment. The ASC OSA required some changes be made to our procedures, statutes and regulations. Chair Hayes is working with a local legislator to sponsor a bill that might amend the statutes as required by the ASC OSA. There has been little progress this year, and it may require assistance from the Deputy Director or Director of Corporations Businesses and Professional Licensing to help find a sponsor.

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Regulation Recommendations - Proposed Regulations for FY 2024

No Recommendations

The Board has no recommendations for proposed regulations at this time.

Recommendations

The Board has the following recommendations for proposed regulations:

The focus of FY 2023 was to make the required and suggested changes of the August Appraisal Subcommittee Off Site Assessment. The ASC OSA required some changes be made to our procedures, statutes and regulations.

One procedural change is in place, a log of courtesy licenses for tracking purposes. Others are slated to be finalized and implemented at the beginning of FY 2024, like changes to our applications and a document for appraisal review when board members review the required work samples of applicant appraisals. Concerning the regulations, a committee was formed by the board for the purpose of reviewing the regulations per the ASC OFA findings as well as modifying additional regulations to match AQB criteria, and to allow for PAREA and Practicums. These other changes allow for more options for trainee appraisers to obtain work experience in order to become certified and have less barriers for entry into the profession.

There is a shortage of Appraisers at the state and national levels that hinders consumers in their economic affairs. Concurrently, per the PAVE report put forth by HUD and other agencies, there are cases of racial bias and discrimination of protected classes against appraisers in parts of the country. Beyond these actual cases, there is a perception of bias from the public due to the inequity in demographics in the appraisal profession. The industry is 85% White and 77% Male. Having a more diverse appraiser population is answering the call at the federal level to have an equitable and diverse appraiser pool across the country. Changing the manner in which appraisers enter into the profession through non-traditional approaches like PAREA or Practicums whereas a trainee can gain their experience hours inherently encourages applicants from all demographics. Their approaches are akin to school settings. The current model is for a trainee to approach a certified appraiser and work directly for that appraiser for 1500-3000 hours depending on the level of certification. This model requires a close working relationship that tends to have supervisors prefer working with people they know. This has led to a less diverse population whereby there has been little to no growth in the addition of other races and protected classes. Beyond that, because of the nature of the training model, many would-be "supervisory" appraisers chose not to train others for many different reasons, in turn creating a very low pool of appraisers. Through the Regulation Committee, the Board expects to complete the necessary regulation changes in order to put into effect the above-said non-traditional methods in FY 2024. As of 05/17/2023, the Regulation Committee has decided to go back to the full board to consider a more expansive review of the regulations in order to adopt the AQB requirements by reference.

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Goals and Objectives

Part I

FY 2023's goals and objectives and how they were met:

The focus of FY 2023 was to make the required and suggested changes of the August Appraisal Subcommittee Off Site Assessment. The ASC OSA required some changes be made to our procedures, statutes and regulations. One procedural change is in place, a log of courtesy licenses for tracking purposes. Others are slated to be finalized and implemented at the beginning of FY 2024, like changes to our applications and a document for appraisal review when board members review the required work samples of applicant appraisals. Chair Hayes is working with a local legislator to sponsor a bill that might amend the statutes as required by the ASC OSA. There has been little progress this year, and it may require assistance from the Deputy Director or Director of Corporations Businesses and Professional Licensing to help find a sponsor. Concerning the regulations, a committee was formed by the board for the purpose of reviewing the regulations per the ASC OFA findings as well as modifying additional regulations to match AQB criteria, and to allow for PAREA and Practicums. These other changes allow for more options for trainee appraisers to obtain work experience in order to become certified and have less barriers for entry into the profession.

Education Review – Qualifying and Continuing Education

The Board continued its review and approval of education classes for qualifying education for General and Residential Appraiser Certification, as well as continuing education courses. Special consideration for distance learning was a topic of discussion in the previous year both due to the pandemic and the overall economic shift to online platforms seen in all industries. In FY 2022, the Board pursued a regulation project with regard to distance education whereby the definitions of "Synchronous," "Asynchronous," "Classroom," and "Continuing Education" were clarified by regulation. Said regulations project was completed on March 5, 2023, modifying 12 AAC 70.215, 12 AAC 70.220, 12 AAC 70.140, 12 AAC 70.210, and 12 AAC 70.990. In FY 2023 78 courses were approved by the board.

SB21 – Military Licensing

The Board was tasked last fiscal year with expeditiously undertaking a special regulations project to ensure regulation compliance with SB21. The Board completed this regulation project, modifying 12 AAC 70.111 to comply with the new legislation of HSC SB21 which provides for special consideration of occupational licensing for military personnel and their spouses. This fiscal year, the board approved approximately 2 licenses for military personnel and their spouses.

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Goals and Objectives (continued)

Part II

FY 2024's goals and objectives, and proposed methods to achieve them.

Describe any strengths, weaknesses, opportunities, threats and required resources:

FY 2023's goals continue into FY 2024:

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Sunset Audit Recommendations

Date of Last Legislative Audit: 6/13/2017

Board Sunset Date: 6/30/2026

Audit Recommendation:

DCBPL's director should continue to improve administrative support to the board.

Action Taken:

Create a Standard Operating Procedure regarding timelines and require investigative staff to enter case notes explaining any gaps in the timeline.

Next Steps:

Monitor for effectiveness, create checklists, update policies and procedures, continue to monitor timelines.

Complete : No Yes If yes, date completed: N/A

Audit Recommendation:

DCBPL's director, in consultation with the board, should reduce fees to address the surplus.

Action Taken:

The division director has since consulted with the board, and together they have determined the appropriate amount of fee reductions necessary.

Next Steps:

N/A

Complete : No Yes If yes, date completed: N/A