

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

BOARD OF CERTIFIED REAL ESTATE APPRAISERS

MINUTES OF THE TELEPHONIC MEETING

Friday, April 14th, 2017

These are DRAFT minutes prepared by the staff of the Division of Corporations, Business and Professional Licensing. These minutes have not been reviewed or approved by the Board.

By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference of the Board of Certified Real Estate Appraisers was held at the State Office Building, 333 Willoughby Avenue in Juneau, Alaska, on Friday, April 14th, 2017, beginning at 9:09 a.m.

Agenda Item #1 **Call to Order/Roll Call** **9:09 a.m.**

The meeting was called to order at 8:56 am by David Derry, Chair.

Those present, constituting a quorum of the Board:

David Derry, Chair, Certified General Real Estate Appraiser
Alfred Ferrara, Certified General Real Estate Appraiser
Robert Tracy, Certified Residential Real Estate Appraiser
Renee Piszczek, Mortgage Lending Member

Division Staff present in the meeting:

Laura Carrillo, Records and Licensing Supervisor
Aiko Zaguirre, Licensing Examiner
Marilyn Zimmerman, Paralegal
July Lam, Investigator

Present from the Public:

Joan Wilson, Attorney, Department of Law

Agenda Item #2 **Review Agenda** **9:11 a.m.**

Chair, David Derry, prompted the Board to review the meeting agenda. Mr. Derry informed the Board that he sent the Goals and Objectives that he had drafted for the Board to Licensing Examiner, Aiko Zaguirre. Mr. Derry instructed Ms. Zaguirre to forward the draft to the Board so they can review it during break.

Ms. Zaguirre informed the Board that Joan Wilson from the Department of Law will be calling earlier at 11:00 a.m., instead of 11:15 a.m., for the Board's regulations project update.

Mr. Derry also informed the Board that there will be a time to discuss the upcoming renewals, and asked Ms. Zaguirre and Ms. Carrillo about the re-certification fees for the Board. Ms. Zaguirre stated that she specifically asked the Director's Secretary to ask Director Janey Hovenden or Martha Hewlett, Division's Administrative Officer, to provide the Board with information on their fee analysis. Ms. Zaguirre also informed the Board that it was also not clear if they will be present for the Budget Report and Division Update for their meeting. Ms. Carrillo added that Director Hovenden has been extremely busy due to the session coming to a close, and also expressed her opinion that the fees will not likely change due to the insufficient time to process adopting the new fees.

On a motion duly made by Alfred Ferrara, seconded by Robert Tracy, and approved unanimously, it was:

RESOLVED to approve the Agenda as written.

Agenda Item #3 Review/Approve Minutes (October 28, 2016) 9:14 a.m.

Mr. Derry proceeded to the review of the October 28th, 2016 meeting minutes. Mr. Derry noted that there were a few errors, but also commended on how detailed the minutes were.

On page 1 of the meeting minutes, the titles for Mr. Derry and Mr. Ferrara should be changed to "*Certified* General Real Estate Appraiser," instead of "licensed general real estate appraiser." Mr. Derry also added that one of the tasks should read, "the examiner *or* supervisor," instead of "the examiner of supervisor."

On a motion duly made by Alfred Ferrara, seconded by Robert Tracy, and approved unanimously, it was:

RESOLVED to approve the meeting minutes as corrected.

Agenda Item #4 Ethics Disclosure/Review Ethics 9:15 a.m.

There were no ethics issues to disclose.

In light of the ethics disclosure, Mr. Derry wanted to inform the Board that he was contacted by a sponsor to waive the fees for a course approval application, in which he provided an approval vote, however, he was informed by Ms. Zaguirre, that due to being directly contacted by the sponsor, he then needed to recuse himself from voting. Although this was not an ethics violation, Chairman Derry wanted to be transparent for the record.

Mr. Derry also notified the Board that he presented to the Alaska Chapter of the Appraisal Institute meeting on April 5th, 2017 in Anchorage, wherein he provided an update on current Board issues, the upcoming Board re-certification, and also the proposed regulations that the Board has been working on. Mr. Derry stressed the importance of making sure that the courses that certificate holders are engaging/participating in Board approved courses to be credited for their renewals.

Agenda Item #5

AARO Conference Update

9:19 a.m.

With no further discussions, Mr. Derry prompted Robert Tracy, the Board's delegate to the recently held AARO Conference in Tampa, Florida.

Appraisal Management Companies (AMC's)

Mr. Tracy began his update by reminding the Board that he went to the conference with the priority of acquiring more information in regards to Appraisal Management Companies (AMC's). Mr. Tracy stated that he spoke with other State Boards who implement AMCs to help the Board evaluate whether or not to pursue regulating AMCs: Oregon and Wyoming. Oregon was the first State to implement, AMCs have gone through five regulations revisions, and is considered to have the best model for AMC's. Mr. Tracy was able to interact with the lead contact for the Oregon Board, Gae Lynne Cooper, who gave helpful tips should the Board decide to implement AMCs. According to Mr. Tracy, one suggestion that came from the Oregon appraiser Board was to impose on to AMCs a \$250,000 bond, exemplifying a case where a particular AMC has filed for bankruptcy after a court's decision, and returned with a different name. Ms. Cooper also suggested to register the names of the AMC principals who own more than ten (10) percent of the company, as a form of security, if in case an action needs to be taken, then the principal will be named with the company they are under.

Mr. Tracy also spoke with the delegate from the Wyoming appraisal Board, B.J. Jibben. Mr. Tracy referred to Wyoming as the most similar State with Alaska, in terms of the low appraiser population in rural communities. Mr. Tracy added that Wyoming also had a relatively low budget to start an AMC division, but were not regretful to implement AMC's,

as the program generated a huge revenue boost to their department. In addition, the Wyoming Board even found software tools to make registration and renewals to be more useful, but they are still looking for new programs to improve their systems.

Background Checks/Fingerprint Requirements

Mr. Tracy continued his update with the fingerprinting/background check requirement, as this was something that Mr. Derry had asked Mr. Tracy to survey from other States. Mr. Tracy stated that most States utilize the service of private entities for background checks, and none of them use their own state department's background check. Mr. Tracy added that it will be a great opportunity for the Board to be the first to utilize the service of their own state department, specifically the Alaska Department of Public Safety for background checks. As for the fingerprinting requirement, Mr. Tracy noted that this provision never actually took effect.

Mr. Tracy read an excerpt from a statement that the AQB issued regarding the issue of background checks, which basically states that all real property appraiser applicants are required to possess a background that should not call into question the public's trust. In addition, applicants should be ready to provide documents, if necessary, to all regulatory agencies to determine an appraiser's fitness to practice. It was also indicated that individuals who have been convicted or pleaded guilty to a crime that would call into question the applicant's fitness to practice within the last five years prior to submitting their application will automatically be disqualified. Mr. Tracy reiterated though, that the new requirements provide states more flexibility. Originally, it was required that all applicants undergo a background screening and submit their fingerprints to the state, however, in the new requirement, states are not required to perform formal background checks anymore, but can satisfy the minimum AQB requirements by asking the applicants if they had any events in the past that can disqualify them from getting credentialed as an appraiser.

Mr. Derry then asked Ms. Carrillo and Ms. Zaguirre if the applications include questions pertaining to the minimum standards that Mr. Tracy had noted that would meet AQB's minimum standards. Ms. Carrillo affirmed Ms. Derry, and added that the only way to determine an applicant's criminal history is through self-disclosure, as well as verifying through the national registry. Mr. Derry asked as he wanted to make sure that the Board is compliant to the current standards of the AQB, as during their previous meeting, the background check and fingerprinting requirement was to be implemented by all State Boards by January 1st, 2017. Mr. Derry added that the Board will discuss more about the fingerprint and background check requirement when they review their regulations project about background checks and fingerprinting. Mr. Tracy stated that there were forty-two

(42) States who immediately implemented the background check requirement in order to be in compliance with the criteria that the AQB had established in 2011.

Mr. Ferrara stated that he does not recall of the Board encountering any situation wherein an individual who was approved to be certified in the state was proven to have a background opposite to what was disclosed on the application. Mr. Derry agreed with Mr. Ferrara, and added that Alaska does not have a huge appraiser workforce, such that if there is a fraudulent application, the Board would be able to catch it easily.

Mr. Derry recalled that an instructor of a class that he had taken stated that the California Board previously were requiring all background checks to come directly from the State's Department of Corrections, however, due to the time that it takes—sometimes up to eighteen (18) months—the Board had changed their regulations allowing applicants to utilize the service of a private entity for background checks.

Appraisal Management Companies

Mr. Ferrara then asked Mr. Tracy if the states, such as the Wyoming Board, who regulated AMCs discussed its benefits to their registered appraisers, other than generating additional revenue to their Departments. Mr. Tracy responded that there were indeed benefits to the appraisers after registering AMCs. The Board had a discussion on possibly implementing AMC regulations.

Mr. Derry asked how many states have enacted regulations regarding AMCs. Mr. Tracy stated that there were thirty-eight (38) states that have adopted AMC regulations, with Washington D.C. opting out immediately. Mr. Tracy had provided the Board with several issues that some states have encountered, in regards to working with AMCs. Mr. Ferrara asked if there were any states that enacted limited AMC regulations, covering security measures such as background checks. Mr. Tracy stated that none of the states have gone to that direction, adding that according to the state contacts that he had been in touch with, they have adopted variations of the model that the Appraisal Institute had released, and believed that doing a limited AMC regulation might be a possibility for Alaska.

Mr. Derry asked Mr. Tracy if he can provide the Board with more information on the session about developing the next generation of appraisers. Mr. Derry asked specifically about the status on the college degree requirement. Mr. Tracy stated that the college degree requirement would be maintained according to the changes made by the ASC, but had also provided three other alternatives to this, which he believed were very reasonable. Mr. Tracy added that the alternatives are just proposed by the ASC, and are expected to be implemented beginning in 2018. Mr. Derry reminded the Board that this should be something that they need to keep under their radar as they will have to make changes to

their current regulations. Mr. Derry asked the staff if they have received any information regarding the proposed alternatives to the bachelor's degree requirement, to which both Ms. Zaguirre and Ms. Carrillo responded that they did not. Mr. Derry stated that the Board should discuss this further before the end of 2017, especially if this is something that needs to be enacted by 2018.

Mr. Tracy continued to provide his AARO conference update, and also stated that he will be distributing his notes to the Board.

TASK:

Mr. Tracy will forward the document highlighting the alternatives to the Bachelor's degree to staff, and also provide the Board with his notes from the AARO Conference.

TASK:

Ms. Carrillo will begin with drafting regulations to add the alternatives to the bachelor's degree requirements.

Agenda Item #6

Investigations Report

9:55 a.m.

July Lam, Investigator, joined the meeting at 9:55 a.m.

July Lam, Investigator, left the meeting at 10:00 a.m.

Marilyn Zimmerman, Paralegal, entered the room at 9:58 a.m.

Marilyn Zimmerman, Paralegal, left the room at 10:33 a.m.

After the AARO Conference Update, Mr. Derry proceeded to the next item on the agenda; investigations report. Ms. Carrillo informed the Board that Jay Paff, the Board's previous investigator, has moved out of State to be closer to family. Mr. Derry and the rest of the members commended on Mr. Paff for his service to the Board. Mr. Derry welcomed the Board's newly assigned investigator, July Lam, and asked her to present her report. July Lam informed the Board that from October 12th, 2016 to March 21st, 2017, the Division opened one matter and closed one matter. With that information, Ms. Lam added that there were no pending matters at the time of the meeting. Mr. Derry thanked Ms. Lam for the report and also encouraged her to freely contact the members for help with forthcoming investigations, as Mr. Paff has done so in the past.

Ms. Lam also informed the Board that she had taken an introductory online USPAP course as a prerequisite for the investigations training that she will be attending with Ms. Zaguirre on May 8th-10th, in Tampa, Florida. Ms. Lam added that the USPAP course that she took has helped her become familiarized with the appraisal process. Ms. Carrillo informed the Board

that they can also take the investigations training should they be interested, as the training is available to Board members as well, not just the Division staff.

Agenda Item #7

CE Fines/Reprimands

10:05 a.m.

With no further investigative issues to discuss, Chair, Mr. Derry, prompted Marilyn Zimmerman, Division Paralegal, to update the Board on their outstanding continuing education audit. Ms. Zimmerman suggested that the matter be discussed under executive session.

On a motion duly made by Alfred Ferrera, seconded by Renee Piszczek, and approved unanimously, it was:

RESOLVED to enter into executive session in accordance with AS 44.62.310(c), and Alaska Constitutional Right to Privacy Provisions, for the purpose of discussing Subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion and Matters which by law, municipal charter, or ordinance are required to be confidential and for the purpose of discussing confidential disciplinary matters for the purpose of discussing investigations and reports.

Staff, Ms. Carrillo and Ms. Zaguirre, and Ms. Zimmerman would be present for discussion.

Prior to entering into executive session, Chair, Mr. Derry called for a five-minute break.

Off the record at 10:10 a.m.

On the record at 10:33 a.m.

Upon return, Mr. Derry clarified that the Board did not vote on any action under executive session, and opened the floor to entertain a motion regarding the consent agreement discussed.

On a motion duly made by Alfred Ferrara, seconded by Robert Tracy and approved unanimously by a roll call vote, it was:

RESOVLED to accept the consent agreement for case #2016-000037.

Roll Call Vote:

Board Member	Approve	Deny	Recuse
David Derry	X		
Alfred Ferrara	X		
Robert Tracy	X		
Renee Piszczek	X		

Agenda Item #8

Board Business

10:34 a.m.

Chair, Mr. Derry ordered to proceed to Board Business.

Applications Review

Mr. Derry informed the Board that he instructed Ms. Zaguirre not to include any continuing education course approval applications to review on the Agenda and in the Board packet in order to give more time to discuss more vital issues, and instead, e-mail the applications to the rest of the members to review them outside of the meeting. Ms. Zaguirre stated that she had already forwarded a batch of course approval applications to the Board via e-mail for review prior to the meeting, and that only one application was included in the packet, which was an application for a trainee registration.

The Board reviewed the Trainee Registration application submitted by Deborah Reid.

On a motion duly made by Alfred Ferrara, seconded by Robert Tracy and approved unanimously by a roll call vote, it was:

RESOLVED to approve the registered trainee application submitted by Deborah Jane Reid-Kasberg.

Roll Call Vote:

Board Member	Approve	Deny	Recuse
David Derry	X		
Alfred Ferrara	X		
Robert Tracy	X		
Renee Piszczek	X		

The Board asked if they needed to review a work product for Ms. Reid, but Ms. Zaguirre clarified that Deborah Reid submitted a letter of explanation wherein she stated that she had been working as a trainee under the certified appraiser, Mark Kasberg since 2012, which means her trainee relationship with Mr. Kasberg is “grandfathered-in,” as the trainee-supervisor course requirement has only started from January 1st, 2015.

In the light of the discussion on Trainee-Supervisor relationships, Mr. Ferrara informed the Board that there were over twenty (20) attendees of the recently concluded supervisory course that was offered in Anchorage. Mr. Derry asked Mr. Ferrara if the attendees were aware that they needed to submit an application in order to get approved, which Mr. Ferrara confirmed. Ms. Carrillo asked Mr. Derry if the AQB has established any standards for the supervisory course, as it was her understanding that they have not. Mr. Derry responded that the AQB has in fact established criteria for supervisors. Mr. Ferrara added that the Appraisal Institute offers AQB approved courses, and so the Board can expect a surplus on supervisory approval applications. Ms. Carrillo would like to add this information in the Board's FAQ's so that the public would be aware of this. Mr. Derry stated that the AQB specified the criteria, but is not quite sure if the number of hours required is indicated. The Board continued to discuss the Supervisor-Trainee requirements.

Review/Update Getting Started Document

Mr. Ferrara asked that the getting started document be updated, as it was noted that Trainees are required to have a Bachelor's degree, when it is only required for individuals applying for certification, to which Mr. Derry agreed. Ms. Carrillo agreed and informed the Board that she will have that amended.

TASK:

Ms. Carrillo will amend the Getting Started document, removing the Bachelor's degree requirement under Trainee Registration Applications.

Review/Update FAQ's

Ms. Zaguirre noted that from the previous Board meeting, the only information added was in regards to the fingerprinting/background report requirement. Ms. Zaguirre also suggested that they can add the criteria for the supervisory training to the FAQ's, so that potential supervisors and trainees would be aware. Mr. Derry asked if there is anything in the FAQ's about filing complaints, to which Ms. Carrillo confirmed that it is indeed addressed.

Set/Draft Board's Goals and Objectives

The Board proceeded to the discussion on drafting their Goals and Objectives. As stated earlier, Mr. Derry has already forwarded a draft to Ms. Zaguirre and to the Board. Mr. Ferrara commented that the draft is already comprehensive and could not think of anything further to add. Mr. Derry asked Mr. Tracy if there is something that he would like to add, after attending the AARO Conference. Mr. Tracy responded that there are no additional points to add. Mr. Derry asked the other members to provide their input on the draft that he provided, as this is usually something that the Board is asked to do every year.

Mr. Tracy asked Ms. Zaguirre if the Board's Goals and Objectives is something that the Legislative Audit reviews, to which Ms. Carrillo affirmed. Ms. Zaguirre also noted that the Goals and Objectives are added to the Board's Annual Report, which the Division management reviews annually. Ms. Carrillo added that the Annual Report would often be referenced when a travel request has been submitted, and so it is necessary to highlight the Board's needs through that.

The Board also had a brief discussion on HB90, which is a bill that the Division is proposing to apply a surcharge to investigative matters. Mr. Derry suggested that the Board should provide their feedback about this and add it to their Goals and Objectives.

Ms. Carrillo suggested that the Board should write position statements, so that the public is informed on where the Board stands in regards to pertinent issues that affect the appraiser workforce, and be made readily available for the public. Ms. Carrillo also added that the Board should think about adding about the Board's attendance to AARO Conferences to their goals and objectives. Mr. Tracy agreed, and stated that the continuing presence of the Board in AARO Conference is vital, especially since this would help the Board to know more about the national issues and in drafting essential regulations.

Agenda Item #9

Old Business

10:58 a.m.

Joan Wilson, Attorney, Department of Law, joined the meeting at 11:04 a.m.

Joan Wilson, Attorney, Department of Law, left the meeting at 11:34 a.m.

Chair, David Derry proceeded the discussion of their current regulation projects under old business in the meeting agenda.

Fingerprinting and Background Check Regulations

The Board first discussed the regulations draft in regards to the fingerprinting and background requirements. Mr. Ferrara asked why there is still a need to discuss the regulations in regards to fingerprinting, when the Board already had been informed earlier that this is not required to be implemented anymore. Ms. Carrillo explained that following the Board's October 2016 meeting, it was her understanding that the Board needed to include the fingerprint requirements in their regulations immediately, to be in compliance with the AQB. Ms. Carrillo also added that the Board has already been added to the statute that gives the Board the authority to implement fingerprinting requirements, however, Ms. Carrillo further explained that during that time, this requirement was not drawn out in the Board's current regulations, for whatever reason she is not sure of. Ms. Carrillo stated that if the Board wants to remove the fingerprinting/background report requirements, in congruent to the earlier discussion, then the Board can definitely do so. Mr. Ferrara stated

that he is definitely in favor of removing any unnecessary additional steps that could accrue more costs for the Board. Ms. Carrillo agreed with Mr. Ferrara, especially with the realistic processing time for fingerprinting may take longer than the Board can anticipate.

Ms. Carrillo also noted that the draft included some language that mirrored the regulations from the Board of Massage Therapy, wherein the examiner can approve the application prior to receiving the background check, and once it is received with negative results, then the application will be forwarded to the Board for review.

Mr. Ferrara added that they should also eliminate the language requiring background reports, as this is also an additional step such as requiring fingerprinting, and continue with their current process of asking their applicants to disclose any criminal history that may implore the public to question. Mr. Ferrara repeated that no additional requirements should be added, unless otherwise noted by the AQB.

Mr. Tracy stated that the passage that he cited earlier regarding the removal of the fingerprinting and background check requirements was a summary from the April 2015 announcement posted on the Appraisal Institute's website. Mr. Derry added that the Board had discussed this issue in the past, and found that they were indeed compliant with the current requirements. Mr. Tracy asked the staff if they are aware of the current processing time and procedures for acquiring fingerprints. Ms. Carrillo clarified that she is not certain of the turnaround in acquiring fingerprints, as she does not oversee any programs that require them. However, Ms. Carrillo stated that an audit personnel from the FBI went to the Division recently to check on the fingerprinting processing, as they have found issues from the Department of Public Safety's office in Anchorage that issues fingerprints. Ms. Carrillo added that because of this, she believes that the acquiring of fingerprints will be more efficient and expedient than it was before.

Joan Wilson, Attorney from the Department of Law, was welcomed by Chair, Mr. Derry, and gave a short summary of the Board's stand in regards to the Board requiring fingerprinting and background checks. Mr. Derry informed Ms. Wilson that per the Board's understanding, their current application is compliant with the current federal requirements, and therefore, agreed that there is no need to add any unnecessary requirements such as requesting fingerprinting and background checks. Ms. Wilson asked the Board why they are objecting this, and Mr. Ferrara answered that the Board follows the rules established by the ASC and FIRREA. It was further asserted that based on the information provided to them today by Mr. Tracy, adding those extra steps is no longer necessary anymore. Mr. Ferrara stated that if the Board meets the minimum requirements of the ASC and AQB, there is no need to adopt any additional and unnecessary steps greater than that. Ms. Wilson stated that she did not research if the Board must implement these requirements, she only tried to know if the Board may. Mr. Derry stated that once the

federal audit starts, the Board will know more if in fact there is a need for adding the fingerprinting and background checks or not. Mr. Ferrara added that, if during the federal audit, it was determined that it is indeed necessary for the Board to establish regulations requiring background reports and fingerprinting, then they can change it quickly, as they already have the language to do so.

Ms. Carrillo asked Mr. Tracy to clarify AQB’s reversing of the background check and fingerprinting requirements, as it was her understanding from the October 2016 meeting that they should be implemented no later than January 2017, in order to be compliant. Mr. Tracy again read the document that he summarized for the Board earlier, wherein the new requirement states that there is no need to require background checks, and can instead carry-on with using the questions on the application for self-disclosure. The Board continued to discuss the issue on whether or not it is actually required by the AQB to request background checks and fingerprints. Mr. Ferrara is firm on his stand that if there is no need to add another step to the application process, then it should not be done. Ms. Wilson stated that there is a benefit in going beyond self-disclosure in applications, which Ms. Carrillo affirmed. Ms. Carrillo added that through other resources such as the National Registry, there are instances where the applicant failed to disclose a disciplinary action in their license in another State that was flagged when searched from the database. After much discussion, Chair, Mr. Derry opened the floor for a motion on the regulations draft presented.

Upon a motion duly made by Alfred Ferrara, seconded by Robert Tracy, and approved unanimously, by a roll call vote, it was:

RESOLVED to acknowledge that the current certification application is compliant with the AQB and ASC criteria, and therefore, there is no need to change the current regulations to implement any background checks and fingerprinting requirement.

Board Member	Approve	Deny	Recuse
David Derry	X		
Alfred Ferrara	X		
Robert Tracy	X		
Renee Piszczek	X		

Mr. Derry suggested that the regulations draft presented during the meeting be taken into consideration during the federal audit, and if it is indeed necessary for the Board to implement the background check and fingerprinting requirements, then they would have the language ready to show to the ASC. Mr. Derry asked Ms. Wilson how long before the

regulation would be adopted. Ms. Wilson answered that it might take six months, and asked Ms. Carrillo to also explain further the process to the Board. Ms. Carrillo informed the Board that just like any other regulation draft, it needs to be public noticed for 30 days, and if there are a lot of opposition, then it would go back to the Board to be discussed further. Ms. Wilson stated that there are two more reviews to be done by the Department of Law, and then forwarded to the Lieutenant Governor for his review as well.

Transitional License Application Regulation draft

After much discussion regarding the fingerprinting and background check requirement, the Board continued to review the draft on the transitional license for trainees appraisers. Ms. Carrillo informed the Board that the draft had been reviewed by Mr. Maiquis and Ms. Wilson after the Board had approved the language during their October 2016 meeting. Ms. Carrillo stated that the Board can approve the language regarding the transitional license by removing the fingerprinting and background check requirement. The Board discussed the regulations draft and listened to Ms. Wilson’s comments and corrections.

The Board also reviewed the language on acquiring continuing education credit by attending full Board meetings.

TASK:

Ms. Carrillo will talk to Jun Maiquis regarding the current regulations draft.

Upon a motion duly made by Alfred Ferrara, seconded by Renee Piszczek, and approved unanimously, by a roll call vote, it was:

RESOLVED to approve the regulations draft with the elimination of all references to fingerprinting and background checks.

Board Member	Approve	Deny	Recuse
David Derry	X		
Alfred Ferrara	X		
Robert Tracy	X		
Renee Piszczek	X		

Appraisal Management Companies

Prior to their meeting, Mr. Ferrara asked Ms. Zaguirre to inquire with the Department of Law, if the Board may regulate AMC’s per their current statutes and regulations. Ms. Wilson stated that she would have to review Dodd-Frank first, as she is aware that this is where the AMC’s are regulated, however, Ms. Wilson had to leave the meeting, as she had a scheduled meeting.

Mr. Derry commended Ms. Carrillo and Ms. Zaguirre for their work on the continuing education handout that has all the important information and FAQs regarding the upcoming renewals. Ms. Zaguirre stated that she created the handout based on what Ms. Carrillo did for the Board of Chiropractic Examiners' renewals. Mr. Derry asked Ms. Zaguirre if this will be sent together with the renewal application forms to the certificate holders or just post it on the Board's website. Ms. Zaguirre stated that the hand-out will be made readily available on the Board's website, especially since it is their first time to have online renewals.

Mr. Derry had a few corrections and additional suggestions for a better handout, which Ms. Zaguirre will be adding before posting to the website—specifically adding language to the column where it states the required classes to refer to the next table for the total number of hours to refrain from having any confusion. Mr. Derry also suggested to remove the language at the bottom of the first table on page 1 of the hand-out, as it seems that it does not really apply to the certificate-holders' renewal. In addition, Mr. Derry wanted to add the word "random" on FAQ number 3, so that the certificate holders are aware that audits are indeed randomly selected. Mr. Derry also asked to add into the FAQs that the courses they will be using for audit should be approved by the Board prior to their re-certification date.

TASK:

Ms. Zaguirre will apply the corrections to the handout and have it posted to the Board's website by the Division's publications specialist.

Ms. Carrillo also added that the handout can be sent to the certificate holders at the same time that the postcards are sent out, which she did with the Board of Chiropractic Examiners. Ms. Carrillo reminded the Board that the publications specialist is on leave, and so the postcards and the handouts will probably not be sent after a few days until he gets back. Mr. Tracy asked the Board if someone becomes exempted to be audited during the next period when they get audited on the one upcoming. Mr. Derry, and staff stated that that is not the case—someone may be audited each renewal period, as the random audits are generated on the system.

The Board continued to discuss the handout for the upcoming renewals and provided suggestions to be added to the material so that there would be less confusion for the certificate holders.

Ms. Carrillo provided the Board an update as to where the renewal application currently stands. Ms. Carrillo informed the Board that the applications has already been forwarded to Sara Chambers, Division Operations Manager, for her approval. As soon as it is returned to

Ms. Carrillo, she will begin with the online renewals, as the paper and online renewals should look exactly the same.

Ms. Carrillo informed the Board that when renewing their certificates online, they should input their whole certification number, which is alphanumeric for most holders, unless they have only been certified recently. Mr. Tracy suggested that to be added to the FAQs, and asked if that can also be added somewhere that the certificate holders can see immediately. Ms. Carrillo asserted to Mr. Tracy that since that is a prominent mistake, that will indeed be posted somewhere on their website as a reminder to those renewing online. Mr. Derry asked if they will be able to print out their certificates after they renew online. Ms. Carrillo stated that certificate holders will not be able to print a hard copy of their new certificates, but will only be receiving a confirmation via email that they have renewed successfully. Ms. Carrillo added that the staff will be mailing out a copy of their certificates a few days after renewing online. Ms. Zaguirre also informed the Board that one way to verify if the online renewal is successful is through the Division's license search website, which should be updated immediately after. Mr. Derry also reminded Ms. Zaguirre and Ms. Carrillo to make sure that the fee for the federal registry is indicated as required on the application form, to which Ms. Carrillo asserted to. Ms. Carrillo also added that if the certificate holders will miss paying the required federal registry fee, they will not be able to successfully renew online.

After a discussion on certificate renewals, Ms. Zaguirre then provided the Board with a brief rundown of the continuing education audit process.

Legislative Sunset Audit

With no further discussion on the certification renewals, Chair, Mr. Derry informed the Board that he was contacted by legislative audit in regards to the Board's sunset audit. Mr. Derry informed the Board that he had a teleconference with the auditors last April 3rd, and was provided with the sunset audit process, and also discussed with him the recommendations from the previous audit. Mr. Derry gave the Board with a summary of his teleconference with the legislative audit personnel, and expressed his anticipation for the Board to be granted the term of eight years, which would mean that the Board is in good standing and compliant with the audit.

Ms. Carrillo also asked the Board to make sure that all of the motions and actions that they will make during meetings are clear. Per the experience of staff during the Board of Marital and Family Therapy's audit, it is important to have detailed minutes and clear motions on the record.

ASC Federal Audit

After discussing their legislative sunset audit, the Board proceeded to discussing their upcoming federal audit with the Appraisal Subcommittee. Mr. Zaguirre stated that the Board's federal audit had been scheduled for July 24th – 28th. Ms. Piszcek and Mr. Tracy asked if the Board will be having an in-person meeting for the scheduled federal audit. Ms. Carrillo stated that she believes that the ASC is expecting the Board to have an in-person meeting in Anchorage, as they have done so before. Mr. Tracy stated that he is not sure if he will be available during that time as he might be out of the country. Mr. Derry asked if there is a chance for the Board to reschedule their audit, so that the all of the Board members will be present during the meeting. Ms. Carrillo stated that she can ask the Board's Policy Manager, Kristi Klamet, if this is possible, as she is not sure if they can reschedule once the dates had been set. Mr. Derry asked if Ms. Carrillo will be able to ask Ms. Klamet if they can be rescheduled around early August, which seemed a better option for the Board.

In line with the Federal audit, Mr. Derry is hoping that the Board would get an "excellent" rating from "good," which Ms. Carrillo had also been hoping for. Mr. Derry asked Ms. Carrillo and Ms. Zaguirre if there is anything that they can do as a Board to help with the federal audit, in order to further pursue the excellent rating. Ms. Carrillo stated that she thinks that the Board is doing an excellent job, however, she wanted to inform the members that on the administrative end, there had been a couple of courtesy licenses that were not issued on time due to a huge turnaround within the Division's front office staff. Ms. Carrillo added that the late issuance of courtesy licenses had been such a huge issue during the last federal audit. Ms. Carrillo informed the Board that Ms. Zaguirre and she had been constantly reminding the front desk staff to hand carry mail to them personally, however, this is one thing that is out of their control. Ms. Carrillo affirmed the Board that she will try to explain the situation to Ms. Klamet during their audit, which hopefully they will be understood. Mr. Derry asked Ms. Carrillo if it is possible for the courtesy licenses to be done online. Ms. Carrillo stated that only the Department IT staff will be able to answer this question, and also informed that Board that she is aware that an online application is currently being created for the Medical and Nursing Boards. Ms. Carrillo provided the Board with a quick rundown of processing courtesy license applications. A compliance manual had also been started last fall, which would help the ASC with their review, but is still subject for completion.

TASK:

Ms. Zaguirre will finish the Compliance Manual that Ms. Carrillo had initially created.

Mr. Derry asked the staff to inform the Board if there is anything that they need to do as a Board in order to help with the federal audit, as it is indeed the Board's goal to be rated as excellent in the future. Mr. Tracy informed the Board that during the AARO Conference, the states that were moved to an "excellent," rating were greatly applauded. The Board had

been given the same reception when they were given the “good” rating during the previous AARO conference.

Agenda Item #12

Budget Report

2:08 p.m.

With no further discussion regarding the Board’s audits, Chairman Derry continued on with discussing the Budget Report. Ms. Zaguirre informed the Board that unfortunately, Martha Hewlett, Division Administrative Officer, will not be able to attend the meeting. Mr. Derry then asked the Board to just review the budget report document that was included in their packet.

Based on the reports, Mr. Derry believed that the Board’s financial status is in great shape, and with the upcoming re-certification, he suggested that the fees be reduced to half the amount. Mr. Derry stated that if the Division did not complete the fee analysis for the Board, and there is a huge surplus for the Board, it would be hard to explain to their colleagues the necessity to require a huge renewal fee. Mr. Derry continued to express his desire to lower down the fees for the appraisal re-certification, with the Board’s agreement. The Board asked the staff if they will be able to decrease the re-certification fees during this cycle. Ms. Carrillo stated that she is not sure if it will be possible for them to lower down the fees this upcoming cycle due to the need to public notice the fee change for thirty (30 days), but she will have to double check with Director Hovenden and Ms. Hewlett. Ms. Carrillo stated that since the fees are decreasing, she does not anticipate a lot of opposition.

Upon a motion duly made by Robert Tracy, seconded by Alfred Ferrara, and approved unanimously, by a roll call vote, it was:

RESOLVED to reduce the re-certification fees for appraisers to \$525.00, one-half the amount from the last cycle, in light of the Board’s current financial surplus.

Board Member	Approve	Deny	Recuse
David Derry	X		
Alfred Ferrara	X		
Robert Tracy	X		
Renee Piszczek	X		

The Board believed that they have done their due diligence for their colleagues, and it would be up to the Department if the fees will indeed be decreased for the upcoming renewal cycle.

Chairman Derry called for a break at 2:19 p.m.

Off the record at 2:19 p.m.

Back on the record at 2:33 p.m.

Agenda Item #13

Public Comment/Correspondence

2:33 p.m.

There was no one from the public present for comment.

Correspondence

The Board reviewed a letter from E. Chilton Hines, MAI, asking the Board to consider allowing all continuing education courses be taken 100% online. The Board had a discussion on whether or not they would allow continuing education be taken all online. Mr. Derry informed the Board that he attended the chapter meeting of the Alaska Appraisal Institute Board meeting, wherein this issue had been discussed. Mr. Hines had asked the Appraisal Institute to endorse allowing to take all the required continuing education hours online to the Alaska Board of Certified Real Estate Appraisers. Mr. Derry stated that the Appraisal Institute was also not in favor of allowing continuing education hours to be taken 100%. Mr. Derry provided the Board with examples that were discussed during the chapter meeting as to how in-person classes would benefit both the appraiser and the institute, especially on advanced classes that were being offered. Mr. Derry also reported that the institute thought of surveying the members, to ask them what they think about doing, however, there was a consensus to not do the survey at all from the attendees.

Mr. Ferrara added that another advantage would be that other appraisers would have the chance to meet and interact with other appraisers from different cities, which is now unusual due to the ability to e-mail and/or teleconference with others easily. Mr. Ferrara also stressed that the ability to ask and communicate with other appraisers in a classroom setting is invaluable. Mr. Derry affirmed Mr. Ferrara's point, also stating that there was no in-person class where he did not learn anything from interactions with others who attend it physically.

Ms. Piszcek opened the discussion on possibly having live webinars, as some classes are not very cost-effective to some who would like to take them. Ms. Piszcek stated that she would ask some instructors if it is possible to take classes through a camera with a live feed, allowing her and the rest of her staff to participate as if they are in the same conference room. Mr. Derry stated that that would be a good approach, but was not sure if there is something in the Board's regulations to allow a live webinar. Mr. Derry added that he is also aware that the Appraisal Institute offers some courses and meetings with the setting like that of what Ms. Piszcek had exemplified. The Board continued to discuss other examples of a live web course.

Ms. Zaguirre informed the Board that she did get a couple of inquiries about in-person courses not being available in the State that are more than 7 hours. Mr. Derry stated that there are actually many non-online classes that the Appraisal Institute continuously offers with more than 7 hours. Ms. Zaguirre stated that she had been telling the certificate holders to contact the Alaska Chapter Appraisal Institute to inquire about these classes, as she is aware that they do have classes longer than 7 hours.

The Board had thoroughly discussed and considered the letter relative to changing the method of obtaining continuing education hours, and believed that the present method is adequate and should be continued.

Upon a motion duly made by Robert Tracy, seconded by Alfred Ferrara, and approved unanimously, it was:

RESOLVED to reaffirm the present requirement of no more than 50% online continuing education hours to be allowed for recertification, after a prolonged discussion, and while considering the pros and cons of having all continuing education hours done online.

Agenda Item #14

AQB/ASC Updates

2:47 p.m.

With no further discussion on the correspondences received by the Board, Chair, Mr. Derry proceeded to the AQB/ASC Updates, particularly the email that was sent by the Montana Board to all the other State regulatory board and commissions in regards to the Appraisal Institute's statement against the Appraisal Subcommittee.

Mr. Derry asked Mr. Tracy if he could provide any comments on the issue included in the Board packet, as the attendee of the AARO Conference. Mr. Tracy stated that there was a huge point of contention that placed the Appraisal Institute in disagreement with most of the members of the other appraisal organizations in the AARO conference. Mr. Tracy provided the Board with a summary of what happened, and also his opinion on the matter. The Board had a brief discussion on the issue and expressed their opinions as well.

Mr. Derry asked the Board to read more into the documents included in their Board packet regarding the issue, and contact him or Ms. Zaguirre if there is anything that they think would need to be added to their next meeting.

Agenda Item #15

Administrative Business

2:57 p.m.

Task List

Chair, Mr. Derry, asked the Board to review the pending tasks from their October 28th, 2016 meeting. Mr. Derry encouraged the Board to continue working a task assigned to them, if they have not been completed yet.

Ms. Carrillo informed the Board that she was able to speak with Martha Hewlett, the Administrative Officer of the Division in regards to the fee analysis, and the Board wanting to cut the renewal fees in half. Ms. Carrillo stated that there is still a possibility for the fees to be reduced, however, due to the need to public notice the change for thirty (30) days, there might not be enough time to implement the changes. Ms. Carrillo added that Ms. Hewlett will speak with Director Hovenden regarding this and will update the Board as soon as they can. Mr. Derry asked how the public notice works. Ms. Carrillo informed Mr. Derry that Jun Maiquis, the regulations specialist would have his email and the notice posted on the Board's website and wait for any comments from anyone from the public would have. Since the Board is proposing for a reduction of fees, Ms. Carrillo stated that it is less likely that the Board would be receiving any opposition, to which Mr. Tracy agreed.

Mr. Tracy asked if there are any means to secure the Board's funding to be used by other parties, or if there are any security measures in order for it to be safeguarded. Ms. Carrillo informed Mr. Tracy that only Ms. Hewlett or Director Hovenden will be able to answer that question. Ms. Carrillo stated that the only thing that she can think of that may potentially use the Board's funds is HB90, which is intended to fund the investigative costs using other Board's resources, which the Board had already been made aware of.

Board Members

The Board then proceeded to providing suggestions of individuals to fill up the public member position in the Board. It was noted that the public member should not have any financial interests in the profession. Ms. Carrillo informed the Board that there are some Boards that had their previous examiners or Division staff apply as their public member, and this might be an option for the Board. Mr. Ferrara suggested that they could invite their previous investigator, whom he knows is planning to retire within the next couple of years. Ms. Carrillo also suggested a previous member of the Utilization Review Committee under the Board of Chiropractic Examiners, who can possibly be a part of the member. Ms. Zaguirre stated that it would be a great idea to complete the list of Board members at this time, as this is one of the aspects that the auditors consider for their sunset audit. The Board continued to provide suggestions to fill the position as their public member.

Set next meeting dates

Chair, Mr. Derry continued on to set the next meeting dates. Mr. Derry suggested to meet early June before the renewals end, and also before their next scheduled Federal audit. Mr.

Derry suggested to have just a half-day teleconference, as they would only be having a few items to discuss. Ms. Carrillo asked the Board if they would like to review their CE audits via email or during their next meeting. Mr. Derry suggested that they review that during their next meeting instead of via email. Ms. Carrillo also informed the Board that it would be best to schedule their meetings for the whole year, and might want to consider having tentative dates for their succeeding meetings. The Board is also planning to meet in-person either July or August, depending on when the ASC will be coming for their federal audit. The Board is also thinking of meeting on November 7th, so they can prepare their regulations before session starts in January.

Before adjourning, the Board reviewed their tasks again for clarification. Ms. Carrillo informed the Board that she was able to speak to Charles Ward, Marine Pilot Coordinator, who will be writing a statement to be posted on the website in regards to the required continuing education for their upcoming renewals, indicating what penalties are possible if an individual does not comply with the renewal audits. Mr. Tracy also reminded the Board of their tasks to get in touch with other State Boards, particularly, Oregon and Wyoming, to learn more about AMC regulations.

Agenda Item #16

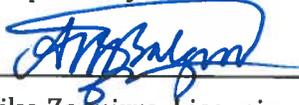
Adjourn

3:27 p.m.

Upon a motion duly made by Alfred Ferrera, seconded by Robert Tracy, and approved unanimously, it was:

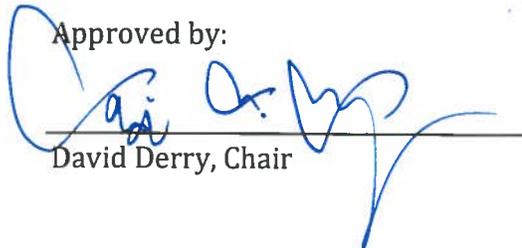
RESOLVED to adjourn the meeting at 3:27 p.m.

Respectfully Submitted by:



Aiko Zaguirre, Licensing Examiner

Approved by:



David Derry, Chair