

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

Tuesday, August 29th, 2017

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 Tuesday, August 29th, 2017.

Agenda Item #1	<i>Call to Order/Roll Call</i>	9:01 a.m.
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The meeting was called to order at 9:01 a.m. 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

Donald Faulkenburry, Public Member

Division Staff present in the meeting:

Aiko Zaguirre, Licensing Examiner

Present from the Public:

There was no one from the public present.

Agenda Item #2

Review Agenda

9:02 a.m.

David Derry, Chair, prompted the Board to review their meeting agenda.

Chairman Derry stated that as part of the meeting agenda, the Board would need to decide on their next meeting date, and noted that they should consider the date of the fall AARO Conference, which begins on October 13th.

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

RESOLVED to approve the Agenda as written.

Agenda Item #3

Ethics Disclosure

9:03 a.m.

There were no ethical issues to disclose.

Agenda Item #4

Adoption of Regulation Changes

9:04 a.m.

With no ethical issues to disclose, the Board proceeded to adopt their proposed regulation change.

The Board first recognized the only comment from the public that they have received: a letter signed by James Park from the Appraisal Subcommittee (ASC), who acknowledged the regulation change. Mr. Derry asked Aiko Zaguirre, licensing examiner, if there were no other comments received, which she asserted to.

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

RESOLVED to accept the changes made in 12 AAC 70.140(c) STANDARDS FOR ACCEPTABLE EDUCATION, which replaces the reference date of the Real Property Appraiser Qualification Criteria

from the January 1, 2008 version to the January 1, 2015 version as drafted for public comment on July 27th, 2017.

Roll Call vote:

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

As part of the discussion, the Board noted that there were no costs to a private person, public entity, or other state Department. The Board acknowledged this has been the subject of federal compliance concerns, and that such changes would align with the Board’s endeavor to follow both state and federal laws. Mr. Derry added that although the regulation change was minor, it was necessary in order for the Board to be compliant with the Appraisal Subcommittee’s (ASC) federal requirements.

Agenda Item #5

ASC Preliminary Compliance Review

9:07 a.m.

After the adoption of the regulation changes, the Board continued to the review of the preliminary compliance reviews provided by the ASC.

Included in their meeting packet was the preliminary compliance review that the Appraisal Subcommittee had forwarded to the licensing examiner. Mr. Derry expressed his disbelief in receiving a policy statement regarding an undisclosed disciplinary action in the National Registry. Mr. Derry asked Ms. Zaguirre if she was made aware of the issue during their July 28th meeting in Anchorage. Ms. Zaguirre stated that she was briefly informed by Kristi Klamet, Policy Manager, regarding the unreported disciplinary action after the meeting, but was not given more information until after the ASC has submitted their preliminary review.

Ms. Zaguirre also reported that she, together with Records and Licensing Supervisor, Laura Carrillo, and Program Coordinator, Colleen Kautz, had a teleconference with Ms. Klamet in regards to the preliminary review, and were informed that the undisclosed disciplinary action was from a case in 2015. Ms. Zaguirre added that the Board was given sixty (60) days to respond from the date of the preliminary

review was sent, which should include the steps that the Division and the Board will be taking or has taken, in order to prevent the same mistake from happening in the future.

Ms. Zaguirre reported that one of the suggestions provided by Ms. Carrillo was to meet with the Board's investigator quarterly, so that all parties will be informed of any disciplinary actions taken or complaints received. Mr. Derry asked what disciplinary actions are usually reported, and if those actions are usually presented to the Board. Ms. Zaguirre reported that it was her understanding that all disciplinary actions reported to the National Registry should initially be presented to and approved by the Board, such as consent agreements, and any other formal board actions. Mr. Derry asked Donald Faulkenburry, who was a former investigator for the Division, and Alfred Ferrara, who has been a Board member for a long time, their recollection if whether or not the Board was made aware before a disciplinary action is reported to the national registry. Mr. Ferrara stated that he does not recall the Board being informed when there is an action to be reported to the national registry, to which Mr. Faulkenburry affirmed. Mr. Ferrara added that he is concerned that this audit finding might have been outstanding for a couple of years, however, was only discovered recently. Mr. Derry was curious if the process in reporting disciplinary actions involved acknowledgment from the Board. Mr. Faulkenburry stated that the reporting is merely an administrative task, and would not require the Board to acknowledge such disclosure to the national registry.

Mr. Derry suggested that the Board should always be made aware of any investigative matters that will be reported to the ASC National Registry. Mr. Ferrara pondered if whether or not all types of disciplinary actions taken are reported, or if it depended on the gravity of the action, such as a suspension or revocation of certification. Ms. Zaguirre indicated that the reported disciplinary action records that are reported are usually in regards to consent agreements due to non-compliance with the required continuing education, suspensions, and revocations—actions that would need to be discussed and approved by the Board, to which Mr. Faulkenburry affirmed. Mr. Faulkenburry stated that under Alaska law, reporting of investigative matters are not allowed as they are confidential; the actions reported should be taken up and approved for by the Board. Mr. Derry asked what the outstanding unreported disciplinary action was, as he recalled that the Board only took action on CE non-compliance in 2015, to which Ms. Zaguirre agreed. Ms. Zaguirre added that she is not aware of any actions taken by the Board of grave matter within the past two years, other than the consent agreements for CE non-compliance in 2015.

Mr. Ferrara recalled that there were several certificate holders that the Board had to reprimand in 2015 as they were not compliant with the required documentation for continuing education. Mr. Ferrara added that he does not think that actions taken due to CE non-compliance should be reported to the national registry, as missing the required CE classes should not be an indication of an appraiser's work. Mr. Derry agreed to Mr. Ferrara, and asked if other states report CE non-compliance to the national registry. Ms. Zaguirre stated that she believes that all states are required to report all disciplinary actions, which would include actions taken regarding deficient hours for continuing education.

Ms. Zaguirre informed the Board that the unreported disciplinary action that was found by the ASC was indeed regarding CE non-compliance. Mr. Derry asked if on the national registry, it states what the disciplinary action was about. Ms. Zaguirre stated that it only indicates if there was a disciplinary action, and in order to clarify the nature of the action, the state board would have to ask an applicant to provide a letter of explanation as well as the appropriate board action documents. Mr. Ferrara expressed his concern regarding this, and would like to request a clarification from the ASC if whether or not reporting of non-compliance with the continuing education requirements is necessary to which Mr. Derry agreed.

TASK:

The Licensing Examiner will inquire with the ASC if disciplinary actions in regards to deficiency in required continuing education should be reported.

TASK:

As part of the Board's response to the ASC preliminary review, the Board will address what type of actions should be reported and when.

Mr. Faulkenbury stated that anytime there is a consent agreement and a fine that is reportable, it is considered as public action. Mr. Faulkenbury added that if the Board would prefer not to report a CE non-compliance to the public, then they would have to reprimand a certificate holder without entering a consent agreement or imposing a fine. Mr. Faulkenbury stated that as a public member, he believes that it is important to note if a certified appraiser has completed the required continuing education hours to remain certified, especially since they would attest to the completion on their renewal application. If it was determined as not the case when they get audited, then they fraudulently asserted to the attestation. Mr. Ferrara stated that he does not have any problem reporting an action to the national registry, however, he is concerned that simply reporting deficiency in continuing education as a "disciplinary action," might thwart the appraiser's credibility, without knowing the full details about the reported action. Mr. Faulkenbury suggested that the Board can offer extensions to those who would not complete their CE hours on time, if they will decide that entering into a consent agreement is unnecessary.

Chairman Derry asked Ms. Zaguirre the process for applicants who are credentialed in another state, and how to determine the nature of the disciplinary action reported. Ms. Zaguirre explained that when an applicant answers "yes" to any of the professional fitness questions, then they are required to submit a letter of explanation as well as supporting documents; if there is an undisclosed disciplinary action found on the national registry, they are contacted to provide the same documentation. Ms. Zaguirre added that it would depend on the state board if the action that to be reported is for the public or only for other state boards. The Board continued to discuss the disciplinary action reporting to the ASC national registry.

As for the other policy statement issued, which was in regards to a regulation that was not in compliance with the current AQB criteria, Ms. Zaguirre informed the Board that as soon as the change

has been adopted and signed for by the Lieutenant Governor, it will be finalized, which will be included to the response to the ASC. Ms. Zaguirre added that, per her understanding, if within thirty days, the Lt. Governor does not sign the order, the regulation change will automatically be adopted.

Mr. Derry stated that he will be coordinating with Ms. Zaguirre for the Board's response to the ASC, if whether or not they will each write a letter to the ASC, or consolidate their letters.

Agenda Item #6

Administrative Business

9:35 a.m.

After a thorough discussion regarding the ASC Preliminary Compliance Review, Chairman Derry prompted the Board to review the survey that the AQB had asked all state boards to respond to.

Appraisal Qualifications Board Survey

Mr. Derry asked the Board if they would like to delegate answering the survey to him as Chair, to another member, or to answer each question as a Board. Mr. Ferrara suggested that Chairman Derry should answer the survey, to which the Board agreed.

TASK:

Chairman Derry will complete the AQB survey.

Chairman Derry verified with the Board if they still wanted to remove the bachelor's degree requirement for certification, which the rest of the members asserted to. Mr. Faulkenbury added that from a public member's perspective, he does not believe that a college degree is necessary, especially since there was no specific course required in order to become a certified appraiser, to which Mr. Derry affirmed. Ms. Zaguirre also informed the Board that she received a comment from a registered trainee in the State who was also opposed to the bachelor's degree requirement, especially with the experience that the individual already has.

Set Next Meeting Dates

Chairman Derry prompted the Board to suggest dates for their next meeting.

Before setting their next meeting dates, Mr. Derry reported that he received the confidential preliminary legislative sunset audit report from the State auditors. Mr. Derry previously suggested that the Board should discuss the preliminary review as a whole in executive session, however, due to the limited time given to reply, Mr. Derry had to write a response on behalf of the Board. Mr. Derry added that the preliminary report will be released by September, to which the Board is required to respond within 30 days, and should be added to the Board's next meeting date.

The Board also briefly discussed the response that they received from the Assistant Attorney General in regards to regulating Appraisal Management Companies (AMCs). The AAG advised that the Board would

have to go through a statutory change in order to implement AMC regulations. Mr. Derry recommended that the Board discuss this topic as well on their next meeting.

As for the next meeting date, Mr. Derry suggested that the Board should meet before the AARO Conference on October 13th, to which Mr. Tracy asserted. Mr. Derry also added that the Board should decide who they will be sending to the AARO Conference in Washington, D.C. The Board agreed to send Mr. Tracy, Mr. Derry, and their licensing examiner, Ms. Zaguirre, given that they have a huge surplus per their current budget. If only one person will be approved to go, the Board recommended Mr. Tracy to attend on behalf of the Board.

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

RESOLVED to request for approval for two board members, and the licensing examiner, to attend the AARO Conference on October 13th, 2017, in Washington, D.C.

Roll Call vote:

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

As for their next meeting date, the Board agreed to meet for the whole day on Thursday, October 5th, from 9:00 a.m. to 3:30 p.m.

TASK:

The licensing examiner will submit a meeting request for their next meeting on October 5th, and a travel request for the AARO Conference on October 13th.

Agenda Item #7

Adjourn

9:54 a.m.

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

RESOLVED to adjourn the teleconference at 9:54 a.m.

Respectfully Submitted by:



Aiko Zaguirre, Licensing Examiner

Approved by:



David Derry, Chair