

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 Friday, May 11, 2018
8
9

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

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

15
16 The meeting was called to order at 9:07 a.m. by David Derry, Chair.

17
18 Those present, constituting a quorum of the Board:

19 David Derry, Chair, Certified General Real Estate Appraiser
20 Donald Faulkenburry, Public Member
21 Renee Piszczek, Mortgage Lending Member
22 Robert Tracy, Certified Residential Real Estate Appraiser

23
24 Division Staff present in the meeting:

25 Dawn Dulebohn, Occupational Licensing Examiner
26 Laura Carrillo, Records and Licensing Supervisor
27 Doug Fell, Investigator III
28 Sara Chambers, Deputy Director

29
30 At this time, Chair Derry invited OLE Dulebohn to address the board in relation to the new On Board
31 program the Division has implemented, to remind all board members to identify themselves when
32 speaking, and that the Division has determined for sake of transparency that Executive Sessions will now
33 be recorded and stored separately from the public record recordings.

34
35 **Agenda Item #2** **Ethics Disclosure/Review Ethics**

36
37 There were no ethics issues to disclose.
38
39
40

41 **Agenda Item #3** **Review Agenda**

42

43 Chair David Derry prompted the Board to review the meeting agenda. There were no changes
44 made to the agenda.

45

46 **On a motion made by Robert Tracy, seconded by Donald Faulkenburry, and passed**
47 **unanimously, it was:**

48 **RESOLVED to APPROVE the agenda as written.**

49

50 **Agenda Item #4** **Review/Approve Minutes**

51

52 The Board briefly discussed the minutes and decided that they would review and approve the
53 minutes from January 12, 2018 at the next scheduled meeting.

54

55 **Agenda Item #7** **Board Business**

56

57 **Election of Chair/Alternate Chair**

58

59 Mr. Derry states that with the loss of Alfred Ferrarra from the Board there is a position in the
60 form of Alternate Chair that needs to be filled. Mr. Derry conveys that this is a good time for the
61 board to decide on leadership and asks if there are any nominations for Chair or Vice Chair. The
62 board discusses options for Vice Chair but after being nominated by Robert Tracy, Donald
63 Faulkenburry declines. Mr. Derry then nominates Robert Tracy as Vice Chair and Mr. Tracy
64 accepts the nomination. Mr. Faulkenburry nominates David Derry as Chair. Mr. Derry accepts.

65

66 **On a motion made by Donald Faulkenburry, seconded by Robert Tracy, and passed**
67 **unanimously with a roll call vote, it was:**

68 **RESOLVED to APPROVE the nomination and appointment of David Derry as**
69 **Chairman of the Board of Certified Real Estate Appraisers.**

70

71 **On a motion made by David Derry, seconded by Renee Piszczek, and passed unanimously**
72 **with a roll call vote, it was:**

73 **RESOLVED to APPROVE the nomination and appointment of Robert Tracy as**
74 **Vice Chairman of the Board of Certified Real Estate Appraisers**

75

76 **Review/Update FAQ's**

77

78 Mr. Derry asked that the board changes to the Frequently Asked Questions.

79

80 **TASK:**

81 **OLE Dulebohn was asked to correct the following FAQ's:**

82

83 **9. The information under "Required Course for Trainees and Supervisors" states**
84 **that the "course is acceptable for qualifying education only, not continuing education."**

85 **Mr. Derry says that this is incorrect and that the information is reversed. It should read**
86 **"course is acceptable for qualifying continuing education only, not qualifying education."**

87

88 **16. The 100 hours of education needed to transition from a certified residential to**
89 **certified general real estate appraiser needs to be clarified.**

90

91 **14. The qualifications needed to transition from a Trainee Appraiser to a certified**
92 **general or residential real estate appraiser have changed. The board will address the**
93 **regulations project needed to adopt these changes at the next meeting.**

94

95 **18. Appraisal Management Companies legislation was passed in 2018. Regulations**
96 **will need to be drafted by the board in order to implement change. The board will address**
97 **the regulations project needed to adopt these changes at the next meeting.**

98

99 **19. The Division of Corporations, Business, and Professional Licensing contacted**
100 **the Appraisal Subcommittee and has determined that requiring fingerprinting as part of**
101 **the application process for certification is not necessary and that the current process of**
102 **asking Professional Fitness Questions satisfies the federal requirement.**

103

104 Supervisor/Trainee- Determination of Competency and Property Inspections

105

106 Mr. Derry voiced concerns over Residential Supervisors and Trainees in relation to property
107 inspection, the Uniform Residential Appraisal Report (URAR), and the Determination of
108 Competency forms. Mr. Derry is hearing of supervisors not consistently inspecting properties
109 with trainees. It is the supervisor's responsibility to inspect properties with their trainees until a
110 determination of competency is achieved. Mr. Derry would like the Division to take the
111 Determination of Competency form out of the application and post it separately on the website.
112 Mr. Derry would like a FAQ added about the form and that it needs to be filed with the Division
113 within 10 days. The Board engages in dialogue about their experiences with the URAR form
114 and how it is completed.

115

116 **TASK:**

117 **OLE Dulebohn to check with Division in regards to removing the Determination of**
118 **Competency form from the Certified General and Residential applications, posting it on**

119 **the website, adding an FAQ about the supervisory requirements of this form, and**
120 **correcting the typo “competently” at the bottom of the page.**

121
122 The topic of the scarcity of trainee appraisers was discussed and the board displayed dismay at
123 the two trainees in Fairbanks, zero in the Valley, and one in Kenai. Mr. Derry expresses his
124 feelings on the responsibility of certified appraiser to train new appraiser to continue the
125 profession.

126
127 **Agenda Item #5 Old Business**

128
129 Laura Carrillo joins the meeting at 9:38 a.m. to address the board’s questions on the Fee Analysis
130 Report and answer any questions about the current regulations projects.

131
132 **Fee Analysis Report**

133
134 Ms. Carrillo states that she will not be able to expand upon the Fee Analysis Report because it
135 was already presented to the board in July 2017. Ms. Carrillo did make the comment that in the
136 document revised April 5, 2018, the Courtesy License fee was changed from \$150 to \$250. Ms.
137 Carrillo recalls the 2013 Legislative Audit Report in which it was noted that the courtesy license
138 fee was capped at \$150. Ms. Carrillo wonders if the cap had been expanded since then. Mr.
139 Derry replies that he wasn’t sure that the cap had changed. Ms. Carrillo wanted to make the
140 board aware of this discrepancy before they implement the fee change and fees the Department
141 of Law should be aware of the cap.

142
143 **TASK:**

144 **Mr. Derry will research if any fee cap exists federally for Courtesy Licenses.**

145
146 **Current Regulations Project Update**

147
148 Ms. Carrillo takes the board through the draft regulations language. She touches on the current
149 language of 12 AAC 02.370(9) being removed in lieu of the ASC clearance. Ms. Carrillo then
150 asks if the board has any specific questions. Discussion of the current language ensues when it is
151 discovered that Ms. Carrillo had a copy of the draft regulations that included notes from the
152 Department of Law. Ms. Carrillo advises the board to wait until they can review the more
153 updated version with the Department of Law notes and then reviewing and approving that
154 version at a later meeting. Mr. Derry agrees that the board should postpone any vote on the
155 drafted regulations language until they have a chance to review the updated version. The board
156 was informed that the updates can be found in bold font and underlined.

197 **On a motion made by Robert Tracy, seconded by Renee Piszczek, and passed unanimously**
198 **with a roll call vote, it was:**

199 **RESOLVED to APPROVE the previously reviewed and approved 7 class hours and**
200 **30 hours of distance education hours of continuing education approved by the State of**
201 **Alaska presented by John Emery for the 2015-2017 licensing period audit and DENY the**
202 **continuing education classes presented with approval from the State of California.**

203

204 **On a motion made by Donald Faulkenburry, seconded by Robert Tracy, and passed**
205 **unanimously with a roll call vote, it was:**

206 **RESOLVED to APPROVE the previously reviewed and approved 26 hours of**
207 **continuing education presented by Scott Lantto for the 2015-2017 licensing period audit.**

208

209 Mr. Derry wanted an opportunity to present the board's "case" to the paralegal. Mr.
210 Faulkenburry objected to the board trying to do anything to change the regulation stating he felt
211 it would be a "waste of time" with so many underlining statutes. Mr. Derry recognizes that it
212 may be a "futile effort" but renews his willingness to speak to the paralegal on the board's
213 behalf.

214

215 **On a motion made by Robert Tracy, seconded by Renee Piszczek, and passed with a**
216 **majority roll call vote not including Donald Faulkenburry, it was:**

217 **RESOLVED to APPROVE the appointment of David Derry to speak to the**
218 **paralegal on the board's behalf in regards to a need for the board to review continuing**
219 **education for audits.**

220

221 **TASK:**

222 **OLE Dulebohn will send Mr. Derry the referencing regulation to Mr. Derry prior to**
223 **arranging a meeting to with Mr. Derry and the Paralegal Department to discuss changing**
224 **Centralized Statutes and Regulations to accommodate the Board of Certified Real Estate**
225 **Appraisers pre-approval of continuing education courses so there is no need to review**
226 **content for the audit process**

227

228 Review Goals and Objectives

229

230 The board discusses the 2018 Annual Report. OLE Dulebohn informs the board that the
231 tentative deadline for the report is July 1, 2018. Mr. Derry gives an overview of what the report
232 is to the board and encourages the board to look over previous year's reports. Mr. Derry reports
233 that researching and reporting for the Annual Report helped with the sunset audit in terms of fee
234 changes.

235

236 **TASK:**
237 **Mr. Derry will write up the Goals and Objectives and Summary for the 2018**
238 **Annual Report and send them to OLE Dulebohn before July 1, 2018.**
239

240 **Agenda Item #11** **New Business**

241
242 **AMC Legislation Update**
243

244 Mr. Derry reports that the Appraisal Management Companies (AMC) legislation passed both the
245 House and the Senate and is now only awaiting the Governor's signature. Mr. Derry reports how
246 much he learned from this legislative processes. Mr. Derry acknowledges the support from
247 Senator Kevin Meyer and Representative Andy Josephson. He felt that Representative
248 Josephson and his staff in particular were very helpful in showing him how to navigate the
249 process and supporting the board's requests. Mr. Derry felt that the Senate side was more
250 aligned with the Real Estate Value Advisors (REVA) and the Wells Fargo lobbyist requests. Mr.
251 Derry feels that the versions of the bills that were passed are a lot more specific than were
252 needed and most of what was in them should have been addressed in regulation. These items
253 included the \$25,000 bonding limit that the board had requested be \$100,000 and was eventually
254 settled at \$50,000 and the controlling AMC member must be a Alaska Certified Real Estate
255 Appraiser was changed to just a Certified Real Estate Appraiser. Mr. Derry feels that the bills
256 end results were fair. Mr. Derry does inform the board of a last minute amendment that
257 Representative Guttenburg from Fairbanks added to HB 329 that essentially attempting to clarify
258 charges and fees from the lenders and the AMC's that put the onus on the lenders. The language
259 was confusing and Mr. Derry helped to clarify it.
260

261 Mr. Derry relays that the implementation date for AMC's is August 1, 2018 but the State has
262 filed the 1 year extension with the Appraisal Subcommittee (ASC) which was approved on their
263 May 9, 2018 meeting and it just awaiting the Federal Housing Oversight Committee's final
264 approval.
265

266 Mr. Derry had asked both OLE Dulebohn and Mr. Tracy to look for "sample" regulations for
267 AMC's from other states when they attended the Spring AARO Conference on May 4-6. Those
268 states were identified as Oregon and Texas. OLE Dulebohn was asked to outline the regulations
269 process. Ms. Dulebohn stated that if the board wishes to speak to a regulations specialist about
270 language that the meeting would need to not happen on Fridays since the Specialist does not
271 work on Fridays.

272 David Derry, Chair, called for a 5 minute break at 10:32 a.m. to allow OLE Dulebohn to attempt
273 to locate Doug Fell who had not called in for his Investigative Report that was scheduled for
274 10:30 a.m.

275 **Agenda Item #6** **Investigative Report**

276

277 At 10:37 a.m. Doug Fell from Investigations presents the Investigative Report. Mr. Fell
278 apologizes for being late owing to technical difficulties calling in.

279

280 Mr. Fell starts with the Probation Report stating that there is currently only 1 person on probation
281 and they are staying in compliance. During the last quarter, Investigations opened 2 matters,
282 closed a total of 4, and have 3 ongoing cases that are progressing and working towards evolution
283 and will be addressed at the next meeting.

284

285 **Board Review of Complaint Process/Forms**

286

287 Mr. Derry has questions of the Investigative Department and asks for both Donald Faulkenburry
288 as a past Investigator and Doug Fell's advice in regards to board investigative reviews. Mr.
289 Derry brings the Board Member Review and Commission Member Review forms into question
290 as to content and USPAP compliance. Mr. Derry states that he feels that these reviews require a
291 more in depth analysis and, as a result, more time because someone's certification is on the line.

292

293 Mr. Derry has a list of suggestions regarding this process:

294

295 1. The language be changed from "review" to "screening". The board conducts an initial
296 screening to determine if further investigations are needed. After it is found that investigations
297 are needed, there is board approved or designated appraiser panel consisting of a mix of
298 residential and general appraisers and lenders that are under contract to the board to conduct the
299 analysis. Mr. Derry describes that the panel will be apprised of their duties and the set rate fee
300 beforehand. Mr. Derry states that it is a real obligation for the board to take the time to do
301 investigative reviews because they are very time consuming.

302

303 Mr. Faulkenburry weighs in on his experience on being an investigator in the past. He states
304 when he was an appraiser he would only go to the reviewing board member after a thorough
305 investigation had been completed. The purpose of going to a board member would be to make
306 sure nothing was missed in the investigative process.

307

308 Dialogue ensues of the current investigative process and how much information the investigator
309 has access to in terms of comps and surface value. Mr. Fell informs the board that his job is to
310 gather the facts of cases and then it's the reviewing member's responsibility (based on that
311 report) to determine if a violation has occurred. Mr. Tracy weighs in that USPAP requires a
312 geographic competency for reviews and that may not always be the case with the chosen
313 reviewing member. Mr. Tracy feels that could open the board to legal appeals from reviewees

314 and reiterates Mr. Derry’s need for contracted reviewing panelists. Mr. Derry lists off that the
315 panelist should be from Southeast, Fairbanks, the Valley, and possibly the Kenai Peninsula. Mr.
316 Derry appeals to the board for opinions on contracting reviewing panelists stating the personal
317 opinion that although the board doesn’t receive many complaints, the job of reviewing will fall
318 on the board’s certified appraisers to assist Investigations and he doesn’t want to commit that
319 much time to doing reviews. Mr. Derry would like to see board member only doing the initial
320 screening to determine if further investigations are needed, the investigators do their research,
321 but the actual review go to a contracted reviewer to look for USPAP compliance or appraiser
322 specifics. Rob Tracy concurs with this process.

323
324 Mr. Derry requests Mr. Fell’s knowledge in whether the board has the authority to form such a
325 reviewing panel. Mr. Fell tells the board that Investigations has been known to contract
326 competent experts and negotiate fees which will then be approved by the board. Mr. Derry asks
327 if the board can solicit experts and Mr. Fell notifies the board that to find that many experts he
328 will need to get prior approval from Chief Francois but he believes that having many experts
329 available for review would be beneficial but will incur more cost to the board. Mr. Fell makes
330 sure to emphasize that any review from a panel would still have to come back to the reviewing
331 board member before coming before the board for adoption as the reviewing panel are not board
332 members appointed by the Governor.

333
334 Mr. Derry goes on to state that when he was investigated, it was a process that was stressful and
335 always in the back of his mind. He believes that forming this panel will make the process more
336 expeditious and easier on the person being investigated. Following an inquiry from Mr. Derry as
337 to whether all investigative costs are billed directly to the board and Mr. Fell conveys that he
338 believes they are.

339
340 **TASK:**
341 **Mr. Fell will find out procedures for soliciting experts for the reviewing appraisal**
342 **panel and whether public notice and approval are needed and report back to the board.**

343 **TASK:**
344 **Mr. Fell will look into the possibility of changing the name of the form title “Board**
345 **Member Review” to “Board Member Screening”.**

346
347 **On a motion made by Robert Tracy, seconded by Renee Piszczek, and passed with a**
348 **majority roll call vote not including Donald Faulkenburry who abstained, it was:**

349 **RESOLVED to APPROVE the Board establishing a review panel for appraisers as**
350 **a component of the investigative process including factors of geographic competency,**
351 **whether a residential or general appraiser is needed, qualifications, and the cost of the**
352 **panel including reviewer fees. The utilization of this panel would be prompted by an initial**

392 regulations changes to reflect all the new criteria specified in the AQB 2018 version. Mr. Tracy
393 reports that in the AARO meeting, having the statutory authority Georgia, Iowa, and Washington
394 chose to hold to the higher standards set in the AQB 2015 version. Mr. Derry states that a year
395 ago, the board sent in a letter of support for the more liberal version of requirements to the AQB.
396

397 ASC Revised Policy Statement

398
399 ASC Revised Policy Statement was sent out to the board on March 5, 2018. The redline version
400 was sent to the board members on March 9th and 15th, 2018. Mr. Derry states that this version
401 will not be implemented or auditable until March 2019. OLE Dulebohn and Mr. Tracy recall
402 from the AARO Conference that federal AMC audits will not be conducted until 2020.

403

404 The Real Appraiser Qualification Criteria (May 2018)

405
406 Hard copies of The Real Appraiser Qualification Criteria (May 2018), Qualification Breakdown
407 sheet (summary), and AQB Q&A that were acquired from the AARO conference were mailed to
408 each board member on May 7, 2018.

409

410 New Potential Regulations Projects

411

412 Mr. Derry asked that 12 AAC 70.990 as pertains to USPAP be added to the agenda. The
413 definition stated says that (1) *in accordance with Standard 1 and Standard 2 of the Uniform*
414 *Standards of Professional Appraisal Practices described in 12 AAC 70.900* that definition needs
415 to be updated to include Standard 3 and Standard 4. Upon consulting OLE Dulebohn on the
416 regulations process, Mr. Derry concludes that this change can be addressed when the board starts
417 the regulations changes to accommodate new AMC and AQB requirements.

418

419 Mr. Derry also asked that 12 AAC 70.210 be changed to allow continuing education credit for
420 licensees and acting board members for board meeting attendance. OLE Dulebohn states that
421 while giving credit to licensees for board attendance is common there are no programs that
422 award board members credit for attending board meetings. OLE Dulebohn consulted Supervisor
423 Kautz in her research of this topic and it was determined that giving a board member credit for
424 attendance to board meeting they were already required to attend was an ethics violation as it
425 would be providing compensation. The board discussed this position at length with Mr. Derry
426 mentioning he was hoping that allowing board members credit for board meeting would entice
427 more people to want to join the board. Mr. Derry quotes the AQB Criteria (2015) page 8,
428 number 15 for reference:

429

430 *State appraiser regulatory agencies may award continuing education credit to credentialed*
431 *appraisers who attend a state appraiser regulatory agency meeting, under the following*
432 *conditions: a) Credit may be awarded for a single state appraiser regulatory agency meeting*
433 *per continuing education cycle. The meeting must be open to the public and must be a minimum*
434 *of two hours in length. The total credit cannot exceed seven hours and b) the state appraiser*
435 *regulatory agency must ensure that the credentialed appraiser attends the meeting for the*
436 *required period of time.*

437

438 The discussion on this topic was concluded by deciding to consult Deputy Director Sara
439 Chambers her advice when she joined the meeting for the Division Update.

440

441 **Agenda Item #12** **Correspondence**

442

443 OLE Dulebohn informs the board that the correspondence from Vincent, Curtis (Classroom vs.
444 Distance), and Druhot should all be answered at the conclusion of Administrative Business. The
445 e-mails that the board needs to specifically address and respond to are from Curtis (Review
446 Specific States) and Safer.

447

448 The board deliberated, decided that they would go ahead and break, read these two letter during
449 the break, and would respond to the letters after lunch.

450

451 *David Derry, Chair, called for a lunch break at 11:53 a.m. to reconvene at 1:00 p.m.*

452

453 **Agenda Item #8** **Lunch**

454

455 **Agenda Item #12 (continued)** **Correspondence**

456

457 Chair David Derry reconvened the board at 1:04 p.m.

458

459 Mr. Derry asked the board to review the e-mails from Michael Curtis on Reviewer Specific
460 States and Allen Safer on Barriers to Licensure.

461 After reviewing and discussing Mr. Safer's correspondence it was decided that Vice Chair
462 Robert Tracy would draft a letter of support that initial qualifying education for trainees be done
463 after they have their trainee license to the AQB and a reply to Mr. Safer.

464

465 **On a motion made by Robert Tracy, seconded by Renee Piszczek, and passed with a roll**
466 **call vote, it was:**

506 could be more of an asset for the board in the future. Ms. Chambers informs the board that, as
507 they have found, the legislative process is very complex. Ms. Chambers commends Mr. Derry
508 for his tireless championing of legislation and his real estate appraiser knowledge and
509 explanations to committees. Ms. Chambers explains that Legislative Liaison helps to interface
510 between the Commissioner’s Office, the administration, and the legislation and helps to facilitate
511 the process. Ms. Chambers states that there are two ways to legislation can happen:

- 512 1. Through a legislative sponsor such a representative or senator
- 513 2. Through the Governor via the Division (very minimal)

514
515 The Legislative Liaison must have the clearance from the Governor’s Office to advocate for any
516 changes. Ms. Chambers suggests that if there is an addition that the board feel needs to be made
517 next session, a gesture of thanks from the board should be made to the sponsors now. After the
518 sponsors have time to rest and recharge, broach the subject of legislative change in the fall.

519
520 **TASK:**

521 **Mr. Derry will draft thank you notes to the sponsors of HB 329 and SB 155.**

522
523 On the subject of the duties of the liaison, Mr. Derry was disappointed that Ms. Fowler did not
524 interact or ask the board’s stance on more issues. He felt as though crucial issues were not
525 conveyed to the legislature because of this. Ms. Chambers went on the record to say that she did
526 not feel as though things Mr. Derry may have heard on the subject were entirely truthful. Mr.
527 Derry also expressed dismay at this being an Alaskan bill, being reviewed by Alaska law makers,
528 and actively supported by the Alaska Board of Certified Real Estate Appraisers but that the
529 legislators did not give more weight to the concerns and requests of the board that would have to
530 enforce it.

531
532 Financial Report

533
534 Ms. Chambers went on to inform the board of the financial report for the 3rd quarter ending
535 March 31, 2018. Ms. Chambers guided the board through the trends of this non-renewal year.
536 Prompted by a question from Mr. Derry on the travel restrictions for the last AARO conference,
537 Ms. Chambers explained that there is no political will from the Governor’s Office to allow
538 multiple board members to go to the same conference without demonstration of multiple
539 educational tracks being followed.

540

APR	2018
374,791	Beginning Surplus

50,030	Total Revenue
67,810	Direct Expense (i.e. personal services, travel, contractual, supplies, equipment)
13,913	Indirect Expense (Commissioner's office, human resources, technology, postage, maintenance)
81,723	Total Expenses
\$343,098	2018 1st -3rd Quarter Cumulative Surplus

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TASK:

OLE Dulebohn to forward the AMC extension request approval to Michaela Fowler (still pending Federal approval).

Agenda Item #10 Public Comment

No one was presented either in person or telephonically for Public Comment. No public comment was heard.

Agenda Item #13 Administrative Business

Meeting Dates for 2018

OLE Dulebohn requests that the board set their meeting dates for the rest of the year in order to have access to staff and equipment. She states that today's meeting did not have a meeting room finalized until this morning, there was no Wi-Fi hotspot since the Division only has one in Juneau, and she hopes that setting dates will avoid this issue in the future.

- Teleconference Meeting- July 25, 2018 (alternate being July 24) at 9:00am for half a day- primary focus on regulations language stemming from new AMC legislation and AQB Criteria changes. The board would like to have a regulations specialist in attendance.
- In Person Meeting in Anchorage- September 24, 2018 (alternate being September 25) at 9:00 am
- Teleconference Meeting – November 19, 2018 (alternate being November 20) at 9:00 am

569 Mr. Faulkenburry requests that OLE Dulebohn inform the board of the set dates as soon as they
570 are confirmed in the calendar.

571

572 **TASK:**

573 **OLE Dulebohn will send out the set meeting dates to the board as soon as they are**
574 **confirmed.**

575

576 AARO Conference Report

577 Mr. Tracy gives a board report on knowledge gained from the AARO Conference that he and
578 OLE Dulebohn attended on May 3-6, 2018. Mr. Tracy reports that there was wide support for
579 the education criteria changes, a new technology called Practical Application of Real Estate
580 Appraisals (PAREA) that will help with education and experience, an ID number change in the
581 appraiser database, appraiser decline, standardizing best practices, Appraisers Standards Board
582 decided to send out a new draft in mid-May of 2018, the Appraisal Institute lobbied to be able to
583 provide all the educational support for PAREA, and that the states that he identified as having
584 regulations in place that may be helpful for Alaska as sample language are Texas, Wyoming, and
585 Oregon which are available online.

586

587 **TASK:**

588 **Mr. Tracy will send the state regulation links that could be used as “sample”**
589 **regulation language to OLE Dulebohn who will disseminate them to the board.**

590

591 Ms. Piszczek interjects that she will need to leave at 3:30 pm.

592

593 OLE Dulebohn contributed that she had been able to attend Investigative training where case
594 studies had been presented and she felt it was very clarifying to the process, that she took away a
595 lot of administrative ideas on how to craft AMC applications. OLE Dulebohn felt that the
596 knowledge she gained was invaluable in terms of understanding AMCs and AQB Criteria
597 changes especially from the summaries and breakdowns that were provided. OLE Dulebohn
598 recorded the AARO meeting if anyone would like to request a copy of the audio. Mr. Tracy
599 interjects that the AARO Conference in Denver in 2019 will have a more in depth, 7 hour
600 investigative training.

601

602 In regards to the AQB Public meeting, both attendees felt it was basically a rehash of the AARO
603 Conference and didn't particularly give them any new information.

604

605

606

607

608 Code of Conduct Documents

609
610 An email was received by Lindy Irwin at the Governor’s Office requesting that Mr.
611 Faulkenburry submit his Oath of Office and Code of Conduct documents. Mr. Faulkenburry
612 submitted his Oath of Office the week of May 7, 2018 and he maintained that he would send his
613 Code of Conduct documents to Lindy Irwin immediately.

614
615 Connecting the Dots

616
617 Before she leaves, Mr. Derry asks Ms. Piszczek to go over the class she attended entitled
618 “Connecting the Dots” that she provided the board with a power point. The class was billed as
619 mandate for “going green”. Ms. Piszczek reports that approximately 50 people who were a mix
620 of lenders, appraisers, real estate agents, and representatives from the State of Alaska were all in
621 attendance. The instructor suggested using a hybrid of The Cost Approach to address the costs
622 to build in the Fairbanks area. The board discusses the pros and cons of having a more “green”
623 home.

624
625 2018 Annual Report

626
627 This topic was prematurely discussed during Board Business. Mr. Derry will write up the Goals
628 and Objectives and Summary for the 2018 Annual Report including the board’s wish to set up a
629 review panel and send them to OLE Dulebohn before July 1, 2018.

630
631 Clarifications on Board Decisions/ Policies Going Forward

632
633 In an effort to get clarification on some issues that have been brought to the Division, OLE
634 Dulebohn has asked the board to weigh in on precedents previously set or that need to be
635 revisited in following with Federal and State requirements. Although the Division formulates all
636 applications, OLE Dulebohn would like input from the experts in the real estate appraiser
637 industry. All feedback will be considered and appreciated. OLE Dulebohn has compiled a list of
638 items that include:

639
640 **1. Q. What is the board’s stance on postdating approval for continuing education or**
641 **qualifying education courses?**

642
643 A. After discussion, the board decided that course approval could be postdated on a case by case
644 basis. The board is mostly concerned with content of courses and allowing more options for
645 courses to be taken by applicants and licensees. If someone applies as a Certified Real Estate
646 Appraiser or Trainee and the certificates they submit as part of their qualifying education do not

647 have dates that correspond the course approval, the board will take into consideration that the
648 course was eventually approved and review that application accordingly. The board does not
649 want to impose un-needed restrictions on applicants for issues that probably stem from the
650 sponsors.

651
652 **TASK:**

653 **OLE Dulebohn will send out an e-mail to course sponsors to set guidelines for the**
654 **course approval process.**

655
656 **2. Q. Are course application approvals good for less than 3 years if the AQB approval**
657 **states an earlier date?**

658
659 A. The board had a lengthy discussion and decides that although AQB approval is a important
660 tool for streamlining application approval it doesn't have anything to do with the State course
661 expiration date as stated in 12 AAC 70.200(3)(d). The board determines that it is the sponsor's
662 responsibility to provide AQB renewal documents to the State if it chooses to continue to offer
663 an AQB approved course beyond their initial AQB expiration. All courses that are approved by
664 the board will have a 3 year expiration date.

665
666 **3. Q. Regulation 12 AAC 70.100 states that “an applicant under this section must include**
667 **official transcripts, notarized copies of certificates of completion, or other evidence**
668 **acceptable to the board, that verify the classroom hours of instruction required in 12 AAC**
669 **70.115(a) or (b) as applicable.” Why has the board been accepting non-notarized**
670 **certificates?**

671
672 A. After deliberation, it was the board's decision that asking that certificates of completion from
673 recognized sponsors is not necessary. The board interprets this regulation to mean that as long as
674 transcripts are “official” by the school's standards and the certificates of completion come from
675 recognized sponsors, no notarized copies provided by the applicant are necessary as they would
676 fall into “other evidence acceptable to the board”.

677
678 *Renee Piszczek left the meeting at 3:30 p.m.*

679
680 **4. Q. During a recent application processing, it was determined by OLE Dulebohn,**
681 **Supervisor Renee Hoffard, and Director Janey McCullough that the application by**
682 **examination processing time could be significantly reduced if the board would elect a**
683 **person or persons to review applicants work log for the designated work product and to**
684 **identify that work product to Division during the board's initial review of the application.**
685 **Would the board consider implementing these time saving measures?**

686 A. The board discussed this topic and decided that they had no objections to streamlining the
687 application process for applicants by examination. It was decided that David Derry would be the
688 designated reviewer for persons applying to be a General Real Estate Appraiser and Wendy
689 Lawrence would be the designated reviewer for persons applying to be a Residential Real Estate
690 Appraiser barring any conflict of interest.

691

692 **TASK:**

693 **OLE Dulebohn will amend the board’s voting ballot to include a place for the work**
694 **product to be identified by the designated member at the time of initial review and that**
695 **selection to be disclosed to the applicant only after the applicant has successfully passed**
696 **their exam.**

697

698 **5. Q. On the Supervisor Approval Request form is the statement: *Per 12 AAC 70.935, a***
699 ***supervisory appraiser shall be certified in Alaska and in good standing for at least three years***
700 ***before applying on this form. Does this statement accurately reflect the board’s position on***
701 **Supervisor Approval Requests?**

702

703 A. The board looked at the regulation, deliberated, and decided that that statement did accurately
704 reflect the board’s interpretation. Mr. Faulkenburry points out that when a state regulation says
705 the word “state” they only have jurisdiction in their area so it couldn’t mean any other state
706 because the rules have no standing elsewhere. The issue was expanded upon by the board in that
707 they did not believe anyone could have enough experience to teach in Alaska without having
708 worked and acquired experience as a Certified Real Estate Appraiser for at least 3 years. The
709 board’s final decision is anyone applying as a Supervisor must have been certified and in good
710 standing in the State of Alaska for at least 3 years before applying.

711

712 6. Q. If someone fraudulently attempts to gain supervisor approval, should there be disciplinary
713 action taken in accordance with AS 08.87.210(3)?

714

715 A. Yes.

716

717 **TASK:**

718 **OLE Dulebohn will look into changing the application to say “a supervisory**
719 **appraiser shall be certified and in good standing in the State of Alaska for at least three**
720 **years before applying on this form and make note of this in the FAQ’s.**

721

722 **6. Q. Can distance education be substituted for “classroom” hours for Qualifying or**
723 **Continuing Education if the AQB criteria for classroom hours via distance education is**
724 **met?**

725 A. The board recognized that time are changing and technology is evolving and are willing to
726 discuss this subject in a future meeting. Mr. Derry recalls that prior to May 2017 the board had a
727 discussion on this subject. The board recalls that they have always interpreted and continue to
728 maintain that the word “classroom” to be a course attended live and in person and not to be
729 available for any online substitution.

730

731 **TASK:**

732 **Definition of classroom hour, live webinar, and classroom hours via distance**
733 **education should be added to 12 AAC 70.990 during the next regulations project.**

734

735 **7. Q. Does the board maintain that all qualifying education must be completed by live, in**
736 **person classroom hours?**

737

738 A. Yes.

739

740 **8. Q. Does the board maintain that 50 % of continuing education must done as a live, in**
741 **person classroom hour and the other half may be done online?**

742

743 A. Yes.

744

745 As the board meeting was running over time, the remainder of OLE Dulebohn’s list of topics for
746 clarification will be addressed in the next board meeting.

747

748 **Agenda Item #14 Adjourn**

749

750 In closing, Mr. Derry revisited task list items. The board addresses the OnBoard program issues and
751 asked that more time to learn the program be allotted to the board. After discussion with Mr.
752 Faulkenburry and OLE Dulebohn, OLE Dulebohn resolved to get board meeting information out
753 anywhere from 2 weeks to 3 weeks in advance depending on board feedback on the draft agenda.

754

755 **TASK:**

756 **OLE Dulebohn will confirm Mr. Faulkenburry’s contact information since he did not**
757 **receive voicemails concerning implementation on the OnBoard program for board packet**
758 **dissemination.**

759

760 **In a motion made by Donald Faulkenburry, seconded by Robert Tracy, and passed**
761 **unanimously, it was RESOLVED to ADJOURN.**

762

763 Hearing nothing further, Chair David Derry adjourned the meeting at 4:41 p.m.

764

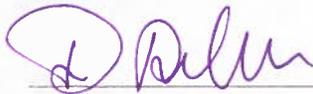
765

766 Respectfully Submitted,

767

768

769



770 Dawn Dulebohn, Licensing Examiner

7/31/18

Date

771

772

773

774



David Derry, Chair

7/25/2018

Date