

**STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING
BOARD OF CERTIFIED REAL ESTATE APPRAISERS**

**MINUTES OF REGULAR MEETING
October 9, 2014**

The staff of the Division of Corporations, Business & Professional Licensing prepared these draft minutes. They 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 October 9, 2014 at the Atwood Building, 550 W. 7th St., 15th Floor, Suite 1540, Anchorage, Alaska.

Call to Order/Roll Call

The meeting was called to order at 9:05 am by David Derry, Chair.

Those present, constituting a quorum of the Board:

David Derry, Chair, Licensed General Real Estate Appraiser
Alfred Ferrara, Licensed Residential Real Estate Appraiser
Lance Cook, Licensed Residential Real Estate Appraiser
Brit Szymoniak, Public Member
Renee Piszceck, Mortgage Lending Member

In attendance from the Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing:

Sara Chambers, Division Director
Colleen Kautz, Operations Manager
Charles Ward, Paralegal
Jay Paff, Investigator

In attendance from the Department of Law:

Todd Araujo, Assistant Attorney General

Agenda Item #1 – Board Business

Agenda and Minutes

The board approved the agenda as presented.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Piszczek, and approved unanimously, it was:

Resolved to approve the minutes of the July 9, 2014.

The board did not approve the minutes from the following meetings because a majority of the current board was not seated at the time the prior boards convened:

- January 2014
- August 2013
- July 2013
- May 2013
- March 2013

Ethics Disclosures

Director Chambers distributed copies of the Alaska Ethics Information for Members of Boards and Commissions, the Ethics Act Procedures for Boards and Commissions, the Notice of Receipt of Gift Form, and the CBPL Board Member Orientation Manual. The board received information about ethics disclosure and open meetings requirements of Alaska law. The chair requested ethics disclosures from the board; none were reported.

Review and Approval of Licenses

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Piszczek, and approved unanimously, it was:

Resolved to approve the applications for licensure of

- **Michael Kersten, General Real Estate Appraiser by Endorsement**
- **Bristol Whitmore, Residential Real Estate Appraiser by Examination**

Review and Approval of Continuing Education Course Applications

Upon a motion duly made by Ms. Piszczek, seconded by Ms. Szymoniak, amended by Derry, and the amendment approved unanimously, it was:

Resolved to approve continuing education courses as submitted with exceptions noted(*), which are to be approved upon the division’s receipt of complete applications and payment of fees:

- **Appraisal Institute: Residential Market Analysis and Highest & Best Use**
- **Appraisal Institute: Real Estate Finance, Statistics, and Valuation Modeling**
- **Appraisal Institute: International Financial Reporting Standards for the Real Property Appraiser**
- **Appraisal Institute: Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets**
- **American Society of Farm Managers Basic Appraisal Principles (A101)**

| Sponsor of Course | Name of Course | Course Category |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------|
| Allterra Group | A Practical Guide to Appraisal Review | CE |
| American Society of Farm Managers and Rural Appraisers | Advanced Appraisal Exam Preparation | CE |
| American Society of Farm Managers and Rural Appraisers | Basic Appraisal Principles (A101)* | Initial Cert/ CE |
| American Society of Farm Managers and Rural Appraisers | General Market Analysis and Highest & Best Use (A290) | Initial Cert/ CE |
| American Society of Farm Managers and Rural Appraisers | Requirements of UASFLA - The "Yellow Book" | CE |
| American Society of Farm Managers and Rural Appraisers | Sales Comparison Approach for General Appraisers (A302) | Initial Cert/ CE |
| American Society of Farm Managers and Rural Appraisers | Sales Comparison Approach for General Appraisers (A302) | Initial Cert/ CE |
| Appraisal Institute | 15 Hour National USPAP course | Initial Cert/ CE |
| Appraisal Institute | 2013 Annual Meeting Session - Day 1 | CE |
| Appraisal Institute | 2013 Annual Meeting Session - Day 2 | CE |
| Appraisal Institute | 2013 Annual Meeting Session - Day 3 | CE |
| Appraisal Institute | Advanced Income Capitalization - Synchronous | CE |
| Appraisal Institute | Advanced Market Analysis and Highest & Best Use Synchronous | CE |
| Appraisal Institute | AI Connect 2014 - Day 1, 2,3 | CE |
| Appraisal Institute | Application & Interpretation of Simple Linear Regression | CE |
| Appraisal Institute | Business Practices and Ethics | CE |
| Appraisal Institute | Case Studies in Appraising Green Residential Buildings | CE |
| Appraisal Institute | Fundamentals of Separating Real Property, Personal Property, & Intangible Business Assets | CE |
| Appraisal Institute | Income Approach for Residential Appraisers | CE |
| Appraisal Institute | International Financial Reporting Standards for the Real Property Appraiser* | CE |
| Appraisal Institute | International Valuation Standards Overview | CE |
| Appraisal Institute | Litigation Assignments for Residential Appraisers | CE |
| Appraisal Institute | Online Cool Tools: New Technology for Real Estate Appraisers | CE |
| Appraisal Institute | Online FHA and the Appraisal Process | CE |
| Appraisal Institute | Online Forecasting Revenue | CE |
| Appraisal Institute | Online General Appraiser Report Writing and Case Studies | CE |
| Appraisal Institute | Online Rates & Ratios: Making Sense of GIM, OARs, & DCF | CE |

*Board of Certified Real Estate Appraisers
Board Meeting – October 9, 2014*

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|--------------------------------------------------|---------------------------------------------------------------------------------------|------------------|
| Appraisal Institute | Online Residential Report Writing and Case Studies | CE |
| Appraisal Institute | Online Reviewing Residential Appraisals and Using Fannie Mae Form 200 | CE |
| Appraisal Institute | Online Small Hotel/Motel Valuation | CE |
| Appraisal Institute | Online Supervising Appraisal Trainees | CE |
| Appraisal Institute | Quantitative Analysis - Synchronous | Initial Cert/ CE |
| Appraisal Institute | Real Estate Finance, Statistics, and Valuation Modeling* | Initial Cert/ CE |
| Appraisal Institute | Residential Applications - Using Technology to Measure and Support Assignment Results | CE |
| Appraisal Institute | Residential Applications 2 | CE |
| Appraisal Institute | Residential Market Analysis and Highest & Best Use* | Initial Cert/ CE |
| Appraisal Institute | Residential Report Writing and Case Studies | Initial Cert/ CE |
| Appraisal Institute | Residential Sales Comparison and Income Approach | Initial Cert/ CE |
| Appraisal Institute | Residential Site Valuation and Cost Approach | Initial Cert/ CE |
| Appraisal Institute | Review Theory - General | CE |
| Appraisal Institute | Review Theory - Residential | CE |
| Appraisal Institute | Unraveling the Mystery of Fannie May Appraisal Guidelines | CE |
| Appraisal Institute | Using Spreadsheet Programs in Real Estate Appraisal- Synchronous | CE |
| Appraisal Institute | Valuation in Challenging Markets | CE |
| McKissock, LP | Analyze This! Applications of Appraisal Analysis - Live Webinar | CE |
| McKissock, LP | Appraisal of Assisted Living Facilities | CE |
| McKissock, LP | Even Odder - More Oddball Appraisals - 8224 | Initial Cert/ CE |
| McKissock, LP | Introduction to Uniform Appraisal Dataset - 10075 | Initial Cert/ CE |
| McKissock, LP | Land and Site Valuation | CE |
| McKissock, LP | Mold, Pollution and the Appraiser - 10180 | CE |
| McKissock, LP | REO and Foreclosures - 8253 | CE |
| McKissock, LP | Residential Appraisal Review-9946 | CE |
| McKissock, LP | Residential Report Writing: More than Forms 8227 | Initial Cert/ CE |
| McKissock, LP | Reviewer's Checklist - Live Webinar | CE |
| McKissock, LP | The Sales Comparison Approach | CE |
| McKissock, LP | UAD - Up Close and Personal - Live Webinar | CE |
| McKissock, LP | Understanding Residential Construction | CE |
| OnCourse Learning Corp., d.b.a. Career WebSchool | 2014-2015 7-Hour Equivalent USPAP Update Course | Initial Cert/ CE |

Mr. Cook left the meeting at this time.

Review and Adoption of Consent Agreements

The board was joined by division paralegal Charles Ward.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Szymoniak, and approved unanimously, the board:

Moved to enter into executive session to discuss cases 2014-491 and 2014-552 in accordance with AS 44.62.310(c).

The board went off the record 10:20 a.m. and resumed the meeting on the record at 10:54 a.m.

Upon a motion duly made by Mr. Ferrara, seconded by Mr. Derry, and approved unanimously, the board:

Moved to exit executive session and resume the meeting.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Piszczek, and approved unanimously, the board:

Moved to adopt the consent agreement for Julie Dineen, 2014-000491, and recognize the course “Advanced Deferred Exchanges” as acceptable continuing education.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Szymoniak, and approved unanimously, the board:

Moved to adopt the consent agreement for Ian Guinn, 2014-000592, and recognize the course “Online Comparative Analysis” as acceptable continuing education.

Agenda Item #2 – Appraisal Subcommittee compliance review findings

The board was joined by AAG Todd Araujo.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Szymoniak, and approved unanimously, it was:

Resolved to approve the minutes of the June 25, 2014, meeting.

Upon a motion duly made by Ms. Szymoniak, seconded by Ms. Piszczek and approved unanimously, the board:

Directed staff to prepare draft regulations in accordance with the 2014 audit and in order to accomplish the requirements of the 2015 Appraisal Subcommittee.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Szymoniak, and approved unanimously, the board:

Directed staff to add a section to the forthcoming draft regulations to ensure reciprocity and endorsement conform to Appraisal Subcommittee standards.

Chairman Derry stated that he would draft the response to the ASC, which is required by October 28. Director Chambers offered to provide a response to the administrative findings and would supply that information to Chairman Derry for his inclusion in the response.

The board recessed for lunch at 12:02 p.m. and reconvened on the record at 1:06 p.m.

The board was joined by their new investigator, Jay Paff, who discussed his role and an overview of the investigation process. He reported that there are no open cases and expressed his thanks to Mr. Ferrara for serving as the reviewing subject matter expert in recent open matters since no board member who was also a licensed appraiser was available. He provided with handouts explaining the investigative process, and Director Chambers explained reviewing board member responsibilities and the requirement to recuse oneself from voting on cases when one was the reviewing board member.

The board returned to the discussion of the Appraisal Subcommittee findings. Director Chambers provided her perspective on the administrative deficiencies that were noted, stating this year had been eye-opening to the increased involvement from upper management that was needed to ensure staff was being trained and supervised adequately. She informed the board of the class study currently underway, explaining that it would likely improve the pay of examiners to more closely match the level of work being asked of them. The intent is to retain experienced examiners. She stated that a reclassification upward would have an effect on the board's budget while improving their performance.

Agenda Item #3 – New Business

The board discussed the advent of Appraisal Management Companies, the Appraisal Subcommittee's forthcoming requirements for state AMC regulation, and the board's existing authority under the 2014 statute changes to now regulate AMCs.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Piszczek, and approved unanimously, the board:

Moved to join the Association of Appraiser Regulatory Officials (AARO).

The board discussed sending staff and/or a board member to the spring AARO conference at a cost of about \$3000 per person per meeting. State membership is \$350 annually.

Upon a motion duly made by Mr. Ferrara, seconded by Ms. Szymoniak, and approved unanimously, the board:

Moved to request two people (staff, board) attend the May 2015 meeting of AARO.

Sarah Heath from the Office of the Governor, Boards and Commissions, stopped by and introduced herself.

The board discussed continuing education regulations 12 AAC 70.210(c), 12 AAC 70.210(e)(2) and 12 AAC 70.215(c) with interest in expediting the process of approval for qualifying courses. Board must approve the course delivery mechanism per ASC audit recommendation. Members expressed desire to approve courses sponsored by Alaska-based appraisal organizations. Mr. Ferrara offered to draft regulations for board review pertaining to these suggestions with the intent to include them in the forthcoming regulations proposal on ASC compliance regulations.

Agenda Item #4 – Public Comment

There were no comments from members of the public.

Agenda Item #5 – Board member Comments

Ms. Szymoniak was contacted by Rep. Costello's office with an inquiry into how she was enjoying her time on the board. She was not certain if the request tied to Rep. Costello's prior legislative proposal on Appraisal Management Companies.

The board discussed sending an Administrative Law Judge to USPAP training so they understand the concepts when reviewing cases. Director Chambers indicated that a letter with that suggestion could be sent to the Chief ALJ; however, the board and the division could not compel a judge to attend.

Under a motion duly made by Mr. Ferrara, seconded by Ms. Piszczek, and approved unanimously, the board:

Moved to recommend Investigator Jay Paff attend full USPAP training.

Agenda Item #6 – Administrative Business

Director Chambers briefly discussed division and state travel policies and procedures. She distributed travel authorization forms for signature and requested all receipts within 5 days.

Next meeting date: December 11, 2014, via teleconference.

Task list:

- Mr. Ferrara is drafting regulations for review at the December 11 teleconference. He is also contacting the Appraisal Institute regarding completion of their application for four pending courses.
- Ms. Szymoniak will report back to the board if she engages in further discussion with Rep. Costello.
- AAG Todd Araujo is drafting conforming regulations for review at the December 11 teleconference.
- Director Chambers is drafting the division's administrative response to the ASC and will provide Chairman Derry with her letter.

There being no further business to come before the board, the meeting was adjourned at 3:25 p.m.

Respectfully Submitted on October 13, 2014:

Sara Chambers, Division Director

Approved on _____:

David Derry, Board Chair