

Annual Report

Fiscal Year 2020

ALASKA BOARD OF CERTIFIED REAL ESTATE APPRAISERS



**Department of Commerce, Community
and Economic Development**

**Division of Corporations, Business
and Professional Licensing**

This annual performance report is presented in accordance with
Alaska statute AS 08.01.070(10).

Its purpose is to report the accomplishments, activities, and the
past and present needs of the licensing program.

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Identification of the Board

Board Member	Duty Station	Date Appointed	Term Expires
<p>David Derry, Chairman Certified General Real Estate Appraiser</p>	Kenai	Mar 01, 2014	Mar 01, 2022
<p>Wendy Lawrence Certified Residential Real Estate Appraiser</p>	Sitka	Mar 01, 2018	Mar 01, 2024
<p>Renee Piszczek Mortgage Banking Executive</p>	Fairbanks	Sep 02, 2014	Mar 01, 2021
<p>Ashley Stetson Public Member</p>	Wasilla	Jan 11, 2019	Mar 01, 2023
<p>William Barnes Certified General Real Estate Appraiser</p>	Palmer	Aug 20, 2019	Mar 01, 2022

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Identification of Staff

Allan Alcancia – Licensing Examiner (July 1, 2019- October 1, 2019)

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-2695

Tracy Wiard – Licensing Examiner (November 1, 2019- June 30, 2020)

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-695

Joseph Bonnell – Records and Licensing Supervisor

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-2691

Sher Zinn – Regulations Specialist

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
Post Office Box 110806
Juneau, Alaska 99811-0806
(907) 465-1049

Autumn Roark – Investigator

Department of Commerce, Community & Economic Development
Division of Corporations, Business and Professional Licensing
550 West 7th Avenue, Suite 1500
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Narrative Statement

Board Overview

The Board of Certified Real Estate Appraisers (Board) has been endowed with the powers and duties conferred by AS 08.01, and the mandate to establish the examination specifications for certification as a general and residential real estate appraiser; the adoption of rules of professional conduct; and the adoption of regulations to carry out the purposes of this chapter, including regulations necessary to comply with the requirements of 12 U.S.C. 3331-3351.

Towards the goal of accomplishing these mandates, the Board met seven times in FY 2020 in various capacities via: three teleconferences, three video conferences, and one in person meeting in Anchorage. All Board meetings were public-noticed and a copy of the agenda was made available to the public. Minutes were approved at subsequent meetings and were posted on the Board website. The major focus of FY 2020 was the completion of a comprehensive review of appraiser education and certification regulations resulting in an alignment of state regulations to national regulations, as well as the implementation of laws for the registration and regulation of Appraisal Management Companies (AMC's).

Education Review – Qualifying and Continuing Education

The Board continued its review and approval of education classes for both qualifying education for General and Residential Appraiser Certification, and continuing education courses.

Continuing Education Annual Random Audit

For the July 1, 2019 – June 30, 2021 renewal period of appraiser certifications, department staff mailed (248) renewal letters on May 8, 2019. As of reporting on August 2019, there were a total of (213) renewed licensees: (93) Certified General (72 via web); (115) Certified Residential (105 via web); and (5) Trainees (4 via web). Twenty-nine (29) licensees were randomly selected for audit during this renewal period, and the audit notices were mailed the first week of August 2019. The Board adjudicated cases resulting from the random continuing education audits for appraiser recertification during the fiscal year. In those cases where a Consent Agreement was appropriate, the Board accepted and approved the agreements negotiated by the Department legal staff.

Appraiser Certifications

Applications for appraisal certifications were approved, denied, or pending on a case by case basis, following Board consideration. Review and determination encompassed applicants for General and Residential certification, taking into consideration education, experience, work product review, and successful completion of the applicable approved examination. Only one licensure application was denied by the board, was adjudicated on administrative appeal and was denied again by the board on final reconsideration. The Board also processed applications for Registered appraisal trainees, trainee Supervisors, applications for certification by reciprocity and courtesy licenses.

Appraisal Management Company Regulation

The Board completed its project regarding the registration and regulation of real estate Appraisal Management Companies and established fees for their operation within the state. The Board committed to establishing AMC oversight regulation in 2015 and reaffirmed that in 2017. Under the federal Dodd-Frank act, AMC's are not be allowed to operate in states that do not enact AMC oversight by August of 2018. And under Dodd-Frank, oversight responsibility is conferred on state appraisal boards. An effort was made by the Alaska Chapter of the Appraisal Institute to get AMC legislation considered in the 2015 legislative session, but they were unable to secure a sponsor legislator. With a push from Wells Fargo bank and the AMC lobby organization REVAA (Real Estate Valuation Advocacy Assoc.) Representative Andy Josephson and Senator Kevin Meyer both sponsored legislation to allow AMC oversight regulation. With testimony and support from the Alaska Board, that legislation was successfully passed in 2018, signed by the Governor in July 2018.

A modification of the federal enactment deadline allowed the Board a 1-year extension in order to pass appropriate legislation. The regulations were successfully implemented in 2019 and AMC regulation resultantly increased the Board's and staff's workloads considerably through the approval of 62 AMC's during the fiscal year.

Appraiser Disciplinary Review

Complaints and/or conduct issues have been continued to be reported by the assigned departmental Investigator to the Board. When needed the Investigator engaged a Board Member to advise and/or assist on technical appraisal issues. The majority of those complaints have been closed to date, but several remain open due to Investigative Unit regulatory processes.

Appraisal Subcommittee Compliance Review of the Alaska Appraiser Regulatory Program

All state appraisal boards are subject to federal oversight and conformance with uniform national standards. Because of this requirement, In July 2019 the Appraisal Subcommittee (ASC) of The Appraisal Foundation (TAF) conducted a Compliance Review of the Alaska appraiser regulatory program run by the Alaska Board of Certified Real Estate Appraisers. The ASC audit team met in Juneau for phase one of the audit, then completed the audit in Anchorage with the observation of the Board's August 2019 meeting. The audit addressed both the regulatory aspects as well as the functioning of the Board in action, and the outcome was a "Good" rating. Areas of concern identified will be addressed by the Board via the establishment of a Board Subcommittee, and Alaska will remain on a two-year review cycle.

Association of Appraiser Regulatory Officials

Since 2014 the Board has been a member of the Association of Appraiser Regulatory Officials (AARO) and typically appoints one board member and one associated staff person to attend the annual meetings. The Board approved Ashlee Stetson (Public Member) to attend the May 2020 conference but this request was not approved by the state.

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Budget Recommendations for FY 2021

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

Board Meeting Date	Location	# Board	# Staff
September 2020	Videoconference		
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input checked="" type="checkbox"/> Other:			\$350.00
Total Estimated Cost:			\$350.00

Board Meeting Date	Location	# Board	# Staff
TBD	Videoconference		
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input checked="" type="checkbox"/> Other:			\$350.00
Total Estimated Cost:			\$350.00

Board Meeting Date	Location	# Board	# Staff
TBD	Videoconference		
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input checked="" type="checkbox"/> Other:			\$350.00
Total Estimated Cost:			\$350.00

Budget Recommendations for FY 2021 (continued)

Board Meeting Date	Location	# Board	# Staff
TBD	Videoconference		
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input checked="" type="checkbox"/> Other:			\$350.00
Total Estimated Cost:			\$350.00

Travel Required to Perform Examinations			
<input checked="" type="checkbox"/> Not applicable			
Date	Location	# Board	# Staff
Description of meeting and its role in supporting the mission of the Board:			
<input type="checkbox"/> Airfare:			\$0.00
<input type="checkbox"/> Hotel:			\$0.00
<input type="checkbox"/> Ground:			\$0.00
<input type="checkbox"/> Conference:			\$0.00
<input type="checkbox"/> Other:			\$0.00
Describe "Other" (break out all sections):			
Total Estimated Cost:			\$0.00

Out-of-State Meetings and Additional In-State Travel		(Rank in order of importance)		
<input checked="" type="checkbox"/> #1 Rank in Importance or <input type="checkbox"/> Not Applicable				
Date	Location	# Board	# Staff	
TBD	TBD	0	2	
Description of meeting and its role in supporting the mission of the Board: Investigator Training, Level 1				
Increase familiarity with the processes of evaluation, investigation, and resolution of complaints based on real life cases received from appraisers nationwide. Learn new technology, terminology, and best practices.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$0.00	\$1,000.00	\$0.00	\$1,000.00
<input checked="" type="checkbox"/> Hotel:	\$0.00	\$0.00	\$400.00	\$400.00
<input checked="" type="checkbox"/> Ground:	\$0.00	\$0.00	\$100.00	\$100.00
<input checked="" type="checkbox"/> Conference:	\$0.00	\$0.00	\$600.00	\$600.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$0.00	\$1,000.00	\$1,100.00	\$2,100.00

Budget Recommendations for FY 2021 (continued)

Out-of-State Meetings and Additional In-State Travel

#2 Rank in Importance

Date	Location	# Board	# Staff	
TBD	TBD	0	2	
Description of meeting and its role in supporting the mission of the Board: Investigator Training, Level 2				
Increase familiarity with the processes of evaluation, investigation, and resolution of complaints based on real life cases received from appraisers nationwide. Learn new technology, terminology, and best practices.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$0.00	\$1,000.00	\$0.00	\$1,000.00
<input checked="" type="checkbox"/> Hotel:	\$0.00	\$0.00	\$400.00	\$400.00
<input checked="" type="checkbox"/> Ground:	\$0.00	\$0.00	\$100.00	\$100.00
<input checked="" type="checkbox"/> Conference:	\$0.00	\$0.00	\$600.00	\$600.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$0.00	\$1,000.00	\$1,100.00	\$2,100.00

Out-of-State Meetings and Additional In-State Travel

#3 Rank in Importance

Date	Location	# Board	# Staff	
October 16-19, 2020	Washington, D.C.	1	0	
Description of meeting and its role in supporting the mission of the Board: AARO Fall Conference				
Fall Conference. Association of Appraiser Regulatory Officials/AARO where the AK Board is a member; the organization helps in administration of appraiser & appraisal management company regulatory laws.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$2,000.00	\$0.00	\$0.00	\$2,000.00
<input checked="" type="checkbox"/> Hotel:	\$1,500.00	\$0.00	\$0.00	\$1,500.00
<input checked="" type="checkbox"/> Ground:	\$400.00	\$0.00	\$0.00	\$400.00
<input checked="" type="checkbox"/> Conference:	\$700.00	\$0.00	\$0.00	\$700.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$4,600.00	\$0.00	\$0.00	\$4,600.00

Budget Recommendations for FY 2021 (continued)

Out-of-State Meetings and Additional In-State Travel

#4 Rank in Importance

Date	Location	# Board	# Staff	
April 30- May 2, 2021	San Antonio, TX	1	0	
Description of meeting and its role in supporting the mission of the Board: AARO Spring Conference				
Spring Conference. Association of Appraiser Regulatory Officials/AARO where the AK Board is a member; the organization helps in administration of appraiser & appraisal management company regulatory laws.				
Expenditure	License Fees (RSS)	Third-Party Reimbursement	Third-Party Direct Booked	Total
<input checked="" type="checkbox"/> Airfare:	\$2,000.00	\$0.00	\$0.00	\$2,000.00
<input checked="" type="checkbox"/> Hotel:	\$1,500.00	\$0.00	\$0.00	\$1,500.00
<input checked="" type="checkbox"/> Ground:	\$400.00	\$0.00	\$0.00	\$400.00
<input checked="" type="checkbox"/> Conference:	\$700.00	\$0.00	\$0.00	\$700.00
<input type="checkbox"/> Other	\$0.00	\$0.00	\$0.00	\$0.00
Describe "Other" (break out all sections):				
Net Total:	\$4,600.00	\$0.00	\$0.00	\$4,600.00

Non-Travel Budget Requests

- Not Applicable Resources Examinations
 Membership Training Other

Product or Service	Provider	Cost Per Event
USPA		\$0.00

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

Budget Recommendations for FY 2021 (continued)

Other Items with a Fiscal Impact		Cost Per Event:	\$0.00
<input checked="" type="checkbox"/> Not Applicable		Number of Events:	0
Product or Service	Provider	Total Cost	
		\$0.00	
Description of item and its role in supporting the mission of the Board:			

Summary of FY 2021 Fiscal Requests	
Board Meetings and Teleconferences:	\$1,400.00
Travel for Exams:	\$0.00
Out-of-State and Additional In-State Travel:	\$13,400.00
Dues, Memberships, Resources, Training:	\$0.00
Total Potential Third-Party Offsets:	-\$4,200.00
Other:	\$0.00
Total Requested:	\$10,600.00

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Legislation Recommendations Proposed Legislation for FY 2021

No Recommendations

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

Recommendations

The Board has the following recommendations for proposed legislation:

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Regulation Recommendations Proposed Legislation for FY 2021

No Recommendations

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

Recommendations

The Board has the following recommendations for proposed regulations:

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Goals and Objectives

Part I

FY 2020's goals and objectives, and how they were met:

- 1) Seek comments/input from other organizations that are involved in our use of appraisal services in Alaska. The Board will continue to offer public comment at every meeting and will continue to receive input from the ASC.
- 2) Circulate the Board meeting dates to appraisal organizations, interested individuals, and users of appraisal services. The Board meeting dates will be posted to their website.
- 3) Disseminate information about Board actions to the appraisal members. The Board will consider preparing a newsletter in electronic format for distribution to all appraisal members. The Board will encourage a Board member to attend Appraisal Institute meetings and provide reports as appropriate to the Institute members.
- 4) Post the minutes of each Board meeting on the Certified Appraisers website.
- 5) Look into the set up and notice-giving possibilities of dissemination Appraiser Board activities through email database addresses of licensed appraisers. The Board has begun this process and will look at utilizing their website as well to distribute information to licensees.
- 6) To have at least one face-to-face meeting per year. The board met in person on August of 2019.

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Goals and Objectives

Part II

FY 2021's goals and objectives, and proposed methods to achieve them.

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

Future Board Goals

The Board will continue to strive to foster harmonious relations between local, state, and national regulatory bodies for the betterment of the appraising profession and its peers. In addition, the Board will strive to act with professionalism in advancing regulations and procedures that benefit the appraising profession in maintaining the highest professional and ethical standards possible through cooperation among legislative and end-user groups.

The Board thanks the State of Alaska Department of Commerce, Community, & Economic Development, the Division of Corporations, Business & Professional Licensing for their continued dedication to the empowerment of the Board in providing the tools and regulatory framework necessary for the Board to complete its mandate. The Board had faced vacancy challenges for the past several years and some staffing turnover, but now appears to be stabilized with a fully appointed board with geographic diversity. We thank the department for their part in these efforts.

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Sunset Audit Recommendations

Date of Last Legislative Audit: 2017
Board Sunset Date: 6/30/2026

Audit Recommendation: Do a fee analysis for appraiser registration fees, considering the surplus in the account.

Action Taken: Fee analysis conducted, Fall of 2018, all fees reduced.

Next Steps: n/a

Date Completed: New fee schedule effective 2019.