

Appraiser Certification & Licensure Board

Quarterly Board Meeting - Summary Minutes

July 13, 2006

Oregon Parks and Recreation Department, Conf. Room 124A, 725 Summer Street NE , Salem, Oregon

BOARD MEMBERS IN ATTENDANCE

Craig Zell, Chair
Terry Bernhardt, Vice-Chair
John Larsen
Doug Nelson
Jill Whitlock

ACLB STAFF IN ATTENDANCE

Bob Keith, Administrator
Karen Turnbow, Office Manager
Cyndie Standley, Co-Compliance
Program Coordinator
Chuck Fisher, Co-Compliance
Program Coordinator
Thomas Cowan, Legal Counsel, Dept. of Justice

BOARD MEMBERS ABSENT

Sara Fraser
Cliff Houck

PUBLIC IN ATTENDANCE

Roxanne Gillespie	Owen Bartels
Joe Orchard	Tom Dougherty
Frank McDonald	Matt Gloege
Joni Cook	Brandi Crawford
Randy Shervey	Louis Sasnett
David Groth	

I: CALL TO ORDER AND VERIFICATION OF QUORUM

Chairperson Zell called the meeting to order at 10:00 a.m. and verified that a quorum was present.

II: PUBLIC INPUT

Owen Bartels Experience Credit: Bartels is currently licensed as a State Certified General Appraiser in the State of Washington. Bartels recently transferred to the Portland Oregon office of PGP Valuation. He is requesting a Certified General Appraiser License in the State of Oregon. Bartels believes that he has all of the education and experience requirements necessary for the State Certified General Appraiser license. During the time of his training in Washington, he did not sign or co-sign the appraisal reports. Oregon does not recognize this experience and he was advised that the Board would not grant experience credit for those hours. He is requesting that the Board accept this experience to obtain a Certified General Appraiser License.

David Groth: Groth was Bartels' supervisor in the State of Washington. He's been frustrated with the process of Bartels obtaining his appraiser license in Oregon.

Board of Property Tax Appeal: Jan Coleman works in the Yamhill County Clerk's office and is chair of the Legislative Committee for the Clerks Association. They are attempting to change the law (ORS 309.1010) regarding who can represent clients at property tax appeals. They are attempting to open the door so that more people can represent an appellant in a property tax appeal. Their goal is to simplify the list of those who can represent persons at property tax appeals.

Sandra Sture: Sture works for the Board of Property Tax Appeals. Sture stated that the biggest problem with the current statutory language is that people have to be licensed either as an appraiser, CPA, attorney, etc. This has become a burden. Property tax consultants do not qualify under the strict language in the law because they do not have a license.

Zell asked if the Board had a position regarding the proposed changes to the law regarding property tax appeals. If an appraiser is representing a party, they would have to obtain a power of attorney.

The Board elected not to take a position at this time on the proposed changes to the law regarding property tax appeals.

III: ACTION ITEMS

April 17, 2006 Board Meeting Minutes: Nelson recommended that Motion #3 of the minutes be amended to change the word "negotiating" to "negotiate".

MOTION #1

Doug Nelson moved and John Larsen seconded that:

The Board approve the April 17, 2006 meeting minutes as amended.

Motion passed unanimously.

June 28, 2006 Special Board Meeting Minutes:

MOTION #2

Jill Whitlock moved and Doug Nelson seconded that:

The Board approve the January 9, 2006 meeting minutes as drafted.

Motion passed unanimously.

IV: NEW BUSINESS

Discussion of Owen Bartels' request: Bartels is a resident of the State of Oregon. Cowan stated that the Board has the discretion to make exceptions to the rule regarding acceptable experience, but it is based on the merit of the exception. Zell indicated that he thought this was an issue regarding reciprocity with Washington. The Board approved to revise the reciprocal agreement with Washington to require that the applicant be a resident of Washington. Bernhardt stated that the specific change to the rules regarding acceptable experience was to prohibit back-door applicants from obtaining licenses who would not otherwise qualify under Oregon's requirements. Denise Graves of the Appraisal Subcommittee (ASC) indicated that this is strictly a matter for the Board and that

the ASC had no position. Cowan stated that the Board had the discretion under the current rule. The exercise of the discretion is up to the Board.

Gillespie asked Bartels whether or not he was a resident of the State of Washington. He signed a notarized document with Washington Department of Licensing, indicating that he was not a resident of Washington but agreed to abide by their rules.

Zell stated that he would support using the Board discretion, with respect to experience credit, to apply for an Oregon Certified General Appraiser License. He would request that his reports be audited for USPAP compliance. Bernhardt agreed that Bartels should be allowed to submit an application:

MOTION #3

Doug Nelson moved and Terry Bernhardt seconded that:

The Board accept Bartels' experience hours as part of a license application if, following an audit, his experience is determined to be USPAP compliant, and his education meets the Board's administrative rule requirements.

Motion passed unanimously.

BREAK: 11:00 a.m. to 11:15 a.m.

Consideration of public input and proposed rule changes: Zell sought input from the Board regarding the proposed changes. The Board will have to either adopt the rules or, if substantial changes are made, it will have to issue another Notice of Proposed Rulemaking and take additional public comment.

Nelson indicated that most people are generally in favor of the concept, with the exception of auditing the supervising appraiser. Nelson favors assessing the appraiser assistant's work over a period of time, on an educational and training basis. The training course should have a final exam that is applied to both the supervisor and the assistant. Nelson disagrees that the course should be taught only by USPAP certified instructors, because of the limited number available in the State.

Bernhardt basically agreed with Nelson that it is a good concept. Bernhardt recommended that the Board mandate that supervising appraisers be either State Certified Residential appraisers or State Certified General appraisers. Bernhardt stated that the State of Vermont just adopted a law requiring that the supervising appraisers accompany the assistant on all inspections and that they must be State Certified.

Larsen suggested that they go through the rules individually and obtain the Board's position on each change.

Whitlock indicated that the biggest issue seems to be auditing the supervising appraiser. Whitlock also agreed that the issue of unsupervised inspections needs to be addressed.

Zell would like to strike the audit portion and pass the rest of the proposed changes, then work on changing that portion relating to supervising appraisers in the future.

Cowan requested that the Board specify which sections of 161-010-085 that they don't want to move forward on and adopt. Zell suggested that the Board delete all of 161-010-005 and send it back to staff to change the language.

Further discussion regarding proposed rule changes.

MOTION #4

Doug Nelson moved and John Larsen seconded that:

The Board adopt the proposed rules as amended.

Motion passed unanimously.

Keith reminded the Board that the Appraisal Subcommittee recommended removing the word “waiver” from the proposed changes to OAR 161-010-0010(8) and 161-010-0080(6).

Cowan recommended that the Board have a motion to reopen deliberations on the proposed changes to the rules.

MOTION #5

John Larsen moved and Doug Nelson seconded that:

The Board reopen the deliberations on the proposed rule changes.

Motion passed unanimously.

Discussion regarding removal of the term “waiver”.

MOTION #6

John Larsen moved and Doug Nelson seconded that:

In addition, the Board remove “/waiver” from the proposed changes in OAR 161-010-0010(8) and 161-010-0080(6).

Motion passed unanimously.

Preliminary report of Board’s Financial Audit: The report is favorable and Zell complimented staff in making sure that the Board operates fiscally and responsibly. Keith summarized the recommendations made by the auditors. Keith also advised that there was an exit audit covering the results of the audit. There was a clean opinion report with no problems involving internal control. The Secretary of State representative advised that this was a very favorable audit. Once the Secretary of State’s office reviews the auditors report, a final copy will be issued to the Board.

Senate confirmation of Craig Zell’s Gubernatorial Reappointment to the Board: Zell was reappointed to the Board.

VI: OLD BUSINESS

Temporary Rule Filing Adopting the 2006 Edition of USPAP: Keith advised that on June 29, 2006 The Board filed a temporary rule adopting the 2006 Edition of USPAP to be effective 7-1-2006.

Concerns regarding Chase Bank Fee Schedule: Summary by Keith regarding the issue of the Chase Bank Fee Schedule. Chase sent out a notice to all appraisers with a list of appraisal fees depending on the property type or

type of appraisal. Cowan wrote a letter to Chase Bank. They responded, clarifying their intentions regarding their fee schedule.

Jeremy Sisneros Final Order Status: Cowan advised that, to date, Sisneros has not filed an appeal to the Court of Appeals.

Authorization of Reserve Fund Re-Investments: Zell has talked to a representative of the bank. They have a 5.15% yield with no minimum. For \$250,000 minimum they have a 5.25% yield for a 30, 60 or 90 day deposit. The Board must reinvest its current funds by August 11, 2006. Zell sought authorization from the Board to allow Zell and Keith to reinvest the funds at the best available rate.

MOTION #7

John Larsen moved and Jill Whitlock seconded that:

The Board approve Zell and Keith to reinvest the reserve funds.

Motion passed unanimously.

Appraiser's License Numbers on Board Website Site: Turnbow advised the Board that removing the license numbers from the web site has caused an undue burden on staff in having to take phone calls and respond to public records requests for license numbers. Turnbow recommended that the Board allow the licensed numbers to be placed back onto the website.

MOTION #8

John Larsen moved and Doug Nelson seconded that:

The Board approve the placement of appraiser license numbers on the website.

Motion passed unanimously.

Enforcement Update: Bernhardt gave a brief summary of the status of enforcement cases. Bernhardt requested that he be provided a detailed list of enforcement cases outlining the status of each case. Keith gave a comparison of the number of cases going back to April 2005.

Budget Report: Larsen gave a brief overview of the current status of the Board's budget.

VII: ADMINISTRATOR'S REPORT

Keith advised that in January 2006 the staff were having difficulty timely processing license applications. Corrective measures were taken and, as of this morning, only five new license applications have been received. Processing time is within two weeks.

Keith briefly discussed a letter to Attorney Michael Gunn. Gunn stated in his letter that the Board's adoption of the proposed rules would void some issues that are pending against his client, Albert Baker. Keith responded to Gunn, advising him that he was incorrect.

Keith advised the Board of the items that were supplied to the ASC Policy Managers for audit to ensure compliance with Title XI.

An e-mail was sent out to all appraisers and appraiser assistants reminding them of the new edition of USPAP that goes into effect July 1, 2006.

Keith sent an e-mail to appraisers alerting them to the mortgage lending forum being put on by the Department of Consumer and Business Services. Keith spoke to 150 appraisers regarding the mortgage lending forum. Six people testified at the forum regarding appraisal issues.

Keith contacted the acting manager of DFCS to get an update on the results of the mortgage lending forum. She is making recommendations to her superiors for a class on mortgage lending that will include appraisal related issues. She doubted that there would be any changes increasing the penalties for lenders who put pressure on appraiser to "hit the value". They are hiring two additional full-time positions to assist in enforcement of mortgage brokers.

Keith has been active in appearing at classes and getting the word out on proposed rule changes and Appraiser Qualification Board changes to the education requirements.

Keith advised that there has been a steady increase in the number of certified appraisers, and a decrease in the number of licensed appraisers.

The ASC Policy Managers came to the office at 8:30 a.m. on July 12, 2006 and were there all day conducting their audit of the Board's program.

Zell invited comments from the Appraisal Subcommittee Policy Managers. Comments were made by the Policy Managers, including their annual report, policy statements, audits, etc. Denise Graves advised that the Board will need to revise the appraiser experience logs to include specific property addresses. Graves recommended that the Board remove the language allowing a 90 day temporary practice registration with one renewal or change it to state six months to comply with the policy statement. Graves recommended that OAR 161-015-0030(8) be amended to remove the term "AQB" from the language regarding an approved exam. Graves complimented the Board and staff for great file documentation, timely processing of applications, and an overall extremely efficient program.

Keith asked if they could help us understand where the Board stands with regard to its disciplinary guidelines for enforcement of USPAP, as compared to other states. Graves advised that the Board is about the "middle of the road" as compared to other states with application of USPAP and implementation of disciplinary action. She praised the Board for its matrix of disciplinary actions that makes application of discipline consistent.

MOTION #9

Doug Nelson moved and Jill Whitlock seconded that:

The Board meeting be adjourned.

Motion passed unanimously.

Meeting adjourned at 12:50 p.m.

Next scheduled meeting – October 23, 2006