

Appraiser Certification & Licensure Board

Quarterly Board Meeting - Summary Minutes

October 22, 2008

ACLB Office, 3000 Market Street NE, Suite 541, Salem, Oregon

BOARD MEMBERS IN ATTENDANCE

Craig Zell, Chair
Jill Whitlock
John Larsen, Vice Chair
Rick Herman
Brad Armbrust

ACLB STAFF IN ATTENDANCE

Bob Keith, Administrator
Karen Turnbow, Programs Manager
Warren Foote, Legal Counsel, DOJ
Cyndie Standley, Compliance Analyst

BOARD MEMBERS ABSENT

Cliff Houck
Sara Fraser (unexcused)

PUBLIC IN ATTENDANCE

Terry Bernhardt
Erica Dunn
Paul Sample
Margaret Nelson-Quinn

I: CALL TO ORDER AND VERIFICATION OF QUORUM

Chairperson Zell called the meeting to order at 10:07 a.m. and verified that a quorum was present.

II: PUBLIC INPUT

Terry Bernhardt and Erica Dunn provided testimony regarding adding Terry Bernhardt as a supervising appraiser. Bernhardt and Dunn contend that the form adding Bernhardt was faxed and mailed to the Board in July 2007. The Board did not receive the form adding Bernhardt as a supervising appraiser and therefore gave no experience credit for the period in question as part of an application for State Licensed Appraiser.

III: ACTION ITEMS

Adoption of July 23, 2008 quarterly Board meeting minutes:

Keith requested that the draft minutes be revised to show that the election of Board Chair and Vice-Chair was approved by a unanimous vote of the Board.

MOTION #1

Larsen moved and Herman seconded that:

The Board approve the July 23, 2008 quarterly board meeting minutes as amended.

Motion passed unanimously.

IV: NEW BUSINESS

Erica Dunn's Experience Hours (Keith):

Keith advised the Board that the information contained in the Board packet addresses the issues for the Board's consideration, including reference to the administrative rule requirement for notification of the change and confirmation of the change by the Board. Legal counsel Foote advised that the Board is prohibited from creating an exception to the administrative rules. The only option for the Board would be to change the rule. The rule requires that the Appraiser Assistant receive confirmation from the Board before experience credit can be granted. The Board conceded that, based upon the administrative rule requirements, they are precluded from accepting Dunn's experience hours obtained during the period in question.

Schedule 2009 Quarterly Board Meeting Dates (Zell):

All 2009 Board meetings will commence at 9:00 am, unless preceded by an administrative rules hearing. The Board agreed to schedule the 2009 meetings as follows:

January 14, 2009
April 22, 2009
July 22, 2009
October 21, 2009

Turnbow will send notice to all licensees and interested parties and post the notice on the Board's website.

Chase Bank's New "Referral" Policy (Keith):

Brief summary by Keith regarding referral of appraisals to the Board by Chase for consideration and review. Keith referred to an October 14, 2008 Memo to Keith from Chuck Fisher, Board Compliance Analyst. Keith sent an e-mail to Vicki Ledbetter, Acting Executive Director of the Appraisal Subcommittee, advising her of the situation and inquiring whether these referrals should be considered a complaint the Board is obligated to process/investigate. Keith has not received a response from Ledbetter regarding this inquiry. Discussion by the Board.

Brokers CMA Rules (Zell):

Herman advised the Board that the Real Estate Agency is reviewing its administrative rules regarding a Broker's ability to perform Competitive Market Analysis. Discussion by the Board.

Comparable Sale Confirmation Rule Feedback (Keith):

Discussion by the Board regarding questions and feedback from licensees regarding the recently adopted rule requiring disclosure of sale data confirmation.

ASB's 2010-2011 USPAP Exposure Draft (Zell):

Each Board member was provided a copy of the first exposure draft of proposed changes to the 2010-2011 Edition of USPAP. Keith requested that he be provided any comments by Board members regarding the proposed changes.

LUNCH BREAK: 12:05 pm to 1:20 pm

V: OLD BUSINESS

Authorization of Reserve Fund Re-Investments (Zell):

Zell proposed changing banks in which we deposit reserve money into a public funds account. Larsen will check terms and rates for short term deposits and provide that information to Keith and Zell. Keith received input from other semi-independent board administrators regarding how they handle their reserve investments and referred that information to the Board.

Report on Semi-Independent Model of Governance (Keith):

Discussion by the Board regarding the semi-independent model of Governance. Zell advised that Representative Mitch Greenlick, Chair of the House Interim Committee on Health Care, is pursuing moving all health related semi-independent boards into one large agency, and removing their semi-independent status. Keith encouraged each Board member to contact their respective legislative representative, introducing themselves to the legislator before the legislative session starts.

Enforcement Report (Keith):

Keith referred Board members to the enforcement information contained in the Board packet. Brief presentation regarding the status of enforcement cases, specifically those extending beyond a year from the date of filing of the complaint. Also the average number of cases closed or new cases opened per quarter.

Licensing Report (Keith):

Brief report by Keith regarding the current number of licensees in each license level and as a total as compared to the previous four years.

Keith advised the Board that the new 2008 license/certificate exam is much more difficult than prior exams. The staff have been collecting data with regard to number of exams taken by each applicant, along with pass/fail rates.

VI: EXECUTIVE SESSION 2:40 pm to 3:17 pm

Unlicensed Appraisal Activity of Out-of-State/Unlicensed Reviewers (Foote):

Advice from legal counsel regarding written legal opinion pertaining to unlicensed appraisal activity. Questions and discussion by the Board.

Return to open session at 2:50 pm

The Board directed staff to pursue an investigation and possible disciplinary action for unlicensed appraisal activity against the employee of Landsafe performing an appraisal review for Golf Savings, of which Landsafe is not an affiliate.

The Board directed staff not pursue the complaint against the Landsafe employee performing an appraisal review for Countrywide, on the basis that Landsafe is an affiliate of Countrywide.

The Board directed staff to investigate the relationship between CRS/UA Value and IndyMac, the client identified on the value report to determine if they are affiliated. If they are not affiliated, Keith suggested, contacting CRS and advise them that their "Real Property Valuation Specialist" are issuing values opinions under Oregon law and future occurrences will be treated as unlicensed appraisal activity.

V: OLD BUSINESS (continued)

Budget Report (Larsen/Standley):

Brief report by Larsen on the current budget vs. actual, including large variances. The Board is well within the constraints of the current budget.

MOTION #2

Herman moved and Whitlock seconded that:

The Board approve the budget report.

Motion passed unanimously.

VII: ADMINISTRATOR'S REPORT

Keith gave a brief report regarding the Fall 2008 AARO conference. AARO rolled out a new 4-hour Board Member training course. Keith presented a copy of the course to each Board member. This last meeting concluded Keith's one-year term as president of AARO.

Brief report regard HVCC agreement.

Federal legislation was enacted in July 2008 which prohibits State Licensed appraisers from performing FHA appraisals. The act requires that the appraiser be certified. Also, licensed appraisers in some States (possibly Oregon) will be granted a one-year grace period to become certified due to an insufficient number of certified appraisers in those States.

The AQB is working on establishing criteria for the AQB evaluation of selected (existing) graduate-level programs that would satisfy all or most of the 300 hours and 10 Core Curriculum Modules of qualifying education to necessary to become a certified general appraiser.

Vicki Ledbetter is the Acting Executive Director for the Appraisal Subcommittee. Denise Graves has recently been appointed Deputy Executive Director for Appraisal Subcommittee. Policy Statement 10G has been modified to remove residential experience as part of the experience requirement for certified general appraiser license.

AARO has also developed an Investigator Training Course. AARO, in coordination with the Appraisal Foundation, is working together to provide four training courses next year. Funds will be provided from the Foundation to send three individuals from each state to attend the training course.

There is a legislative concept that would strip Board of final order authority and put it in the hands of the administrative law judges. Foote advised that this concept was originated by the Administrative Law Section of the Oregon State Bar Association. Discussion by the Board and legal counsel regarding possible ramifications if this concept was enacted.

Keith requested that Zell appoint a committee of Board members and staff to revise and/or develop new language contained in OAR 161-025-0060 regarding appraisal reports as they relate to testimony by an appraiser in a court hearing. Zell appointed Herman, Armbrust, himself and Keith to the committee.

Keith cautioned Board members against making representations or assurances to anyone regarding future Board actions or decisions.

Pearson Vue met with Keith and Turnbow regarding on-line licensing software. The staff has not yet received a quote from PearsonVue regarding implementation costs.

Portland State University is looking into providing qualifying education for the license credential and establishing a certificate program providing qualifying education and the in-lieu of college credit for both certified credential levels. They are also looking to provide on-line and live-classroom continuing education to all credential levels. PSU has a very progressive Center for Real Estate Studies. Keith was going to talk to PSU about applying to the AQB to become one of the graduate schools mentioned above.

VIII: ADJOURNMENT:

MOTION #3

Herman moved and Larsen seconded that:

The Board meeting be adjourned.

Motion passed unanimously.

Meeting adjourned at 3:55 p.m.

Next scheduled meeting – January 14, 2009