Appraiser Certification & Licensure Board

Quarterly Board Meeting - Summary Minutes

April 23, 2007

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

BOARD MEMBERS IN ATTENDANCE
Craig Zell, Chair
Jill Whitlock
John Larsen
Rick Herman
Doug Nelson
Clifford Houck

ACLB STAFF IN ATTENDANCE
Bob Keith, Administrator
Larry Green, Compliance Analyst
Cyndie Standley, Compliance Coordinator
Warren Foote, Legal Counsel, Dept. of Justice

BOARD MEMBERS ABSENT
Sara Fraser

PUBLIC IN ATTENDANCE
Paul Bodeving
Michelle Kennison
Madelyn Cahill
Jeff Uphold
Steve Hunter
Heather Martinez
Grant Laudsand

I: CALL TO ORDER AND VERIFICATION OF QUORUM

Chairperson Zell called the meeting to order at 9:09 a.m. and verified that a quorum was present.

II: PUBLIC INPUT

Jeff Uphold: Uphold presented testimony regarding limitation of experience credit with regard to unlicensed experience gained in a state other than Oregon. Zell advised him that changes to the administrative rules went through public exposure last fall. Warren Foote advised that current rules must be upheld and the board does not have the ability to circumvent their own rules. The Board can take into account a circumstance that wasn't previously considered. If a new rule is implemented, then an applicant could apply under the new rule and the experience would be acceptable. The Board cannot do anything that is inconsistent with federal standards. In Uphold's specific case, it is the calendar months that are the issue not the number of experience hours accumulated. Keith summarized Uphold's situation and verified with Foote that, under the current rules, he does not meet the minimum experience qualifications for State Certified Residential Appraiser. Uphold asked if the Board could amend the rule. The Board will not amend the rule.

Michelle Kennison: Kennison presented testimony regarding sales concessions. She expressed how difficult it is to perform their job as an appraiser considering the current Real Estate Agency's position regarding non-disclosure of sales concessions. It puts the appraiser in the position of not having accurate information to report in their appraisal. She presented an example of a $545K sale that included $50K in concessions (furniture, etc.). Her point is that, if the

appraiser reviews the multiple listing service (MLS) data and the concession is not identified or included in the listing/sale information, the appraiser can unintentionally over-value the property. In this particular case another appraiser appraised the property at the listing price of $545K. Zell stated that this matter will be discussed more in detail later in the meeting. A southern Oregon appraiser asked Kennison to advise the Board that, until real estate agents are held accountable for the information presented in the multiple listing data, i.e. lots size, improvement sq. footage, etc., appraisers will be using MLS data in their appraisals that may be inaccurate

Paul Bodeving: Bodeving presented testimony regarding security of digital signatures and Appraisal Management Companies (AMC). He was told that the AMC lifts the signature on all reports prepared for them and add their own watermark. The reports are sent to their client without any signature and the report is no longer secure; i.e., the report can be changed at will. Zell stated that this issue is on today's agenda as well. Keith asked Bodeving what he would do if he were in the Board's position. Bodeving said he would state that the report was null and void if altered.

III: ACTION ITEMS

Zell welcomed new Board member, Rick Herman.

Zell welcomed new staff member, Larry Green. Keith summarized Green's experience and qualifications.

Zell noted that Karen Turnbow has an excused absence from this meeting and also noted Fraser's absence.

Adoption of January 22, 2007 quarterly Board meeting minutes:

MOTION #1

Doug Nelson moved and John Larsen seconded that:

The Board approve the January 22, 2007 meeting minutes as drafted.

Motion passed unanimously.

Election of 2007-2008 Board Officers:
Whitlock nominated Larsen for Vice Chair; Houck seconded.
Larsen nominated Zell for Chair; Houck seconded.
Vote: Both passed unanimously.

IV: NEW BUSINESS

Sales Concessions: Discussion regarding Real Estate Brokers refusing to disclose terms of agreements upon advice of attorney because information is confidential before, during and after the transaction closes. Zell and Keith attended a meeting with the Acting Real Estate Agency (REA) Commissioner, Katy Cannon, and REA Board Chair, Mike Graber. At this meeting, Graber suggested that the Board work with title companies to have either concessions or the net sale price be stated in the title documents.

Review and discussion of Keith's proposed e-mail to all appraisers regarding disclosure of sales concessions. Keith asked if the Board will approve the content and support him in distributing the e-mail to all Oregon licensees.

Keith referred the Board to the Real Estate Agency meeting minutes in the board packet. Keith advised that the Board could request a formal opinion from the Attorney General's office which will cost $5-10K. Keith summarized his conversations with REA.

MOTION #2

Cliff Houck moved and Doug Nelson seconded that:

The Board seek a legal opinion from Department of Justice to address confidentiality of sale information after a transaction has closed; that the Board budget $10,000 for the cost and that Keith request the Real Estate Agency's assistance in covering the cost of the legal opinion.

Motion passed unanimously.

Further discussion.

Zell opened the discussion for public input:

Input from Heather Martinez and Jeff Uphold.

BREAK: 10:47 a.m. to 11:00 a.m.

Advice to Appraisers Regarding Realtors Non-Disclosure of Concessions

The Board requested legal counsel's opinion regarding an appraiser, Ata Mohaghegh's, petition to lift Supervising Appraiser prohibitions. Further discussion. The Board elected to take no action.

Discussion regarding proposed settlement terms of an enforcement case and request for counsel.

MOTION #3

Doug Nelson moved and John Larsen seconded that:

The Board would agree to settle the matter by appraiser permanently surrendering his license and agreeing to never reapply, in lieu of other disciplinary action.

Motion passed unanimously.

Discussion regarding acceptable appraisal experience.

Discussion regarding appraisal management companies unlocking digital signatures:
Zell inquired if the Board wanted to take position or take any action on this issue. Lengthy discussion with some public input regarding audit trail when appraisal is issued electronically. Zell suggested that this subject be brought up at AARO in May. Nelson said would be remiss if Board did not take some action. Nelson said appraisers should be advised and appraisers should inquire of appraisal management companies to find out if they are unlocking signatures and possibly altering reports. Board staff will prepare documents for distribution after input from AARO conference.

PublicInput: Cahill advised that appraisers want to be kept informed regarding things that are going to impact them. Keith explained that it is the appraiser's responsibility to stay apprised of changes in the industry as a professional.

Temporary rule adoption regarding Budget:

MOTION #4

Cliff Houck moved and Jill Whitlock seconded that:
The Board adopt the proposed temporary rule as drafted.

Motion passed unanimously.

Proposed Revisions to ASC Policy Statement 10:
Discussion regarding Item No. 2 of the Policy Statement

V: OLD BUSINESS

Supervising Appraiser /Appraiser Assistant Course Provider Audits: Keith reported that he has conducted five audits of the SA/AA training courses and in all cases the course providers adequately presented the course material.

Legislative Update:
Zell stated that there is currently no adverse legislation that would affect the Board or appraisers with the exception of a couple of details regarding Measure 37.

Enforcement Update:
Keith noted that number of open cases is higher than in the past due to transition between enforcement personnel. Keith stated that he is going to request contracts be budgeted to get the caseload down to a more reasonable level.

Budget Report:
Larsen presented budget information.

Zell reported that the Board's investment CD has been rolled over at 5.3%.

ACLB Affirmative Action Policy: Keith reported that the Governor has approved the Board' proposed policy.

VI: ADMINISTRATOR'S REPORT

Keith has been to Medford twice; once regarding a mortgage fraud course and field review of a case referred by Finance and Corporate Securities; and the second was for a two-hour seminar not affiliated with any trade organization.

Issues regarding Dynasty School courses: The Board withdrew its Notice of Withdrawal of course approval because Dynasty made acceptable changes to its advertising practices.

Keith advised that he will be gone and unable to attend the next scheduled Board meeting in July.

Keith received a letter from Department of Revenue requesting suspension of Ross Hawley's license.

Adjournment:

MOTION #5

Doug Nelson moved and Rick Herman seconded that:

The Board meeting be adjourned.

Motion passed unanimously.

Meeting adjourned at 1:26 p.m.
Next scheduled meeting – July 23, 2007