

Appraiser Certification & Licensure Board

Quarterly Board Meeting - Summary Minutes

July 23, 2008

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

BOARD MEMBERS IN ATTENDANCE

Craig Zell, Chair
Jill Whitlock (out at 2:30 pm)
John Larsen, Vice Chair
Rick Herman
Brad Armbrust
Clifford Houck
Sara Fraser (out at 12:10 pm)

ACLB STAFF IN ATTENDANCE

Bob Keith, Administrator
Karen Turnbow, Programs Manager
Warren Foote, Legal Counsel, DOJ (out at 2:00 pm)
Cyndie Standley, Compliance Analyst

BOARD MEMBERS ABSENT

None

PUBLIC IN ATTENDANCE

Ronald Marsan
Shad Russo
Derek Klemin
Howard Bergstrom
Paul Dailey
Doug Nelson

I: CALL TO ORDER AND VERIFICATION OF QUORUM

Chairperson Zell called the meeting to order at 9:20 a.m. and verified that a quorum was present.

II: PUBLIC INPUT

None

III: ACTION ITEMS

Adoption of April 30, 2008 quarterly Board meeting minutes:

MOTION #1

Larson moved and Whitlock seconded that:

The Board approve the April 23, 2008 quarterly board meeting minutes as drafted.

Motion passed unanimously.

IV: NEW BUSINESS

Board Member Re-appointments/Appointments and Staff Changes (Zell): Larson and Whitlock were reappointed and confirmed by the Governor to serve another four-year term. Keith introduced new Board member Brad Armbrust, a State Certified Residential Appraiser from Clackamas. Armbrust is an AQB certified USPAP instructor and an approved instructor of the appraiser assistant/supervising appraiser training program.

Out-going Board Member Recognition for Doug Nelson (Zell): Zell presented Nelson with a plaque in recognition of his eight years of service as a Board Member.

Election of Officers (Zell): Nomination of Chair – Larson nominated Zell for chair and Fraser seconded. Board members voted unanimously for Zell

Nomination of Vice-Chair - Herman nominated Larson for Vice-Chair and Whitlock seconded. Board members voted unanimously for Larson.

Proposed changes to OAR 161-025-0005 and 0010: Zell wanted to discuss the proposed changes to OAR 161-025-0005 and 161-025-0010 removing the ability of licensed and certified residential appraisers from performing appraisals on partial takings. Bergstrom commented that ODOT and a lot of local public agencies that do partial takings have difficulty finding appraisers to perform appraisals for partial takings. Limiting the type of appraisers that can perform those types of appraisals may result in some inconvenience to agencies looking for appraisers. Discussion by Board members regarding reasons for changes to scope of practice and limitations on performing partial takings. Keith suggested that the Board only proceed with approving and adopting the proposed changes to the scope of practice for a State Licensed Appraiser (OAR 161-025-0010) in removing their ability to perform partial takings. Further discussion.

MOTION #2

Whitlock moved and Fraser seconded that:

The Board not approve the proposed changes regarding the scope of practice of licensed and certified residential appraisers as it pertains to prohibition of performing appraisals on partial takings as drafted in OAR 161-025-0005(5) and OAR 161-025-0010(6).

Motion passed. Herman voted no.

Proposed changes to OAR 161-025-0010(1)(c): Board approved proposed changes.

Discussion regarding comments and concerns of proposed changes to OAR 161-025-0060 regarding disclosure of source of comparable sale data confirmation. Keith suggested removing the language regarding how the confirmation was obtained (i.e., verbally, electronically or in writing).

MOTION #3

Larson moved and Herman seconded that:

The Board approve the proposed rule changes to OAR 161-025-0060 with amendments as discussed.

Motion passed unanimously.

BREAK: 10:30 to 10:45 am

Further discussion and deliberation regarding proposed rule changes. Keith discussed comments made by the Appraisal Subcommittee regarding the proposed changes. The ASC suggested that the Board maintain and not remove the language relating to OAR 161-010-0020(2) requiring that all experienced must have been obtained after January 30, 1989.

MOTION #4

Houck moved and Whitlock seconded that:

The Board not strike and delete the following language as set forth in OAR 161-010-0020(2): "All experience Must have been obtained after January 30, 1989."

Motion passed unanimously.

Keith recommended that the Board not repeal OAR 161-050-0050 regarding reciprocal agreements. Keith encouraged the Board to maintain reciprocal agreements and, in addition, adopt OAR 161-015-0025 as proposed to allow for applications from those applicants who obtained licenses and are residents of states in which the Board does not maintain a reciprocal agreement.

MOTION #5

Houck moved and Armbrust seconded that:

The Board adopt OAR 161-025-0025 and the proposed changes to OAR 161-015-0030 and not repeal OAR 161-050-0050.

Motion passed unanimously.

Keith addressed the concern raised by Chuck Fisher regarding the proposed changes to OAR 161-025-0060(6) which requires the report be in compliance with USPAP Standard Rules 2-2(a) and (b), but precludes USPAP Standard 3 appraisal review. Further discussion by the Board. Keith recommended not proceeding with this particular amendment to OAR 161-025-0060 to allow for further revisions and public comment to be considered at a future administrative rules hearing. Alternatively, he suggested removing only the additional proposed language "Standard Rules 2-2(a) or (b)". He also recommended not removing the language requiring compliance with ORS 674.410.

MOTION #6

Herman moved and Fraser seconded that:

The Board approve the proposed changes to OAR 161-025-0060(6) with amendments removing language relating to “Standard Rules 2-2(a) or (b).

Motion passed. Armbrust voted no.

MOTION #7

Herman moved and Houck seconded that:

The Board approve all remaining proposed changes to the administrative rules not previously adopted or amended.

Motion passed unanimously.

Status of Semi-Independent Model of Governance (Keith): Keith gave a brief presentation regarding semi-independence. Keith outlined the positive aspects of being a semi-independent state agency. Additionally, semi-independent agencies have accountability requirements that exceed regular state agencies in the form of financial audits, reports to the Governor, etc. Keith indicated that there is currently a threat to the status of semi-independent agencies. Mitch Greenlich, a state representative, has been holding hearings on bills that would strip the semi-independence of health related boards. This, in turn, would pose a threat to other types of semi-independent agencies. Members of SIBA (Semi-Independent Board Administrators), feel that the time is now to try and shift the tide of proposals to remove the semi-independence of board and agencies due to a misconception that they are operating as “rogue” agencies with no oversight. SIBA has discussed the possibility of hiring lobbyists to promote maintaining semi-independence. The anticipated cost for lobbyists for each agency would be approximately \$10,000 to \$15,000. Keith requested the Board authorize a maximum amount of ACLB funds, with the oversight of at least two board members, to hire lobbyists in coordination with other SIBA members.

MOTION #8

Herman moved and Larson seconded that:

The Board authorize a maximum of \$15,000 of Board funds to be used towards the costs of lobbyists to support semi-independent agencies, subject to review and approval of the chair and vice-chair.

Motion passed unanimously.

LUNCH BREAK: 12:10 pm to 1:40 pm

Authorization of Reserve Fund Re-Investments (Zell): Larson recommended continuation in a short-term investment due to current interest rates.

MOTION #9

Larson moved and Houck seconded that:

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

Motion passed unanimously.

Temporary Rule regarding 24-Month Requirement for SA Endorsement (Keith): At the April 30, 2008 Board meeting, the board sought to amend OAR 161-010-0085 regarding obtaining a supervising appraiser endorsement to remove the language referencing “with the Board”.

MOTION #10

Larson moved and Whitlock seconded that:

The Board adopt a temporary rule to strike the language “with the Board” from OAR 161-010-0085.

Motion passed unanimously.

Keith submitted proposed changes to the administrative rules based on recommendations by the Appraisal Subcommittee to be consistent with AQB requirements. Discussion regarding those proposed changes.

MOTION #11

Larson moved and Whitlock seconded that:

The Board authorize staff to draft changes to the administrative rules based upon recommendations from the Appraisal Subcommittee.

Motion passed unanimously.

Appraisal Subcommittee Report (Ledbetter/Graves): Presentation by Vicki Ledbetter, an Appraisal Policy Manager with the Appraisal Subcommittee (ASC), regarding their audit of the Board to ensure compliance with Title XI. The ASC, a Federal Agency, is charged with ensuring that all States are operating appropriately. The ASC is very pleased with the Board. Oregon will receive a letter from the ASC that finds the Board in substantial compliance with Title XI. Ledbetter provided packets of information to each Board Member. Ledbetter gave kudos to Oregon’s Appraiser Assistant/Supervising Appraiser training program. She hopes that other states will take a similar stance in regulation and training of appraiser trainees and supervising appraisers.

V: OLD BUSINESS

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.

Budget Report / Secretary of State Financial Audit (Larsen): Brief report by Larsen on the current budget vs. actual, including large variances. The Board is well within the constraints of the current budget.

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 noted a significant increase in the number of licensees from 2006 to 2008. Keith also noted a significant drop in the number of appraiser assistants over the last 2-3 years.

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

Advice from legal counsel and discussion by the Board regarding possible unlicensed appraisal activity involving reviews of appraisal reports on Oregon properties.

Return to open session at 3:17 pm

It is the Board's position to have legal counsel and Administrator conduct further investigation on the issue of unlicensed appraisal activity.

VII: ADMINISTRATOR'S REPORT

Keith attended the legislative confirmation of the new Board Member. Keith stated that he was approached by a State Senator to discuss questions regarding a specific appraisal.

Keith participated in an appraisal panel in Medford to provide information to realtors.

The semi-independent agencies have come to a consensus to continue with financial audits rather than financial reviews.

Keith and Karen Turnbow met with representatives of PearsonVue regarding providing other types of licensing services, such as on-line applications and renewals, digital fingerprinting, etc.

Keith has an appointment with Paul Arragon of Portland State University in developing a real estate appraisal program.

Zell asked whether the Board has the ability to conduct a web cast of the Board meetings.

Keith stated that other states have been requesting information on Oregon's Appraiser Assistant/Supervising Appraiser training program.

The AQB has provided an opinion regarding a Q&A regarding delivery of electronic appraisal reports.

Keith gave a brief summary of the types of mass communications to licensees and interested parties via e-mail.

VIII: ADJOURNMENT:

MOTION #12

Larson moved and Armbrust seconded that:

The Board meeting be adjourned.

Motion passed unanimously.

Meeting adjourned at 3:40 p.m.

Next scheduled meeting – October 22, 2008