

# Appraiser Certification & Licensure Board

## Quarterly Board Meeting - Summary Minutes

April 22, 2009

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

### BOARD MEMBERS IN ATTENDANCE

Craig Zell, Chair  
John Larsen, Vice-Chair  
Sara Fraser  
Rick Herman  
Brad Armbrust  
Jill Whitlock  
Clifford Houck (out at 9:30 – excused)

### ACLB STAFF IN ATTENDANCE

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

### BOARD MEMBERS ABSENT

None

### PUBLIC IN ATTENDANCE

None

## I: CALL TO ORDER AND VERIFICATION OF QUORUM

Chairperson Zell called the meeting to order at 9:05 a.m. and verified that a quorum was present.

## II: PUBLIC INPUT

None

## III: EXECUTIVE SESSION

Board entered into executive session at 9:05 am for advice from legal counsel.

Return to Public Session at 9:25 am.

## IV: ACTION ITEMS

Board Member Position:

Cliff Houck, public board member, submitted his resignation. Zell asked the Board to vote on Houck's resignation. Questions and discussion by the Board.

MOTION #1

Larson moved and Fraser seconded that:

***The Board accept Houck's resignation.***

Motion passed. Fraser, Larsen, Zell and Whitlock voted yes. Armbrust voted no. Herman abstained.

Outgoing Board Member Recognition (Zell):

The Board will now ask the Governor to fill two board member positions; one to take the appraiser position that Fraser will be vacating at the end of her four-year term on June 30, 2009; and one to replace the public member position vacated as a result of Houck's resignation.

Zell presented Fraser and Houck with plaques in honor of their service to the Board.

Adoption of January 14, 2009 quarterly Board meeting minutes:

MOTION #2

Larson moved and Whitlock seconded that:

***The Board approve the January 14, 2009 quarterly board meeting minutes as drafted.***

Motion passed unanimously.

Election of 2009-2010 Board Officers (Effective July 1, 2009):

Larsen nominates Craig Zell for Board chair. Herman seconded. Approved unanimously.

Zell nominated Larsen for Board vice-chair. Whitlock seconded. Approved unanimously.

**V: NEW BUSINESS**

Proposed Intra-Board Member Appraisal Review Policy (Keith):

Keith presented a draft proposed internal policy regarding Board members who conduct appraisal reviews of each other's work. Discussion.

MOTION #3

Fraser moved and Armbrust seconded that:

***The Board approve the proposed policy entitled "Intra-Board Member Appraisal Review" as drafted, effective immediately upon passage.***

Motion passed unanimously.

Proposed Corrective Action Order Policy (Keith):

Keith proposed draft policy to allow the Board to enter "Corrective Action Orders". It will allow an appraiser to enter into an agreement with the Board where they neither admit nor deny any wrongdoing. It will only be used for first-time offenders and wherein education would be the only remedy." Discussion. Temporarily tabled.

Continued Board Acceptance of Anonymous Complaints (Zell):

Discussion regarding whether the Board will continue to accept anonymous complaints. Discussion temporarily tabled.

Approval of Temporary Rule for 2009-2011 Budget (Zell):

Discussion regarding recommendation for adoption of temporary rule enacting a budget effective July 1, 2009 for operation of the Board pending a budget hearing and permanent adoption.

MOTION #4

Larsen moved and Armbrust seconded that:

***The Board adopt a temporary rule to establish an operating budget effective July 1, 2009, pending a budget hearing and permanent adoption at the October 2009 Board meeting.***

Motion passed unanimously.

AARO Report (Zell):

Zell and Keith attended the Spring 2009 AARO conference in New Orleans. Zell summarized the issues presented and discussed at the conference. Both the HVCC and regulation of appraisal management companies were the major topics.

Because Zell's term as a Board member will be expiring June 30, 2010, Zell requested that another Board member attend the upcoming AARO conference with the Administrator to become acquainted with the conferences.

Keith praised the benefits of AARO and the AARO conferences in assisting Oregon and other members states and jurisdictions with their appraisal licensing and regulation programs.

Continued Board Acceptance of Anonymous Complaints (Zell) (Continued):

Keith anticipates an increase in the overall number of complaints. The Board has experienced a recent surge in anonymous complaints. Of the 37 anonymous complaints filed in 2007 and 2008, half of those processed were closed with findings of violations and the appraiser received some form of discipline. Armbrust felt that removing the ability to file a complaint anonymously would be a disservice to the public. The Board concluded that they will, for the time being, continue to accept anonymous complaints.

Draft 2009-2011 Board Budget (Larsen/Standley):

Standley presented a brief summary and review of the proposed budget outlined for the 2009-2011 biennium. This is the first draft. This draft does not include income figures for the last quarter of the current biennium (April-June 2009); but anticipated income for the last quarter based upon the number of appraisers that will be renewing and possibly applying to upgrade.

Brokers Price Opinions (Keith):

Appraisers continue to express concern over solicitation of real estate licensees issuing broker price opinions for a fee. Keith referred Board Members to the article in the Board's Spring 2008 newsletter which addresses this issue. The Board took no further action on this issue.

Proposed Corrective Action Order Policy (Keith) (continued):

Footo stated that, after researching the Appraisal Subcommittee's reporting requirements, warnings and/or corrective actions must be reported and would be considered disciplinary action. Keith recommended that the action remain entitled "Corrective Action Order", and that they be published in the newsletter. Further discussion. The issue was tabled for a special board meeting scheduled for 1:00 pm on Tuesday, April 28, 2009.

## **VI: OLD BUSINESS**

Appraisal Standards Board 2010-11 USPAP Exposure Draft (Keith):

Keith reported that the third exposure draft has been adopted with minor administrative edits.

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

Keith sought input from the Appraisal Subcommittee regarding obligations to process these referrals. Keith provided a brief summary of the Appraisal Subcommittee's position regarding Chase Bank's new "referral" policy. The Board will set up a separate file for these referrals and not take any action on them until or unless there appears to be a need.

Enforcement Report (Keith):

Summary by Keith regarding status of enforcement cases.

Licensing Report (Keith):

Summary report regarding number of licensees.

Legislative Report (Keith):

Keith talked about HB2057 that would terminate semi-independent status for health-related licensing boards. That bill does not appear to be moving out of committee. Keith commended the local chapter of the NAIFA for their actions and assistance in meeting with legislators towards the goal of regulating appraisal management companies.

Landsafe (Keith):

The Board has reached a settlement agreement with Landsafe and are awaiting signature. Keith briefly outlined the terms of the agreement.

Budget Report (Larsen/Standley):

Summary budget report by Larsen.

## **VII: ADMINISTRATOR'S REPORT**

Mortgage fraud is becoming more prevalent in Oregon. Keith meets with the FBI on a periodic basis and works in conjunction with the Division of Finance and Corporate Securities, who licenses mortgage brokers.

The HVCC is a hot topic for appraisers and mortgage brokers. Keith has been speaking to appraisers about what they need to know about the HVCC. Keith is scheduled to speak to a group of mortgage brokers about the HVCC and how it impacts them with regard to what they can or cannot do in relation working with appraisers.

The new Fannie Mae 1004MC form has gone into affect as of April 1, 2009.

Keith participated in the Collateral Matters Congress convened by the Appraisal Institute as a representative of AARO.

Summary of miscellaneous communications contained in the Board packet.

**VIII: ADJOURNMENT:**

MOTION #5

Fraser moved and Zell seconded that:

*The Board meeting be adjourned.*

Motion passed unanimously.

Meeting adjourned at 12:15 p.m.

Next scheduled quarterly meeting – July 22, 2009