

**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPAB OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

September 21, 2023 Meeting Minutes

A. OPENING

Chairperson Walkenhorst called to order the September 21, 2023 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m. in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Walkenhorst announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared on the State of Nebraska Public Calendar found at www.nebraska.gov on September 14, 2023. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website in Public Meeting Material (https://appraiser.ne.gov/board_meetings/). A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Wade Walkenhorst of Lincoln, Nebraska, Bonnie Downing of Dunning, Nebraska, Cody Gerdes of Lincoln, Nebraska, and Kevin Hermsen of Gretna, Nebraska were present. Thomas Luhrs of Imperial, Nebraska was absent and excused. Also present were Director Tyler Kohtz, Licensing Programs Manager Allison Nespor, and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

Chairperson Walkenhorst reminded those present for the meeting that the agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Downing moved to adopt the agenda as printed. Board Member Gerdes seconded the motion. With no further discussion, the motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

Board Member Downing moved that the Board go into executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Board Member Gerdes seconded the motion. The time on the meeting clock was 9:02 a.m. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

Board Member Downing moved to come out of executive session at 9:33 a.m. Board Member Gerdes seconded the motion. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Walkenhorst welcomed all to the September 21, 2023 meeting of the Nebraska Real Property Appraiser Board and thanked everyone for attending. The Chairperson recognized Roger Morrissey as the only member of the public in attendance.

H. BOARD MEETING MINUTES

1. APPROVAL OF AUGUST 17, 2023 MEETING MINUTES

Chairperson Walkenhorst asked for any additions or corrections to the August 17, 2023 meeting minutes. With no discussion, Chairperson Walkenhorst called for a motion. Board Member Downing moved to approve the August 17, 2023 meeting minutes as presented. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

I. DIRECTOR'S REPORT

1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS

a. Real Property Appraiser Report

Director Kohtz presented seven charts outlining the number of real property appraisers as of September 21, 2023 to the Board for review. The Director indicated that trends are stable and that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

b. Temporary Real Property Appraiser Report

Director Kohtz presented three charts outlining the number of temporary credentials issued as of August 31, 2023 to the Board for review. The Director indicated that he had no specific comments on this report and the trends are stable. The Director asked for any questions or comments. There was no discussion.

c. Supervisory Real Property Appraiser Report

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of September 21, 2023 to the Board for review. The Director stated that the trends are stable and asked for any questions or comments. There was no discussion.

d. Appraisal Management Company Report

Director Kohtz presented two charts outlining the number of AMCs as of September 21, 2023 to the Board for review and remarked that trends are stable at the moment. The Director asked for any questions or comments. LPM Nespor stated that the Board may lose three more AMCs and gain one before December 31, 2023, based on current activity. There was no further discussion.

2. DIRECTOR APPROVAL OF APPLICANTS

a. Real Property Appraiser Report

Director Kohtz presented the Real Property Appraiser Report to the Board for review showing real property appraiser applicants approved for credentialing by the Director, and the real property appraiser applicants approved to sit for exam by the Director, for the period between August 9, 2023 and September 12, 2023. The Director asked for any questions or comments. There was no further discussion.

b. Education Activity and Instructors Report

Director Kohtz presented the Education Activities and Instructors Report to the Board for review showing education activity and instructors approved by the Director for the period between August 9, 2023 and September 12, 2023. The Director asked for any questions or comments. There was no further discussion.

3. 2023-24 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS

Director Kohtz presented the 2023-24 NRPAB Goals and Objectives and SWOT Analysis to the Board for review and provided a status update. The Director brought attention to the Laws, Rules, and Guidance Documents goals and objectives and reported that an update will be provided under Section O on the agenda. The Director then guided the Board to the Personnel goals and objectives and reported that an update will be provided under Section M on the agenda. The Director asked for any questions or comments. There was no further discussion.

J. FINANCIAL REPORT AND CONSIDERATIONS

1. APPROVAL OF AUGUST RECEIPTS AND EXPENDITURES

The receipts and expenditures for August were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the Postage Expense of \$457.80 and reported that this expenditure includes the real property appraiser renewal notices that went out in July. Director Kohtz then brought attention to the Publication and Print Expense and informed the Board that the majority of the \$231.21 expenditure includes the April through June quarterly copy services. The Director moved on to the Office Supplies Expense of \$1,802.67 and reported that \$1,562.00 of this expenditure is for the purchase of books to update the Board's reference library. The Director indicated expenditures for the month of August totaled \$25,703.01, not including encumbrances, which amounts to 13.61 percent of the budgeted expenditures for the fiscal year; 16.99 percent of the fiscal year has passed.

Director Kohtz guided the Board's attention to revenues and reported that revenues for new certified general real property appraisers, along with real property appraiser renewals and AMC renewals, were strong in August. Specifically, revenues for new certified general real property appraisers were \$2,100.00; revenues for certified general real property appraiser renewals were \$4,950.00; revenues for certified residential real property appraiser renewals were \$3,300.00; and revenues for AMC renewals were \$9,000.00. The Director also reported that the certified general real property appraiser renewal revenues are at 10.72 percent of the projected revenues for the fiscal year and certified residential real property appraiser renewal revenues are at 12.25 percent of the projected revenues for the fiscal year.

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Director Kohtz then guided the Board to the Sale – Surplus Property/ Fixed Asset revenues and reported that the Board received \$52.44 in revenues for sale of the empty lateral file cabinets. For the month of August, the total revenues were \$25,788.19, which amounts to 12.58 percent of the projected revenues for the fiscal year. The Director reiterated that 16.99 percent of the fiscal year has passed. The Director then asked for any questions or comments. Chairperson Walkenhorst commented that low revenue for sale of the lateral file cabinets was worth it as it would have cost the Board more to have them transported to DAS Surplus Property. There was no further discussion.

Director Kohtz then brought attention to the MTD General Ledger Detail report for the month of August and guided the Board's attention to the Purchase Card Transaction for Batch 7203053 in the amount of \$1,562.00 on page J.7 and reported that this transaction was for the purchase of books to update of the Board's reference library. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz presented four graphs showing expenses, revenues, and cash balances. The Director again noted the expenditures and revenues for the month of August for the Real Property Appraiser Program, which includes both the Appraiser Fund and the AMC Fund. The Director reported that the Real Property Appraiser Fund expenses totaled \$17,566.38, the Real Property Appraiser Fund revenues totaled \$15,671.48, the AMC expenses totaled \$8,136.63, and the AMC fund revenues totaled \$10,116.71. Director Kohtz remarked that the cash balance for the AMC fund is \$328,206.86, the Appraiser Fund is \$404,049.25, and the overall cash balance for both funds is \$732,256.11 as of the end of August.

Board Member Downing moved to accept and file the August financial reports for audit. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermsen, and Walkenhorst voting aye.

2. PLANTRONICS CS540 WIRELESS HEADSET FOR BPM

Director Kohtz presented a Memo to the Board requesting approval for funding in the amount of \$200.00 to be transferred from Other Operating Expenses, 559100, to Voice Equip, 532260, for the purchase of one Plantronics CS540 Wireless DECT Headset through Amazon business for the Business Programs Manager workstation. The Director informed the Board that this headset is the same brand and model as the current headsets used by EPM Sims and LPM Nespor, but a newer version. Finally, Director Kohtz reported that this IT item is pre-approved for direct purchase and is a restricted item on the ODP contract. No other state contracts exist for this product. Board Member Downing moved to approve funding in the amount of \$200.00 to be transferred from Other Operating Expenses (559100) to Voice Equip (532260) for the purchase of one Plantronics CS540 Wireless DECT Headset through Amazon business for the Business Programs Manager workstation. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermsen and Walkenhorst voting aye.

3. PER DIEMS

Director Kohtz informed the Board that he had no per diem requests for this meeting and asked if any board members had a request for the Board to consider. There was no further discussion.

K. GENERAL PUBLIC COMMENTS

Chairperson Walkenhorst asked for any public comments. Public Member Roger Morrissey introduced himself and informed the Board that he hired a University of Nebraska – Omaha graduate as a trainee real property appraiser who is currently a resident of Iowa. Morrissey requested clarification as to whether or not this individual is eligible to engage in real property appraisal practice in the State of Nebraska as a trainee real property appraiser, and if that experience is acceptable for credentialing in Nebraska. Director Kohtz provided a response, and informed Morrissey that the individual's state of residency does not matter for credentialing as a trainee real property appraiser, or for upgrading to the licensed or certified classification if the experience is obtained in Nebraska as a trainee real property appraiser. LPM Nespor added that some trainee real property appraisers have supervisory real property appraisers in Nebraska and a border state. Typically, these trainee real property appraisers will apply for credentialing in whichever state the requirements are first met, and then apply for a credential through reciprocity in the other state. The Director added that there is a common misunderstanding that a trainee real property appraiser can only practice in their state of residency, and while common, is not a requirement. LPM Nespor finished by informing Morrissey that wherever a trainee real property appraiser is engaged in real property appraisal practice for experience, the laws of that jurisdiction must be followed for credit to be awarded. Morrissey thanked Director Kohtz and LPM Nespor for the information.

L. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS: No discussion.

M. UNFINISHED BUSINESS

1. OPEN AT-LARGE LICENSED REAL ESTATE BROKER POSITION

Director Kohtz informed the Board that he had no updates for the open At-Large Licensed Real Estate Broker position. Public member Roger Morrissey requested permission to speak. Permission was granted by Chairperson Walkenhorst. Morrissey proceeded to ask if there were applicants for the position. Director Kohtz responded and informed Morrissey that there were three applications for the position, and that Governor Pillen must make the appointment. Morrissey thanked the Director. There was no further discussion.

2. BUSINESS PROGRAMS MANAGER POSITION UPDATE

Director Kohtz reported to the Board that the Business Programs Manager Position was posted between August 8, 2023 and September 12, 2023. There were two applicants; one was interviewed and offered the position. The applicant turned the position down due to insufficient salary. The other applicant's preferred salary was too high to be considered. The Director informed the Board that the opening has been reposted and will run through October 10, 2023. A request for an SOS temporary employee was also made to State Personnel to explore the possibility of a temp-to-hire applicant, similar to the process used to hire EPM Sims. Chairperson Walkenhorst thanked the Director for the update. Director Kohtz asked for any questions or comments. There was no further discussion.

N. NEW BUSINESS

1. OPEN AT-LARGE REPRESENTATIVE OF FINANCIAL INSTITUTIONS POSITION

Director Kohtz presented a draft Memo from the Board titled, "State of Nebraska Accepting Applications for Open At-Large Representative of Financial Institutions Member on NRPAB" to the Board for consideration. The Director reported that Chairperson Walkenhorst's term will expire on December 31, 2023 and it is time to begin advertising this opening. Board Member Hermesen asked Chairperson Walkenhorst if he knew of any potential applicants. Chairperson Walkenhorst indicated that he intends to reach out to some individuals. The Chairperson expressed that he hopes the opening could be filled in a timely manner. Director Kohtz responded that the current At-Large Licensed Real Estate Broker position has not been filled, so it is unlikely that the financial institutions opening will be filled quickly. LPM Nespor informed the Board that many of the boards and commissions are going through the same experience. Chairperson Walkenhorst indicated that the Director maintains contact with the Governor's office, which is the best that could be done from the Board's end. There was no further discussion. Board Member Downing moved to approve the Memo from the Board titled, "State of Nebraska Accepting Applications for Open At-Large Representative of Financial Institutions Member on NRPAB" and begin public advertisement of the opening. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

2. EXPLORE ADDITION OF NRPAB APPLICANT REAL PROPERTY APPRAISAL PRACTICE LOG SAMPLE TO WEBSITE

Director Kohtz informed the Board that LPM Nespor approached him about adding a sample Real Property Appraisal Practice Experience Log to the website. The Director informed the Board that he will turn the discussion over to LPM Nespor to provide information. LPM Nespor explained that one of the most frequent questions received is a request for sample log entries. LPM Nespor informed the Board of her vision as to what details a sample Real Property Appraisal Practice Experience Log would include. Nespor explained that the sample entries could provide guidance regarding the details included in log entries as a trainee real property appraiser progresses within their journey in an easy-to-understand manner.

Nespor continued, the Real Property Appraisal Practice Experience Log Cover Sheet outlines the requirements in statutory and rule language, which can be difficult to understand if one is not well versed in this writing. Nespor opined that both trainee real property appraisers and supervisory real property appraisers would benefit as the samples would provide clarity as to what is expected, and that she does not see a negative outcome to adding a sample Real Property Appraisal Practice Experience Log to the website. Director Kohtz requested that an explanation of each sample entry be provided to describe why this is an adequate log entry, which may reduce the inclination to cut and paste the sample entry into their Real Property Appraisal Practice Experience Log.

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Board Member Gerdes asked if the staff could provide these sample logs to trainee real property appraisers. The Director informed the Board that the link to the sample log would be included in the approval letter sent to Trainee Real Property Appraisers and could be added to the Real Property Appraisal Practice Experience Log Cover Page. LPM Nespor added that, yes, the sample log could also be sent with the approval letter to each new Trainee Real Property Appraiser. Board Member Hermesen expressed support for the sample log. Chairperson Walkenhorst asked when staff anticipates having the sample logs available for the Board's review. LPM Nespor responded that she does not have a deadline in mind; it depends on the workload. Board Member Gerdes asked if the Board would need to authorize staff to move forward with the development of a sample Real Property Appraisal Practice Experience Log. The Director indicated that no action is needed as the Board will have the opportunity to review the draft sample logs and make recommendations before they are made public. There was no further discussion.

O. LEGISLATIVE REPORT AND BUSINESS

1. NEBRASKA REAL PROPERTY APPRAISER ACT UPDATE

Director Kohtz reported to the Board that he met with the Banking, Commerce, and Insurance Committee Legal Counsel Joshua Christolear to review the Nebraska Real Property Appraiser Act draft approved by the Board at its August 17, 2023 regular meeting. Christolear indicated that there does not appear to be anything concerning in the draft. The draft has been submitted to Bill Drafting to develop an REQ draft, which will be presented to the Board at its October meeting. There was no further discussion.

2. NEBRASKA APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT UPDATE

Director Kohtz reported to the Board that he met with the Banking, Commerce, and Insurance Committee Legal Counsel Joshua Christolear to review the Nebraska Appraisal Management Company Registration Act draft approved by the Board at its August 17, 2023 regular meeting. Christolear indicated that there does not appear to be anything concerning in the draft. The draft has been submitted to Bill Drafting to develop an REQ draft, which will be presented to the Board at its October meeting. There was no further discussion.

3. OTHER LEGISLATIVE MATTERS: No discussion.

P. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS: No discussion.

2. INTERNAL PROCEDURAL DOCUMENTS: No discussion.

3. FORMS, APPLICATIONS, AND PROCEDURES:

a. Real Property Appraiser Document Updates

i. Application for Nebraska Real Property Appraiser Temporary Credential

LPM Nespor presented the updated document titled, “Application for Nebraska Real Property Appraiser Temporary Credential” to the Board for consideration. LPM Nespor guided the Board through the changes and informed the Board that language has been added to this application to better communicate that, in accordance with the Real Property Appraiser Act and Title 298, only non-residents of the State of Nebraska currently credentialed to engage in real property appraisal practice under the laws of another jurisdiction are eligible for a temporary credential.

ii. Application for Renewal of Nebraska Real Property Appraiser Temporary Credential

LPM Nespor presented the updated document titled, “Application for Renewal of Nebraska Real Property Appraiser Temporary Credential” to the Board for consideration. LPM Nespor guided the Board through the changes and informed the Board that as with the previous application, language has been added to this application to better communicate that, in accordance with the Real Property Appraiser Act and Title 298, only non-residents of the State of Nebraska currently credentialed to engage in real property appraisal practice under the laws of another jurisdiction are eligible for a temporary credential.

LPM Nespor asked for any questions or comments on either application presented. Chairperson Walkenhorst noted that the year is incorrect for the effective date on the “Application for Nebraska Real Property Appraiser Temporary Credential.” LPM Nespor responded that the effective date will be corrected. Chairperson Walkenhorst asked if there were any additional comments or corrections. With no further discussion, Chairperson Walkenhorst called for a vote. Board Member Downing moved to approve the Application for Nebraska Real Property Appraiser Temporary Credential as amended to correct the year on the effective date, and the Application for Renewal of Nebraska Real Property Appraiser Temporary Credential as presented. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

b. Appraisal Review Services Agreements – Employee Versions

i. Nebraska Real Property Appraiser Credentialing Applicant Appraiser Review Services Agreement (Employee)

LPM Nespor presented the new document titled, “Nebraska Real Property Appraiser Credentialing Applicant Appraiser Review Services Agreement (Employee)” to the Board for consideration. LPM Nespor guided the Board through the changes found on page 1 and page 5 of the review services agreement and informed the Board that this review services agreement was created to address accounting and procurement issues. The Real Property Appraiser Act requires that the Board enter into a contract with a disinterested third party to assist it with review of an applicant’s experience by conducting a USPAP compliance review. Often, the person under contract is an employee of an organization, and the billing comes from the organization, who anticipates that the payment will be made to the organization. State procurement laws require the Board to make payment to the entity or person that the Board enters into contract with. The Director discussed this matter with Attorney General’s Office to identify potential ways this issue could be rectified. Director Kohtz commented that there were two options provided by AAG Jelkin. Either the Board can update its laws to allow for contracts with organizations as well as individuals, or the Board can amend its contracts to recognize that the contractor is an employee of an organization and payment may be made to that organization for the contractor’s service. LPM Nespor once again referenced the changes to the service agreement recognizing the employer and allowing payment to the employer. LPM Nespor then asked for any questions or comments. Director Kohtz commented that Board Member Downing and Board Member Hermesen would like to discuss the Scope of Work section in this review services agreement and the Subject Matter Expert Services Agreement (Employee) and recommended that the Board finish the review of the proposed changes, then move to the Scope of Work discussion.

ii. Subject Matter Expert Services Agreement (Employee)

LPM Nespor presented the new document titled, “Subject Matter Expert Services Agreement (Employee)” to the Board for consideration. LPM Nespor guided the Board through the changes found on page 1 and page 4 of the review services agreement and informed the Board that this review services agreement was created to address the same accounting and procurement issues discussed during review of the Nebraska Real Property Appraiser Credentialing Applicant Appraiser Review Services Agreement (Employee). LPM Nespor asked for any questions or comments.

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Public Member Roger Morrissey requested permission to speak. Chairperson Walkenhorst granted Morrissey permission to speak. Morrissey asked for clarification as to what is expected of a subject matter expert. Morrissey continued by asking if the subject matter expert is expected to visually inspect the property, retrieve public records, and/or verify information that pertains to the report, but is not found in the report? Director Kohtz provided a response and indicated that the subject matter expert is expected to establish specific violations of USPAP and obtain and provide to the Board any data, documentation, or information required to substantiate each finding. A subject matter expert is a contractor, so the expectation is that he or she utilizes his or her judgement and expertise to complete the terms of the contract. This may look different from contractor to contractor. Some contractors are very thorough, while others have lacked enough support to substantiate their finding. The Board evaluates the effectiveness of each subject matter expert based on the ability to substantiate each finding. Morrissey asked how one would know how far they should go, or when is a subject matter expert out of bounds. Morrissey brought attention to the idea of something that may not be in the report but should be. Director Kohtz responded that a subject matter expert is engaged through a contract due to their expertise to recognize issues in a report, their ability to perform the due diligence needed to determine if a violation of USPAP exists, and determine what is needed to support the finding. If there is ever a question as to if something should be reviewed or researched, it is recommended that the subject matter expert discuss it with the director. Director Kohtz added that he will always recommend that the subject matter expert review the matter if it is relevant. LPM Nespor recommended that the subject matter expert review the alleged violations found in the grievance to help determine what might require additional research. The Director added that the subject matter expert receives all relevant grievance documentation that could help provide direction as how to proceed. According to Director Kohtz, the subject matter expert must use their own judgement to decide whether or not an allegation requires additional analysis. Morrissey thanked the Board for the discussion and indicated that the information discussed helped.

Chairperson Walkenhorst asked for any additional discussion. Seeing none, Chairperson Walkenhorst called for a motion. Board Member Downing moved to approve the Nebraska Real Property Appraiser Credentialing Applicant Appraiser Review Services Agreement (Employee) and Subject Matter Expert Services Agreement (Employee) as presented. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

Director Kohtz once again informed the Board that Board Members Downing and Hermesen would like to discuss the Scope of Work sections in these review services agreements. Board Member Hermesen explained that the Scope of Service points directly to USPAP review findings. However, the contractors are often not looking past the surface of what is required in USPAP.

Just checking the box that a standard is met does not help the Board. Board Member Hermesen explained that contractors should also provide comment on techniques and methodology utilized, and if those techniques and methodology lead to credible assignment results. Director Kohtz asked Board Member Hermesen to clarify that he is referring to applicant appraisal review services, not investigation review services. Board Member Hermesen confirmed this. Board Member Downing agreed with Board Member Hermesen and also remarked that the Competency Rule is included in USPAP, so the USPAP Compliance Review Report should include enough commentary on the contractor's analysis to support his or her finding that the Competency Rule has or has not been met. Board Member Downing finished by saying that if the contractor provides no comments, the Board is not able to determine the applicant's ability to perform appraisal or appraisal review valuation services. Director Kohtz informed the Board that there is a lot to digest, so it would be difficult to draft language at the present time. The Director recommended that he be given the opportunity to draft language for the Board's review at its October meeting. The Board agreed to include this as an agenda item at the October meeting.

Q. OTHER BUSINESS

- 1. BOARD MEETINGS:** No discussion.
- 2. CONFERENCES/ EDUCATION:** No discussion.
- 3. MEMOS FROM THE BOARD:** No discussion.
- 4. QUARTERLY NEWSLETTER**

- a. Summer 2023 Edition of The Nebraska Appraiser**

Director Kohtz presented the Summer 2023 Edition of The Nebraska Appraiser to the Board for consideration. The Director asked for any questions or comments. LPM Nespor commented that the AMC login process has been laid out with pictures in the "Launch of AMC Login and New Policy for Criminal History Record Checks for Owners of More Than 10% of an AMC at Renewal of Registration" article. LPM Nespor also reported that three AMCs have already submitted renewal applications through the AMC Login, and 10 percent of appraisers up for renewal have submitted online or paper applications. Chairperson Walkenhorst pointed out that in the "Who's New" section the state was improperly identified for one of the new certified residential real property appraisers. LPM Nespor noted the issue and informed the Board that it will be corrected.

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Chairperson Walkenhorst asked for any more discussion. There was no additional discussion. Chairperson Walkenhorst asked for a motion. Board Member Downing moved to approve the Summer 2023 Edition of The Nebraska Appraiser as amended to correct the state for the certified residential real property appraiser as identified under “Who’s New.” Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

5. APPRAISAL SUBCOMMITTEE

a. ASC Compliance Review

i. ASC Public Hearing on Appraisal Bias: November 1, 2023

Director Kohtz presented a notification from the Appraisal Subcommittee regarding a Public Hearing on Appraisal Bias that takes place on November 1, 2023 and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

6. THE APPRAISAL FOUNDATION

a. TAF September Newsletter

Director Kohtz presented The Appraisal Foundation’s September Newsletter to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

b. Appraiser Qualifications Board Q&As

i. Practicum Course – Can I use my client workflow for the practicum course content

Director Kohtz presented the Appraiser Qualifications Board Q&A titled, “Practicum Course – Can I use my client workflow for the practicum course content” issued on September 6, 2023 to the Board for review. The Director informed the Board that this Q&A pertains to practicum course providers and has no impact on the Board, so no additional details will be provided. The Director asked for any questions or comments. There was no further discussion.

ii. Practicum Course – Can I use traditional client work and practicum to fill the experience requirement

Director Kohtz presented the Appraiser Qualifications Board Q&A titled, “Practicum Course – Can I use traditional client work and practicum to fill the experience requirement” issued on September 6, 2023 to the Board for review. The Director informed the Board that this Q&A pertains to the use of practicum courses for experience credit. The Director asked for any questions or comments. There was no further discussion.

iii. RPAQC Q&As_September 8, 2023

Director Kohtz presented the Appraiser Qualifications Board document titled, “Real Property Appraiser Qualifications Criteria Q&As” effective September 8, 2023 to the Board for review. Director Kohtz reported that this document is the AQB’s Q&A compilation that includes all criteria Q&As through the version that becomes effective on January 1, 2026. The Director asked for any questions or comments. There was no further discussion.

c. BOT Public Meeting: May 14-16, 2024 – Indianapolis, IN

Director Kohtz announced that the next TAF Board of Trustees public meeting is scheduled for May 14-16, 2023 in Indianapolis, Indiana. The Director asked for any questions or comments. There was no further discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

a. AARO Quarterly Update – September 1, 2023

Director Kohtz presented the AARO Quarterly Update to the Board for review and guided the Board to page Q.107 of Section Q in the board meeting documents and reported that Fannie Mae announced that it has updated the Appraiser Independence Requirements and introduced Property Data Collector Independence Requirements to protect the integrity of mortgage lending. The Director then turned the Board’s attention to page Q.108 and reported that the FHA published updates to the Single Family Housing Policy Handbook 4000.1, and that Freddie Mac’s Loan Collateral Advisor will now alert users when certain prohibited, subjective, or potentially biased words or phrases are included in appraisal reports submitted through the Uniform Collateral Data Portal. The Director asked for any questions or comments. There was no further discussion.

8. IN THE NEWS: No discussion.

Break from 10:44 to 10:51.

Board Member Downing moved to go into executive session at 10:52 a.m. for the purpose of reviewing investigations and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Board Member Gerdes seconded the motion. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

Board Member Downing moved to exit executive session at 11:01 a.m. Board Member Gerdes seconded the motion. The motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicant CR23009. Chairperson Walkenhorst asked for a motion on CR23009.

Board Member Downing moved to take the following action:

CR23009 / Assign Board Member Hermesen and request that applicant develop a report for a non-traditional client that demonstrates competency in the income and sales approaches to value.

Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY: No discussion.

E. CONSIDERATION OF COMPLIANCE MATTERS

The Board reviewed Grievance 23-01.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

1. 2023.10

The Board reviewed 2023.10.

2. 2023.12

The Board reviewed an appraisal report received from the Fannie Mae Loan Quality Center and concluded there were no substantial errors or omissions which lead to non-credible assignment results or USPAP violations; however, the real property appraiser does need to be made aware of the issue that Fannie Mae brought attention to as it could become a problem for the real property appraiser in the future. Board Member Downing moved to provide a copy of the Loan Quality Center LQC State Tips document to real property appraiser and issue a written advisory directing real property appraiser to take notice of the issue identified by Fannie Mae in the Fannie Mae Loan Quality Center LQC State Tips document. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye.

3. 2023.13

The Board reviewed an appraisal report received from the Fannie Mae Loan Quality Center. The Board concluded that there were no substantial errors or omissions which lead to noncredible assignment results or USPAP violations. No action was taken by the Board.

4. PERSONNEL MATTERS: No discussion.

R. ADJOURNMENT

Board Member Downing moved to adjourn the meeting. Board Member Gerdes seconded the motion. Motion carried with Downing, Gerdes, Hermesen, and Walkenhorst voting aye. At 11:04 a.m., Chairperson Walkenhorst adjourned the September 21, 2023 meeting of the Nebraska Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on September 29, 2023, in compliance with Nebraska Revised Statute § 84-1413 (5).