

**REAL ESTATE APPRAISER BOARD
MAY 24, 2006
CONFERENCE ROOM 6Y
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

ADMINISTRATION OF THE OATH OF OFFICE

At 9:05 a.m. Deputy Secretary of State Ronald D. Moravec, administered the oath of office to Matthew "Joe" Wilson, Lincoln, effective immediately, to serve as a member of the Real Estate Appraiser Board, as the Certified General appraiser, representing the First Congressional District. Mr. Wilson affirmed his intention to support the Constitution of the United States and the Constitution of the State of Nebraska against all enemies, foreign and domestic; that he will bear true faith and allegiance to the same...and will faithfully and impartially perform the duties of the office of the Real Estate Appraiser Board, according to the law and to the best of his ability. At the conclusion of the oath-taking, Deputy Secretary State Moravec and Joe Wilson signed the official documents, sealing the appointment.

OPENING

Chairman Kevin Kroeger called to order the May 24, 2006, meeting of the Nebraska Real Estate Appraiser Board at 9:07 a.m., in Conference Room 6Y, Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska. Board members Tim Kalkowski, Jim Bain, Kevin Kroeger, Joe Wilson and Sheila Newell were present. Jill Ekstein, Director, was also present.

NOTICE OF MEETING

Chairman Kroeger announced notice of the meeting was duly given, posted, published and tendered in compliance with the Open Meetings Law, and all board members received notice simultaneously by mail. The agenda was kept current on the website and in the office of the Nebraska Real Estate Appraiser Board Office and the website. Materials generally used by the Board for the meeting were available in the public folder for inspection.

AGENDA

Chairman Kroeger called for the first item of business to be the adoption of the agenda. Board Member Bain moved to adopt the agenda. Board Member Kalkowski seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

Chairman Kroeger welcomed the guests to the meeting. Present were Diane Moore, The Moore Group; Perre Neilan, Governmental Affairs Director of the Nebraska Realtors® Association; Cay Lacey; and Gary Bush, Budget Analyst.

MINUTES OF APRIL 5, 2006

Chairman Kroeger announced the members had received the meeting minutes from the April 5, 2006, meeting in advance. He asked if anyone needed extra time to review the minutes. He stated if extra time was not necessary, he would entertain a motion to adopt the minutes. Vice Chair Newell provided a list of corrections to be made to the minutes.

Chairman Kroeger stated a request had been made to amend the minutes with the following:

page 16, line 9, add FHA Current Appraisal Requirements to Midwest Appraiser's Association;

page 16, delete R. Lyle Norman from the second paragraph; page 14, indicate within the motion for closed session that Robert Nefsky and Jane Langan were present;

note within the education that McKissock's 2 hour course was not approved and not carried over;

tabled Randall School of Real Estate, Introduction to Farm Appraisal for fifteen (15) hours to obtain clarification and held over the Appraisal Institute's Sales Comparison and Cost Approach request for thirty (30) hours;

and the Vice Chair is to be referred to as the Vice Chair within the minutes.

Vice Chair Newell moved to amend the minutes. Board Member Kalkowski seconded. The motion carried with Bain, Kalkowski, Newell and Kroeger voting aye. Board Member Wilson abstained.

DIRECTOR'S REPORT

Director Ekstein stated she has some items to address; however, the items all appeared at some place on the agenda. She welcomed Joe Wilson to the Board and thanked him for his willingness to serve. Director Ekstein thanked Perre Neilan for taking pictures as Mr. Wilson took the Oath of Office. Board Member Kalkowski asked Director Ekstein to provide a brief overview of the activities. Ekstein reported the Appraiser Board office had moved to the lower level of the State Office Building, she had participated in the ASC review and a state audit of the agency, LB778 had been passed during the legislative session and would take effect July 14, 2006, and the next project was the update of the agency rules and regulations.

CHAIRMAN'S REPORT

Chairman Kroeger provided a summary of the AARO meeting he and Director Ekstein attended in April. He stated there were several panel discussions which were informative and members of the ASC, AQB and ASB were present during the entire conference. Chairman Kroeger commented on information presented by Ben Henson, Executive Director of the Appraisal Subcommittee, regarding issuance of credentials during the implementation of the 2008 AQB Criteria.

Chairman Kroeger believed the attendance at the conference was beneficial as it provided excellent opportunity to meet with other state regulators and learn how other jurisdictions handle similar situations to those in Nebraska.

RECEIPTS AND EXPENDITURES – MARCH & APRIL

Director Ekstein provided some background information on the major receipts and expenditures that had occurred during March and April. Ekstein answered questions regarding some of the expenditures. Board Member Wilson asked for clarification regarding the process. Board Member Wilson moved to file the Receipts and Expenditures Report for Audit. Board Member Bain seconded the motion. The motion carried with Kalkowski, Wilson, Bain and Kroeger voting aye. Vice Chair Newell voted no.

UNFINISHED BUSINESS

Website – Charter Acceptance

Director Ekstein reported she appeared before the State Records Board for the grant application submitted. The grant application was for the amount of \$25,000. Ekstein stated the Nebraska Real Estate Appraiser Board had been granted the \$25,000 for the redesign of the static website as well as the creation of a web-based data based of appraiser information which will appear on the site as well. Director Ekstein presented a copy of the Charter Agreement to the Board.

Board Member Bain moved to ratify the acceptance of the Charter Agreement. Board Member Kalkowski seconded the motion.

Vice Chair Newell asked for more discussion. Questions were asked regarding cost of maintenance. Board Member Kalkowski clarified previous discussion of the Board indicated the website needed to be redesigned and the receipt of the grant funds for the project would cover the majority of the cost.

Chairman Kroeger restated the motion made earlier by Board Member Bain to ratify the acceptance of the Charter. He clarified the motion was seconded by Board Member Kalkowski. The motion carried with Wilson, Bain, Newell, Kalkowski and Kroeger voting aye.

The Board took a five minute recess.

The Board reconvened business at 10:06 a.m.

Segmented Date for AQB Implementation

Chairman Kroeger stated the Appraiser Board had previously adopted the policy of allowing an applicant to complete the examination once the required education component had been met and then allow the applicant to complete the experience by December 31, 2008. He commented that policy was approved at the November 15, 2005,

board meeting with Board Members Bain, Kroeger and Stoeber voting yes and Board Member Newell voting no.

Chairman Kroeger said at this time he would like to vote on a policy to determine when the Board would like to allow applicants to begin to take the examination once the education requirement has been fulfilled prior to the experience component being completed. Board Member Wilson stated he believed people working in the industry currently should be aware of the Rules and Regulations and know what is happening. He suggested as of January 1, 2007, the Board should allow applicants to sit for the examination once they have submitted proof of completing the appraisal education. Chairman Kroeger suggested the date be December 31, 2006.

Board Member Wilson moved to adopt the policy allowing applicants to sit for the examination after December 31, 2006, once the education component has been completed. Board Member Bain seconded the motion. The motion carried with Kalkowski, Newell, Bain, Wilson and Kroeger voting aye.

Applicant Procedures

Chairman Kroeger stated there have been some considerable delays in the processing of applications. He asked for discussion as to a policy to streamline the process. Chairman Kroeger identified a policy implemented in August 2003, in which the previous Director was given the authority to approve applicants for the exam for the registered credential once the education was complete, the application was submitted and the application fee was paid. Vice Chair Newell clarified the reason for the adoption of the policy was to expedite the application process.

Board Member Wilson agreed the policy was acceptable for the processing of the registered credential applicants. He asked which examination the applicants for the registered credential were given. There was discussion regarding the examination and which test should be given to applicants for the registered credential. Chairman Kroeger suggested having the test options as an item on the next meeting's agenda.

Chairman Kroeger asked to clarify what authority the Director has in the processing of applications and what actions must be completed by the Board. He wanted some guidelines to be established in order to facilitate the process. Chairman Kroeger proposed adopting the policy allowing the Director to send out all reports for review to a board-approved reviewer subject to the verification of the education. Once the reviews are returned, all reviews must be presented to the Board prior to further action. Board Member Wilson moved to adopt the policy. Board Member Bain seconded the motion. The motion carried with Newell, Kalkowski, Bain, Wilson and Kroeger voting aye.

Reciprocity Policy

Chairman Kroeger provided background information to the Board. He stated the Board currently has reciprocal agreements with sixteen jurisdictions. The current agreements are in excess of ten years old. Chairman Kroeger explained that there were some

credentials issued to appraisers from states in which Nebraska does not have reciprocal agreements. He asked for discussion regarding the policy of Nebraska as to whether only appraisers from states in which there are reciprocal agreements would be given reciprocity or whether the Board preferred to allow reciprocity even to appraisers from states other than those with reciprocal agreements.

Chairman Kroeger asked for a motion to adopt the policy that any new reciprocal credential request from a state which Nebraska does not have a signed agreement must be submitted to the Board for approval. Board Member Kalkowski moved to adopt the policy. Board Member Wilson seconded. The motion carried with Bain, Newell, Kalkowski, Wilson and Kroeger voting aye.

The board took a five minute recess.

The Board reconvened business at 11:01 a.m.

Recordkeeping Policy

Chairman Kroeger stated that he had some concern regarding official files being taken out of the Board Office. He wanted the Board to discuss the policy pertaining to the official files. Chairman Kroeger said he believed at no time should the original files be taken out of the office. Vice Chair Newell explained the previous Chair of the Board had delegated the review of education to one member, applicants to one member and enforcement to the Chair and the Director. Discussion continued regarding the advantages and disadvantages. Board Member Wilson stated he believed no original documents should leave the Board Office.

Chairman Kroeger asked for a motion adopting a policy stating all original files are to be maintained in a secure location within the Board Office at all times under the Director's supervision and the Staff Assistant is to have access to all files other than enforcement files when necessary. Vice Chair Newell moved to adopt the policy. Board Member Wilson seconded. The motion carried with Kalkowski, Bain, Newell, Wilson and Kroeger voting aye.

Experience Log Changes

Board Member Bain said he believed there was a lot of confusion on the experience log form with the column marked Supervisor Hours. Vice Chair Newell explained the column was on the form in order to verify that the supervisor was indeed supervising the trainee. The Board discussed different scenarios regarding the supervisor's hours. Vice Chair Newell read the definition of an hour of experience from the AQB Criteria. Suggestions were made for possible changes to the form.

Board Member Wilson moved to eliminate the Supervisor Hours column completely from the experience log. Board Member Bain seconded. The motion carried with Kalkowski, Bain, Wilson and Kroeger voting aye. Vice Chair Newell voted no.

Mass Appraisal Experience

Chairman Kroeger provided some background information on the issue of mass appraisal for experience credit. He cited the section in the Rules and Regulations which explains the types of appraisal work which can be counted for experience credit. Chairman Kroeger stated the question has been asked as to how much experience credit can be earned in mass appraisal. Board Member Wilson stated he believed all experience credit could be earned in mass appraisal as long as a USPAP compliant report could be produced. Chairman Kroeger indicated the issue could have a simple resolution by adopting a policy or more research could be done by a task force to determine the best solution. Vice Chair Newell reminded the Board half of the experience credit could be earned through case studies. Board Member Wilson indicated he would assist in discussions with members from area Assessors' Offices to find a solution.

Chairman Kroeger stated he would like to authorize a task force consisting of two mass appraisal experts, a fee appraiser, the Director and a Board Member and ask the group to make recommendations to the Board in 60 days. The objective of the task force would be to provide recommendations of possible solutions to the Board. Discussion occurred as to who may be willing to serve on the task force. The recommendation was made to contact Rob Ogden, Lancaster County Assessor's Office; Barry Couch, Douglas County Assessor's Office; Joe Wilson, Board Member; Tom Kubert, Great Plains Appraisal; and Jill Ekstein, Director.

Board Member Wilson moved to authorize the Director to contact a minimum of two mass appraisal experts, a fee appraiser, a board member and the director to serve on a task force with the objective to be to provide recommendations to the Board as to possible solutions to the question of how many hours of mass appraisal could be used to satisfy the experience requirement. Board Member Bain seconded. The motion carried with Kalkowski, Bain, Wilson, Newell and Kroeger voting aye.

AQB Public Exposure Draft Response

Chairman Kroeger explained during the April 5, 2006, meeting, the item was requested to be carried over with the intent to address a possible response, as a Board, to the first exposure draft. The deadline to respond had passed and Vice Chair Newell stated any appraiser wishing to respond could have done so by email.

Rules and Regulations

Chairman Kroeger reminded the Board that they had asked the Director to have a draft of needed changes to the rules and regulations by April 17, 2006. He stated the draft had been distributed to all members and had been reviewed by Policy Managers and the Executive Director from the Appraisal Subcommittee. Chairman Kroeger recommended each member review the rules and regulations and provide his or her comments to the Director in writing in two weeks. At that point, the Director would put together a summary sheet of all comments for each member to review. Chairman Kroeger indicated his desire to have a final draft for the Board to adopt at the June 22, 2006, meeting.

New Business

Newsletter Policy

Chairman Kroeger indicated the item was added to the agenda in order to give the director guidance as to the desire of the Board for the number of newsletters to be mailed annually and whether the newsletter needed to be submitted to the full board for approval prior to distribution.

Suggestions were made as to placing the newsletter on the website or circulating the information electronically. Board Member Bain stated he believed it was more impressive for people to actually receive a hard copy of the newsletter.

Chairman Kroeger asked for a motion to adopt a policy authorizing the Director to publish a printed newsletter up to four times a year with the draft of the newsletter being sent to all Board Members requesting additions or corrections within five days. Board Member Wilson moved to adopt the policy. Board Member Kalkowski seconded. The motion carried with Kalkowski, Bain, Wilson, and Kroeger voting yes. Vice Chair Newell voted no.

Education Approval Policy

Chairman Kroeger introduced a letter sent to the Director by the Department of Education asking two specific questions be answered by either the Director or the Board Members.

The Board took at five minute recess.

The Board reconvened at 12:07 p.m.

The Board discussed the letter and provided the Director responses to the questions. Board Member Wilson suggested to explain that the Appraiser Board approves courses and instructors not schools. He indicated the response needs to include the fact that the Appraiser Board is regulated by the federal government. The suggestion was made to contact the Real Estate Commission for records indicating the previous regulations.

Chairman Kroeger indicated the board wished for the Director to respond to the letter with the answers provided.

Complaint Policy

Director Ekstein stated she had worked with the attorneys regarding the handling of complaints. She wanted direction from the Board as to the option of presenting complaints to the Board without disclosing any names of any parties involved. Vice Chair Newell suggested if a complaint was filed against an appraiser directly involved with a Board Member, the Director needs to contact that board member prior to the meeting to inform the member for the possible need to abstain.

Chairman Kroeger asked for the Director to get a letter of opinion from the attorneys regarding how to handle the complaint policy anonymously. He asked for the item to be carried over to the next month's agenda.

Exam Provider

Director Ekstein reported she had received very little assistance from the current exam provider (PES). Ekstein had asked for a list of current testing sites and was provided a list of five possible sites. Ekstein continued that an applicant had informed her that the only location to sit for the exam was in Omaha. In addition, she had received numerous complaints from applicants regarding the testing service.

Director Ekstein stated she had contacted the regulatory body in South Dakota and inquired as to which provider was used for the exam. She was given the name and contact information for (AMP) Applied Management Professionals in Kansas. The Director presented the contract from the current provider as well as a draft contract from AMP.

Chairman Kroeger indicated a desire to contact AMP to inquire about the physical location in the cities of testing sites, \$100 testing fee, and one year contract.

General Public Comments

There were not general public comments.

The Board took a 30 minute lunch break.

The Board reconvened at 1:21 p.m.

Education

Course & Seminar Approval

Director Ekstein presented the course and seminar applications requesting approval.

During the education approval process, discussion occurred regarding the issue of contacting the Attorney General's Office for any interpretation or opinion. Chairman Kroeger suggested the Board adopt the policy that any issue requiring clarification be presented to the Board prior to written opinion to being requested from the Attorney General's Office. Board Member Wilson moved to adopt the policy with the understanding that the contact to the Board can be in an email format. Board Member Bain seconded. The motion carried with Kalkowski, Wilson, Bain, Newell and Kroeger voting aye.

Chairman Kroeger stated with regard to the letter from Harold Briley and the Department of Education, the Board has taken the position that it is exempt from the Post-Secondary Career School Act. With this position, the Board will approve the held-over seminar from previous meetings.

Vice Chair Newell moved to approve the following:

Appraisal Institute, "Condominiums, Co-Ops and PUDs" for seven (7) hours;
Randall School of Real Estate, "Real Estate Law" for thirty (30) hours;
Randall School of Real Estate, "Real Estate Principles & Practices" for thirty (30) hours;
Randall School of Real Estate, "Essentials of Real estate Finance" for thirty (30) hours;
Randall School of Real Estate, "Property Management" for thirty (30) hours;
Appraisal Institute, "Residential Sales Comparison and Income Approaches" for thirty (30) hours.

Board Member Wilson seconded. The motion carried with Bain, Newell, Kalkowski, Wilson and Kroeger voting aye.

Vice Chair Newell moved to approve the following:

Alan Simmons as instructor for "Condominiums, Co-Ops and PUDs";
Dennis L. Hardt as instructor for "Real Estate Law";
Susan Geschwender as instructor for "Real Estate Principles and Practices";
Jeannine Radel as instructor for "Real Estate Principles and Practices";
Mark Rowell as instructor for "Real Estate Principles and Practices";
Dean Uhling as instructor for "Real Estate Principles and Practices";
Joseph Edwards as instructor for "Real Estate principles and Practices";
Judi Anding as instructor for "Real Estate Principles and Practices";
Joseph Edwards as instructor for "Essentials of Real Estate Finance";
Charles Sederstrom as instructor for "Essentials of Real Estate Finance";
Mark Rowell as instructor for "Essentials of Real Estate Finance";
Paul Vojchehoske as instructor for "Essentials of Real Estate Finance";
and Mark Rattermann as instructor for "Residential Sales Comparison and income Approaches."

Board Member Kalkowski seconded. The motion carried with Wilson, Kalkowski, Bain, Newell and Kroeger voting aye.

Vice Chair Newell moved that the Appraiser Board go into executive session for the purpose of reviewing applicants and written complaints. A closed session is clearly necessary to prevent needless injury to the reputation of individual or individuals relating to applications. The time on the hearing room clock was 1:45 p.m. Board Member Kalkowski seconded. The motion carried with Bain, Kalkowski, Newell and Kroeger voting aye. Present during the executive session were Board Members Bain, Kalkowski, Wilson, Vice Chair Newell, Chairman Kroeger and Director Ekstein.

Vice Chair Newell moved to come out of executive session at 3:25 p.m. Board Member Kalkowski seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

Applicants

Vice Chair Newell moved to ratify the Director's approval for the following applicants to sit for the registered exam:

Mark E. Anding R50601
Hope Christian Shotbolt R50605
Adam John Drake R50606
Patrick Lentz Pittman R50607
Carrie L. Cleasby R50608
Cynthia Ann Kubat R50609

Vice Chair Newell continued to ratify the Director's action for denial for applicant:

L10051

Vice Chair Newell continued to ratify the Director's approval for the following applicants to sit for the Certified Residential Exam:

Michael S. Powers CR50602

Vice Chair Newell continued to ratify the Director's action to for denial for applicant:

CR50603
CR50604

Vice Chair Newell continued to approve for the certified residential exam:

Joshua J. Clason CR30609

Vice Chair Newell moved to deny:

CG50610

Board Member Kalkowski seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

Vice Chair Newell moved to deny:
L30611

Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson and Newell voting aye. Chairman Kroeger abstained.

ENFORCEMENT

Board Member Bain moved to authorize Chairman Kroeger to sign the agreed settlement for enforcement case:

03-18 Betty Holliday, Respondent

Board member Kalkowski seconded. The motion carried with Wilson, Kalkowski, Bain and Kroeger voting aye. Vice Chair Newell abstained.

Vice Chair Newell moved to dismiss the following enforcement case due to the complaint being a value dispute:

06-10

Board Member Wilson seconded. The motion carried with Kalkowski, Newell, Wilson and Kroeger voting aye. Board Member Bain abstained.

Vice Chair Newell moved the following:

05-05 Donald Lloyd, Respondent; to authorize Chairman Kroeger to sign the agreed settlement

05-25 File a formal complaint;

06-11 Send appraisal out for review;

06-13 Request workfile and complete copy of the appraisal report.

Board Member Bain seconded. The motion carried with Kalkowski, Wilson, Bain, Newell and Kroeger voting aye.

NEXT MEETING DATE

Chairman Kroeger stated the next meeting of the Real Estate Appraiser Board would be held in Lincoln on June 22, 2006.

PERSONNEL MATTERS

Vice Chair Newell moved that the Appraiser Board go into executive session for the purpose of discussing personnel matters. A closed session is clearly necessary to prevent needless injury to individual or individuals. The time on the meeting room clock was 3:33 p.m. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye. Present during the executive session were Board Members Wilson, Kalkowski, Bain, Vice Chair Newell, Chairman Kroeger and Director Ekstein.

Vice Chair Newell moved to come out of executive session at 3:44 p.m. Board Member Wilson seconded. The motion carried with Bain, Kalkowski, Wilson, Newell and Kroeger voting aye.

The meeting was adjourned at 3:45 p.m.

Respectfully Submitted,

Jill Ekstein
Director

These minutes were available for public inspection on June 5, 2006, in compliance with Nebraska Statute §84-1413(5).