

**REAL PROPERTY APPRAISER BOARD
DEPARTMENT OF EDUCATION BOARD ROOM, 6TH FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE
Thursday, January 17, 2008**

OPENING

Vice Chair Joe Wilson called to order the January 17, 2008, meeting of the Nebraska Real Property Appraiser Board at 9:08 a.m., in the Department of Education Board Room, 6th Floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

NOTICE OF MEETING

Vice Chair Wilson 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 e-mail. The agenda was kept current in the Nebraska Real Property Appraiser Board Office and on the Board's website. Materials generally used by the Board for this meeting were available in the public folder for inspection by the public and in accordance with the Open Meetings Act. A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members, Mathew 'Joe' Wilson, Timothy Kalkowski, James Bain, Sheila Newell, and R. Gregg Mitchell were present. Director Kitty Policky was also present.

ADOPTION OF THE AGENDA

Vice Chair Wilson reminded those present at 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 Bain moved to adopt the Agenda as printed. Board Member Mitchell seconded. The motion carried with Kalkowski, Bain, Wilson, Mitchell and Newell voting aye. Motion carried.

INSTALLATION OF NEWLY APPOINTED MEMBER

Vice Chair Wilson introduced Secretary of State Chief Deputy Legal Counsel, Ron Moravec who was present to administer the oath of office to Bradford Moore, Certified General appraiser, Lincoln, who was appointed by Governor Heineman to represent the Broker's position on the Board. Mr. Moore pledged to faithfully and impartially to perform the duties of the office of Real Property Appraiser Board, according to the law and to the best of his ability, and to support the Constitution of the United States and the Constitution of the State of Nebraska against all enemies, foreign and domestic. Mr. Moore and Deputy Moravec signed the official documents, sealing the appointment. Following administration of the oath, Vice Chair Wilson presented to Mr. Moore the lapel pin, official emblem of the Real Property Appraiser Board membership.

ELECTION OF 2008 OFFICERS

Board Member Bain moved to nominate Vice Chair Wilson as Chair. Board Member Mitchell seconded the motion. Motion passed unanimously with Bain, Mitchell, Moore, and Kalkowski voting aye. Wilson abstained. Board Member Kalkowski moved to nominate Board Member Mitchell as Vice Chairman. Board Member Moore seconded the motion. Motion passed unanimously with Moore, Kalkowski, Bain, and Wilson voting aye. Mitchell abstained.

APPROVAL OF THE MINUTES FROM DECEMBER 20, 2007

Chair Wilson asked for any additions or corrections to the December 20, 2007 minutes. Vice Chair Mitchell moved to adopt the minutes as presented and Kalkowski seconded the motion. The motion carried with Kalkowski, Bain, Mitchell, Moore and Wilson voting aye.

CHAIR REPORT

Newly appointed Chairman Wilson had only one item to report. Lynne Heiden would not be able to attend the meeting because of the weather but would attend the February meeting. With that said, Vice Chair Mitchell presented to past member Sheila Newell a token of appreciation from the Board for her dedication and service to both the Board and the State of Nebraska. Time was taken to express thanks and discuss the highlights of her tenure as a member of the Board.

WELCOME AND GUEST SPEAKERS

Chair Wilson welcomed the guests to the meeting and asked them to please sign the guest log.

DIRECTOR'S REPORT

1. AMP compliance and approval for testing.

Director Policky reported to the Board that testing services provided by contract by Applied Measurement Professionals, Inc. (AMP) have been officially approved by the Appraiser Qualifications Board and that this office has received official notice of the approval. Testing will be available approximately February 14, 2008.

2. Mid-Biennium Budget Adjustments.

Governor's address on Wednesday, January 16th approved \$75,000 additional authority to spend for 2007-08. The outline of accounting was forwarded showing the breakdown of costs for funding to the Legislative Fiscal office representative Michael Lovelace. DAS budget representative Gary Bush was present and briefed the Board on the procedure of the request for additional funding. The procedure is as follows: Recommended is made by the Appropriations Committee to the Legislature; Legislature debates request on the floor; passed by the Legislature, given to Governor for signature and line-item veto. Vice Chair Mitchell asked Director Policky for the funds available for current credential applicants. Policky reported that the core curriculum was not available for the certified credentials but there would certainly be processing available for new license applicants. The available funding is an 07-08 and 08-09 budgetary biennium. Budget Representative Bush reported to the Board that he would work with the Director and Mike Lovelace from the fiscal office to dedicate the funds paid for resubmissions of demonstration reports to be used for the purpose of spending during the current budgetary period. Bush explained that perhaps the resubmission fees could be earmarked. Resubmission fees are review fees dedicated during the current spending period and a requirement for each candidate who applies and is required to submit additional demonstration reports. Bush volunteered to work with Director Policky for the future budgetary period concerning the resubmission fee dedication.

3. Approval of Special Assistant Attorney General appoints for: William Blake, Terri Weeks, and Mark Buckwalter.

Director submitted to each Board member copies of the agreement for services from the Attorney General's office for legal representation for Blake, Weeks and Buckwalter.

4. New Primary Contact from Attorney General's office: Natalee Hart.

Director submitted to each Board member copies of the agreement for service from the Attorney General's office for Natalee Hart. Natalee Hart will replace prior representative Charles Lowe. Hart declined the invitation to meet the Board at this time but would do so in the future.

Board Member Kalkowski asked about the notification statement included in the correspondence from the Attorney General's office including the following statement . . . "All special assistant Attorney Generals are subject to the supervision of the Attorney General. No settlement shall be valid unless approved in writing by the Attorney General."

Board Member Mitchell requested the clarification come from Legal Counsel William Blake.

5. DAS Accounting/Effective January 1, 2008 standard mileage will >.585 cents per mile for personal mileage.

Director submitted to each Board member a copy of a notice from DAS Accounting to increase the standard mileage reimbursement for personal mileage to .585.

As a last item, Director Policky reminded Board members to forward corrections and comments concerning the handout at the last meeting of the edited 2008 Criteria.

RECEIPTS AND EXPENDITURES REPORT – DECEMBER

The receipts and expenditures for December were reviewed by the Director by line item with the Board. A copy of the report is considered part of these minutes and is attached. Director Policky did review the biggest expense which was the order for the postal distribution of the 2008-09 USPAP books and reminded each member that additional copies of the new USPAP book is available to each member.

Kalkowski commented on the contractual expenses stating that 50% of the applicants are consuming the budgetary funds for resubmission purposes. Director Policky explained that the residual cash funds were acquired knowing that the implementation of the new 2008 criteria was going to be costly with little to no receipts. The stress on available funds is an accumulation of not only the resubmission costs but the tremendous number of applicants. The additional funds from our cash fund will offset the impact of the additional expenditures.

Director Policky also commented to Board members on the final debt for the website that the CIO Department had every intention of passing on to the Appraiser Board. Until the billing can be detailed and the billing matches the funds available in the grant, the final contract request would not be closed. If a working and efficient website could not be designed for \$25,000, our agreement would simply be terminated. Director Policky also commented that she had contacted nebraska.gov for assistance. Chair Wilson commented that an outside contractor would perhaps better meet the needs of this Board for a much more reasonable price. Director Policky continued to comment on the fact that the Appraiser Board has lost control of the data and the uploading of data for the appraisers and that the CIO department had sole control over the manipulation of the data for the appraiser files. Board members comment about the difficulty and lack of interaction that the site offers to the public

Board Member Mitchell moved to authorize Director Policky to seek proposals for a website from the public sector or outside state government. Bain seconded the motion. Although we

do not have the funds available at this time, planning would not occur overnight and perhaps by the time funding was available, a successful website could be in progress. The motion carried with Board Members Kalkowski, Bain, Mitchell, Moore, and Wilson voting aye.

Board Member Kalkowski moved to accept and file the December 2007 Receipts and Expenditures report for audit. Vice Chair Mitchell seconded. The motion carried with Bain, Mitchell, Moore, Kalkowski, Bain and Wilson voting aye.

Board took a break at 10:27 a.m.

Board meeting reconvened at 10:44 a.m.

UNFINISHED BUSINESS

1. Scope of Practice definitions.

Chairman Wilson began with the definitions submitted by Sheila Newell and contributing general comments. A copy of the definitions is attached and considered part of these minutes. The definitions must be clear and easy to understand for all individuals involved. The scope of practice tells you what assignments you can perform – it is not meant to address all type of assignments you cannot perform. Board Member Kalkowski requested that a copy of the limited definitions be forwarded to the bankers and mortgage brokers contacts.

2. Appraiser Act from bill writers.

The Board approved changes to the Appraiser Act are at Senator Langemeier's office. The changes to the Act will be referenced as LB1011. Senator Langemeier wants to present the change to §76-2221 as an amendment explaining that this is a short session and he certainly did not want any thing that might deter approval.

3. Mass Appraisal.

Mass appraisal was added to the agenda to continue our formulation of parameters for the mass appraisal logs.

NEW BUSINESS

1. Lynne Heiden.

Lynne Heiden could not be present for this meeting but sent a copy of the memorandum from the Appraisal Foundation HR3915 – Mortgage Reform and Anti-Predatory Lending Act of 2007 and Dodds Bill. Heiden will be present at the February meeting to discuss the memorandum. Chair Wilson encouraged appraisers to contact their representatives to address the contents of the proposed memorandums and bring your questions to the February meeting.

2. CAP Approval/Core Curriculum.

Director Policky presented to the Board the definitions for the Appraiser Qualifications Board/Course Approval Program along with comments made by members who attended the 2005 AQB meeting in Omaha. Director Policky stressed that she was requesting AQB/CAP approval for contents of the core curriculum to make the core curriculum courses acceptable not only to Nebraska but any state for which an appraiser may apply. Board Member Moore handed to members an outline that emphasized the service of the AQB to assist states in implementing the qualifying course approvals. Initial approval through CAP for a 30-hour class is \$1950 for three years with reapproval costing \$250.00. A 15-hour class is \$1650

dollars. Upside is that a pre-requisite class is accepted throughout the country. The surrounding states require CAP approval. Any class that would be required for qualifying education to fill the core curriculum would be required to meet CAP approval. Small providers need to understand the importance of the CAP approved program. Printing of the latest listing shows all of AQB/CAP approved education shows both the large and small education providers. An alternative would be to establish a mechanism for the Board to review education submissions. The CAP approval requirement would only be for the core curriculum courses and not the electives or continuing education. The Board would find it necessary to address pre-requisite education that has received approval without CAP approval. Board Member Moore suggested that the Board would be required to review pre-requisite education completed without CAP approval on a case by case basis to see what may apply under the modular format and topic matrix. Review would be submitted by the applicant and not by the education provider.

Past Chair Sheila Newell pointed out that pre-requisite courses have already been approved by the Board without AQB approval. Newell pointed out that at the State Regulatory Meeting in 2005; the ASC stated that they would review the courses for compliance if they did not have AQB/CAP approval. Iowa stated at that time they would only accept AQB/CAP approved courses. Newell asked if a provider had to have the course directly approved by the AQB or if the provider could utilize the textbook and contents of an approved course. Board member Moore stated that approval could be applied either way – an education provider could make application directly to the CAP program or obtain an agreement of CAP approval from the pre-requisite course developer.

Board took a break at 11:46 a.m.

Board meeting reconvened at 12:06 p.m.

Vice Chair Mitchell proposed a motion that all qualifying core curriculum education courses provided on or after January 1, 2008 to those applying for credentials under the 2008 AQB criteria must be in modular format and have CAP approval from the AQB and courses attended and passed prior to January 1, 2008 and submitted by a credential applicant after January 1, 2008 that is not AQB/CAP approved to meet the 2008 criteria must include a topic matrix and will be considered on a case by case basis by the Board. Board Member Bain seconded the motion. Motion carried with Bain, Mitchell, Moore, Kalkowski, and Wilson voting aye.

GENERAL PUBLIC COMMENTS

Chair Wilson asked for any public comments. With none, the Chair proceeded to education.

EDUCATION

Vice Chair Mitchell moved to approve the following continuing education seminars for both new and renewal and respective instructors as listed:

McKissock, LP:

On-Line / *The Evolution of Finance and the Mortgage Market* / 2 hours – C2815-I

Instructor: Alan Simmons

On-line / *Mortgage Fraud: Protest Yourself* / 7 hours – C2814-I – HOLD

Instructor: Daniel Bradley

On-Line / *Environmental Issues for Appraisals* / 5 hours – C2813-I - HOLD
Instructor: Alan Simmons

Wachovia Appraisal Training:
2008 USPAP Update – 7 hours/C2801
Instructor: Michael Morton, Jr./Certified USPAP instructor

Mid-West Appraisers Association
Residential Report Writing Skills – 7 hours/C2849
Instructors: Lynne Heiden, Barry Shea & Danny Stoeber

Appraisal Institute:
Internet Strategies for Real Estate Appraisers – 7 hours – C9814-I (Renewal)
Instructors: Dr. Jeffery Fisher

Board Member Kalkowski seconded the motion. Motion carried with Mitchell, Moore, Kalkowski, and Bain voting aye. Chairman Wilson abstaining.

Vice Chair Mitchell moved to approve the following pre-requisite course changes:
Basic Appraisal Procedures / 30 hours – Q002. The Moore Group requests approval of a new text changing the text used from Hondros to the Dearborn edition. AQB/CAP approved.

Board Member Kalkowski seconded the motion. Motion carried with Kalkowski, Bain, Mitchell, and Wilson voting aye. Board Member Moore abstained.

Vice Chair Mitchell moved to approve Matthew “Joe” Wilson as instructor for the Mid-West Appraisers 7-hour seminar “Residential Report Writing Skills.”

Board Member Kalkowski seconded the motion. Motion carried with Bain, Mitchell, Moore and Kalkowski voting aye. Chairman Wilson abstained.

Vice Chair Mitchell moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and considering written complaints and disciplinary action. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of qualifying applicants and relating to the alleged violations of performance in real property appraisal practice. The time on the meeting clock was 12:17. Kalkowski seconded the motion. The motion carried with Mitchell, Moore, Kalkowski, Bain and Wilson voting aye. Chair Wilson restated that the sole purpose of the closed session was to review applicants for credentialing and considering written complaints and disciplinary action. The time on the meeting room clock was 12:17 p.m.

Vice Chair Mitchell moved to come out of executive session at 4:03 p.m. Board Member Moore seconded the motion. The motion carried with Moore, Bain, Kalkowski, Moore and Wilson voting aye.

Vice Chair Mitchell moved to ratify R850 and R851.

Vice Chair Wilson moved to take the following actions for the applicants for the license credential:

L545 – Approve application and reports but hold until log as been adjusted as Board requested.

Vice Chair Mitchell moved to take the following actions for the applicants for the certified residential credential:

CR149 – Approve application and select verification report(s).

Vice Chair Mitchell moved to take the following action for the applicants for the certified general credential:

CG442 – Approve application and select verification report(s).

Vice Chair Mitchell moved to approve the reciprocity certified application from Colorado.

Vice Chair Mitchell moved to approve the sequential applicants: CR344, CR345 & CG580.

Vice Chair Mitchell moved to approve the verification log reports for applicants CG433, CG432, CR219 and CR177.

Board Member Bain seconded the Motion. Motion carried with Moore, Kalkowski, Bain, Mitchell and Wilson voting aye.

Vice Chair Mitchell moved to take the following enforcement actions:

- 06-18 – Consent Agreement met. Close file.
- 06-22 – Consent Agreement.
- 07-05 & 07-17 – Consent Agreement
- 07-08 – Sent two reports for review
- 07-13 – Advisory letter. Close.
- 07-14 – Recommendations to Counsel
- 07-16 – Consent Agreement.
- 07-18 – Consent Agreement.
- 07-19 – Advisory letter. Close.
- 07-21 – Dismiss case. Report USPAP compliant.
- 07-23 – Advisory letter. Close
- 07-24 – Recommendations to Counsel.
- 07-25 – Hold

Board Member Kalkowski seconded the motion. The motion carried Kalkowski, Bain, Mitchell, Moore and Wilson voting aye.

Board Member Kalkowski moved to take the following enforcement action:

07-27 Dismiss. Report USPAP compliant.

07-29 Forward case to Attorney General's Office and the Department of Banking.

Board member Bain seconded the motion. The motion carried with Bain, Moore, Kalkowski and Wilson voting aye. Mitchell abstained.

Vice Chair Mitchell moved to take the following enforcement action:

02-28 Consent Agreement

Board Member Moore seconded the motion. The motion carried with Moore, Bain, and Mitchell voting aye. Chair Wilson and Board Member Kalkowski abstained.

Vic Chair Mitchell moved to take the following enforcement action:

07-09 – Recommendations to Counsel

Board Member Bain seconded the motion. The motion carried with Bain, Mitchell, Moore, and Kalkowski voting aye. Chair Wilson abstained.

Director Policky requested approval by Board for expenses for arriving early to complete the applicant verification report reviews and attending the final meeting for Sheila Newell. Board Member Mitchell moved to approve the expenses. Chair Wilson seconded the motion. Motion carried with Mitchell, Moore, Kalkowski, Bain and Wilson voting aye.

Next meeting date is scheduled for February 21, 2008.

The meeting was adjourned at 4:12 p.m.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on January 27, 2008, in compliance with Nebraska Statute §84-1413(5).