

**REAL PROPERTY APPRAISER BOARD
LIQUOR CONTROL HEARING ROOM, 5TH FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE
October 22, 2008**

OPENING

Chairman Joe Wilson called to order the October 22, 2008, meeting of the Nebraska Real Property Appraiser Board at 9:04 a.m., in the Liquor Control Hearing Room, 5th Floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

NOTICE OF MEETING

Chairman 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 Timothy Kalkowski, Bradford Moore, Gregg Mitchell, James Bain, and Mathew 'Joe' Wilson, were present. Director Kitty Policky was also present.

ADOPTION OF THE AGENDA

Chairman Wilson 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. Vice Chair Mitchell moved to adopt the Agenda as printed. Board Member Moore seconded the motion. The motion carried with Kalkowski, Moore, Mitchell, Bain, and Wilson voting aye.

WELCOME GUESTS

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

APPROVAL OF THE MINUTES FROM OCTOBER 22, 2008

Chair Wilson asked for any additions or corrections to the October 22, 2008 minutes. With no corrections or additions, Chair Wilson called for a motion to approve the minutes. Vice Chair Mitchell moved to adopt the minutes as presented and Board Member Bain seconded the motion. The motion carried with Moore, Mitchell, Bain, Kalkowski, and Wilson voting aye.

CHAIR REPORT

Chairman Wilson had no items.

DIRECTOR'S REPORT

Enforcement procedures:

Considering the addition of a new member to the Board and the importance of rendering consistency to the enforcement procedures, Director Policky discussed the flow chart and Guidelines for Disciplinary Action adopted August 23, 2007. To enforce consistency, a copy of written procedures for enforcement, as adopted from the flow chart for clarification, was discussed as the current guideline. The information is simply a means of maintaining consistent

guidelines and to make sure that every rights of due process have been given for each enforcement case.

Appraiser Count:

Little changes have been made to the 907 total appraisers. The appraisers are simply moving from one category to another. It is late in the year to add new credentials as not only would the initial fee be due but also the renewal fee would be due by November 30th. The number of certified general appraisers increase by one for a total of 383 appraisers and the number of certified residential increased by four for a total of 187 appraisers leaving a decrease in license appraisers from 136 to 134 and 206 registered and conversions to 203 appraisers.

First Exposure Draft of proposed changes to the 2010-2011 edition of USPAP:

Director Policky distributed a copy of the First Exposure Draft of the proposed changes to the 2010-2011 editions of the Uniform Standards of Professional Appraisal Practice as issued on October 3rd by the Appraisal Standards Board. The purpose for the release is to launch a campaign asking appraisers or users of appraisal services how well USPAP served their needs. The First Exposure Draft is the result of the input and encourages all interested parties to make comments in writing to the Appraisal Standards Board before the November 20, 2008 deadline.

RECEIPTS AND EXPENDITURES REPORT – SEPTEMBER 2008

The receipts and expenditures for September were reviewed by the Director by line item with the Board. A copy of the Budget Status Report is attached and considered part of these minutes.

Chairman Wilson called for a motion to approve receipts and expenditures. Vice Chair Mitchell moved to accept and file the September 2008 Receipts and Expenditures report for audit. Board Member Bain seconded the motion. The motion carried with Mitchell, Bain, Kalkowski, Moore, and Wilson voting aye.

UNFINISHED BUSINESS

AARO Conference – October 4-7, 2008, Washington – Board Member Moore report:

Moore gave a report to the Board on the most important topics of discussion. The foremost topic at the conference is shared by the Nebraska Appraiser Board in establishing direction for proposed appraisal education opportunities for the post secondary sector.

The Appraiser Qualifications Board issued on September 17, 2008, an exposure draft addressing the Real Property Appraiser Qualification Criteria / Interpretation – Graduate Degrees and Qualifying Education. The intent of the review of university graduate programs is to make the recommendations to proceed with the proper understanding of the requirements as set forth in the “Criteria” and as such, is binding upon users of the “Criteria.” Individuals who have obtained graduate degrees in Real Estate seeking to become state licensed or state certified appraisers often find that much of the coursework they have completed is not considered by state regulatory agencies evaluating their qualifications for credentialing. As a result, many of these individuals are subsequently required to complete a significant amount of additional education to qualify for a credential. As a result, the AQB will begin analyzing graduate degree programs in Real Estate to determine how the education completed can be applied to the qualifying education Required Core Curriculum in the Real Property Appraiser Qualification Criteria.

The AQB intends to perform these analyses on “current” graduate programs, publishing the results for state appraiser regulatory agencies to use when reviewing the educational qualifications of applicants that hold such degrees to determine how the education completed from land grant institutions can be applied to the qualifying education required core curriculum. The cost for the analysis will be paid by the Appraisal Foundation. Documents indicating completion of education meeting criteria specific to qualifying education would be issued from the ASC. While completion of education probably would not qualify under the CAP program, a similar program with the criteria and objective of learning similar in format will be created.

The proposed effective date of this Interpretation is not until January 1, 2010, the AQB intends to begin analyzing graduate programs giving state appraiser regulatory agencies assistance to proceed with incorporating the AQB’s analysis of graduate programs as part of their due diligence in evaluating an applicant’s educational qualifications prior to the proposed effective date.

Director Policky reminded the Board of Title 298, Rules and Regulations, Chapter 4, 006 which require core curriculum courses to be in modular format and be AQB/CAP approved. The consideration for graduate and undergraduate work would require additional recognition be added to the current rules and regulations. Enthusiasm and guidelines for post secondary education is well on its way to being addressed for future consideration.

Review Training:

The goal of the Board to establish and apply the USPAP standards and guidelines in a consistent manner continues to be a topic of discussion. Past Board Member Danny Stoeber will assist Brad Moore in planning the 2009 Review Training session to be scheduled in January of 2009.

Investigator Training:

One of the topics of importance was the investigator training program to be sponsored by AARO, in conjunction with the ASC and the Appraisal Foundation to be held four times across the states in Chicago, Dallas, Phoenix and Washington. Each state can send three representatives to a program and the cost for three representatives will be paid by the Foundation. Costs for attendance above the three will be the responsibility of the respective state. Board Member Moore emphasized the benefits of the training and encouraged consideration by the Board.

Education requirements when changing credential levels:

The most important information to be discussed at the regulatory meeting was the new “Real Property Appraiser Criteria” effective January 1, 2008. The new criteria includes education requirements for an upgrade by an appraiser who currently holds a credential under the old criteria and seeking to advance.

Board took a break at 10:15 a.m.

Board meeting reconvened at 10:37 a.m.

Discussion resumed on the educational requirements to move to a new credential for individuals currently holding a credential. Nebraska has the state credential of Registered. The credit given to a Registered appraiser is obviously not accounted for in the AQB’s qualifications for upgrading to a credential.

Vice Chair Mitchell requested that research and inquiries be made to the Appraisal Subcommittee concerning where the state Registered credential would be allowed, if at all, to participate in the upgrade and the number of hours of credit grandfathered. Mitchell also discussed the concern over whether the education credit would jeopardize our credential status with surrounding states. The questions for consideration should be available for the November meeting and the topic placed on the agenda.

Board Member Moore presented a matrix for upgrading a credential from Kentucky, a state much like Nebraska with a state recognized credential of “associate” as having established 90 hours for the state credential granting 30 hours for appraisal principles, 30 hours for appraisal procedures, 15 hours for USPAP, and 30 hours for income.

It was pointed out that these are the requirements are minimum requirements and that some cannot be met. For instance, the 10 hour requirement for certified residential to move to certified general for the income approach cannot be met simply because the rules require that core curriculum education must be at least 15 hours and tested. These are the minimum guidelines but it has been pointed out that many of the appraisers did not complete the number of prerequisite hours that are going to be credited, even at the minimum.

With no further discussion regarding credentials recognized by the Appraisal Subcommittee and currently being held, Vice Chair Mitchell moved that the AQB guidelines to upgrade for appraisers holding a current license credential, certified residential, or certified general credential be adopted. The guidelines adopted exclude the registered credential until ASC recommendations can be taken into consideration. Board Member Bain seconded the motion. The motion carried with Bain, Kalkowski, Moore, Mitchell, and Wilson voting aye.

NEW BUSINESS

ASFMRA request for retroactive education credit:

The ASFMRA presented a letter requesting retroactive credit for a seminar entitled “Land Investment Analysis” offered in Omaha on July 14-16. Although a provider is entitled to make every effort to approve credit for an education offering, the Real Property Appraiser Board cannot extend retroactive credit by policy. The Board appreciates the interest by the ASFMRA to provide education in Nebraska to an audience of agriculture appraisers but can not make an exception.

Vice Chair Mitchell moved to deny retroactive education credit for the seminar entitled “Land Investment Analysis” as it is against Board policy as well as a history to grant retroactive credit. Board Member Bain seconded the motion. The motion carried with Kalkowski, Moore, Mitchell, Bain, and Wilson voting aye.

GENERAL PUBLIC COMMENTS

Chair Wilson asked for any public comments. With no comments, the Chair proceeded to education.

EDUCATION

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

Course Approval/New:

Trans-American Institute of Professional Studies, Kearney, NE:

- A. “*Basic Appraisal Principles*” – 30 hours – Q001
Instructor: Lynne Heiden
- B. “*Basic Appraisal Procedures*” – 30 hours – Q002
Instructor: Lynne Heiden

Continuing Education New:

Douglas County Assessor’s Office/IAAO:

- A. “*IAAO Course 310 Residential Modeling Concepts*” – 30 hours – C9841
Instructors: Barry Couch

McKissock LP, Warren, PA:

- A. “*Land & Site Valuation*” – 7 hours Online – C2866-I
Instructors: Alan Simmons

Appraisal Institute, Chicago, IL:

- A. “*Condemnation Appraising: Principles & Applications*” – 21 hours – C9986
Instructors: Rosco Shiplett & Stephen Matonis
- B. “*Validation of Green Residential Properties*” – 7 hours – C2860
Instructor: Alan Simmons
- C. “*Rates & Ratios: Making Sense of GIMs, OARs, and DCF*” – 7 hrs. C2317-I
Instructor: Kenneth Lusht (ONLINE)
- D. “*Supervising Appraisal Trainees*” 4 hours – ONLINE – C2853-I
Instructor: Sandra K. Adomatis
- E. “*General Market Analysis & Highest & Best Use*” – 28 hours – C2887
Instructors: David Lennhoff & Richard Parli
- F. “*The Appr. as an Expert Witness*” *Preparations & Testimony*” – 15 hrs – C9831
Instructor: Harry Holzhauer
- G. “*Report Writing & Valuation Analysis*” – 26 hours – C9685
Instructor: Alan Blankenship

IRWA, Nebraska Chapter:

- A. “*Easement Valuations 403*” – 8 hours – C0219
Instructor: Randy Williams

The Columbia Institute, San Antonio, Texas:

- A. “*FHA Today #114*” – 8 hours – C9921
Instructors: Dr. George Harrison; Martin Molloy; Robert Hetrick; Bernard Boarnet; Bryan Reynolds; Diane Jacobs; Richard Vannatta
- B. “*Appraising REO/Foreclosures #125*” – 8 hours – C2817
Instructors: Dr. George Harrison; Martin Molloy; Robert Hetrick; Bernard Boarnet; Bryan Reynolds; Diane Jacobs

Continuing Education Renewal:

McKissock, LP, Warren, PA:

- A. *“Income Capitalization – Virtual Classroom”* – 7 hours – C0052-I
Instructor: Alan Simmons
- B. *“Construction Details & Trends” Online* – 7 hours – C2224-I
Instructor: Alan Simmons

Appraisal Institute, Chicago, IL:

- A. *“Computer Enhanced Cash Flow Modeling (810)”* – 15 hrs. – C2235
Instructor: No instructor submitted.
- B. *“General Demonstration Appraisal Report Writing”* – 7 hours – C2207
Instructor: No Instructor submitted.
- C. *“Litigation Appraising: Specialized Topics & Applications”* 15 hrs. – C9933
Instructor: No instructor submitted.
- D. *“Subdivision Valuation: A Comprehensive Guide to Valuing Improved Subdivisions”* – 7 hours – C2476
Instructor: No instructor submitted.
- E. *“Uniform Appraisal Standards for Federal Land Acquisitions”* – 16 hrs.– C2223
Instructor: No instructor submitted.

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

Vice Chair Mitchell moved to hold the following seminar for approval until a complete resume for instructor Ehrnstein is received.

Appraisal Mastery Center, Strasburg, CO:

- A. *“721 – Residential Field Review (FNMA Form 2000)”* – 8 hours – C2843
Instructor: David M. Ehrnstein

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

APPLICANTS & ENFORCEMENT

Vice Chair Mitchell moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and consideration of 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 11:35. Board Member Kalkowski seconded the motion. The motion carried with Bain, Kalkowski, Moore, Mitchell, and Wilson voting aye.

Vice Chair Mitchell moved to come out of executive session at 3:20 p.m. Board Member Kalkowski seconded the motion. The motion carried with Kalkowski, Moore, Mitchell, Bain, and Wilson voting aye.

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

- L547 – Approve and select verification report(s).
- L548 – Approve and select verification report(s).
- L549 – Approve and select verification report(s).
- L556 – Approve and select verification report(s).
- L560 – Approve and select verification report(s). Needs 1,737 additional experience hours for credential.
- L561 – Approve and select verification report(s). Send letter requesting report and originally selected. Request log be submitted to reflect accurate experience hours.
- L563 – Deny and request three new reports and \$150.00 review fee.
- L565 – Deny and request three new reports and \$150.00 review fee.
- L570 – Deny and request three new reports and \$150.00 review fee.
- L572 – Approve and select verification report(s).
- L573 – Deny and request one new report and \$150.00 review fee.
- L576 – Deny and request three new reports and \$150.00 review fee.
- L578 – Deny and request three new reports and \$150.00 review fee.
- L579 – Deny and request three new reports and \$150.00 review fee.

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

- CR141 – Approve applicant and select verification report(s).
- CR162 – Approve applicant and select verification report(s).
- CR166 – Approve applicant and select verification report(s).
- CR276 – Approve applicant and select verification report(s). Needs additional 260 hours to complete requirements of appraisal experience.
- CR193 – Deny and request three new reports and \$250.00 review fee.
- CR196 – Approve and select verification report(s).
- CR214 – Approve and select verification report(s).
- CR216 – Approved at 9/17/08 meeting. Log submitted. Select verification report(s).
- CR217 – Approve and select verification report(s).
- CR333 – Deny and request three new reports and \$250.00 review fee.
- CR335 – Deny and request 2-4 family and \$250.00 review fee.
- CR344 – Deny and request three new reports and \$250.00 review fee.
- CR346 – Approve applicant and select verification report(s).

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

- CG448 – Approve applicant and select verification report(s).
- CG558 – Deny and request three new reports and \$300.00 review fee.
- CG566 – Approve applicant and select verification report(s).
- CG567 – Approve applicant and select verification report(s).
- CG569 – Deny and request three new reports and \$300.00 review fee.
- CG571 – Deny and request three new reports and \$300.00 review fee.
- CG579 – Deny and request three new reports and \$300.00 review fee.
- CG580 – Approve applicant and select verification report(s).

Vice Chair Mitchell moved to take the following actions for the submission of verification reports:

- L543 – Deny and request new verification report.
- L553 – Accept report and approve for credential.
- CR161 – Approve for credentialing.
- CR179 – Deny and request new verification report.
- CR186 – Approve for credentialing.
- CR203 – Approve for credentialing.
- CR212 – Approve for credentialing.
- CR338 – Approve for credentialing.
- CR341 – Approve for credentialing.
- CR343 – Approve for credentialing.
- CG426 – Approve for credentialing.
- CG552 – Approve for credentialing.
- CG555 – Approve for credentialing.
- CG556 – Approve for credentialing.
- CG559 – Deny and request new verification report.
- CG574 – Approve for credentialing.
- CG575 – Approve for credentialing.
- CG578 – Approve for credentialing.

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

Vice Chair Mitchell moved to take the following enforcement actions:

- 07-05 & 07-17 – Send notice education requirement of Consent Agreement is past due.
- 07-09 – Completed education requirement of CA. Submitted log for period of enforcement. Selected report for review. Report forwarded for review. Report meets minimum requirements of USPAP. Close
- 07-11 – Completed education requirements of CA. Submitted required summary appraisal report and review fee. Forward selected report for review.
- 08-01 – Forward formal. Failed to meet requirements of signed Consent Agreement.
- 08-11 – Proceed with steps of filing formal complaint. Negotiating conference 10/20/08.
- 08-13 – Review completed and report did not meet minimum requirements of USPAP. Schedule informal conference either in Lincoln or by conference call.
- 08-15 – Review completed and report did not meet minimum requirements of USPAP. Invite informal conference 10/19/08 at 3:00 p.m.
- 08-16 – Hold. Trainee and cannot be located. Part of case 08-15.
- 08-17 – Review completed and report did not meet minimum requirements of USPAP. Invite informal conference 10/19/2008 at 1:00 p.m.
- 08-18 – Order to remove reciprocity credential in Nebraska and return wall document and pocket card. Have not received documents to date. No response. Credential has been inactivated.
- 08-19 – Review completed and report did not meet minimum requirements of USPAP. Invite informal conference 10/19/2008 at 2:00 p.m.

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

Vice Chair Mitchell moved to take the following enforcement actions:

08-20 – Request true copy report and workfile.

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

Tentative meeting dates were approved as follows: December 18, 2008
January 23, 2009
February 20, 2009
March 20, 2009

ADJOURNMENT

Vice Chair Mitchell moved to adjourn the October 22nd meeting. Board Member Kalkowski seconded the motion. Motion carried unanimously.

At 3:45 p.m. Chair Wilson adjourned the October 22nd, 2008, meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on November 1, 2008, in compliance with Nebraska Statute §84-1413(5).