

**REAL PROPERTY APPRAISER BOARD
LOWER LEVEL, ROOM "B"
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

August 20, 2009

OPENING

Chairman Gregg Mitchell called to order the August 20, 2009, meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m., in Lower Level, Room "B" of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

NOTICE OF MEETING

Chairman Mitchell 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 R. Gregg Mitchell, Bradford Moore, Matthew 'Joe' Wilson, and James Bain, and David Hartman were present. Director Kitty Policky was also present.

ADOPTION OF THE AGENDA

Chairman Mitchell 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. Director Policky requested that item #3. ASC Report/Audit be moved to the very last item on the agenda as requested by Ms. Kristi Klamet of the Appraisal Subcommittee so they might observe the meeting procedures before giving a final review. Ms. Klamet explained the Board meetings are considered a part of the audit or review process. Board Member Wilson moved to adopt the Agenda to include the request to move the Appraisal Subcommittee to the end of the agenda items. Vice Chair Moore seconded the motion. With no further discussion, the motion carried with Moore, Wilson, Bain, Hartman, and Mitchell voting aye.

WELCOME GUESTS

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

APPROVAL OF THE MINUTES FROM JULY 16, 2009

Chair Mitchell asked for any additions or corrections to the July 16, 2009 minutes. With no corrections or additions Vice Chairman Moore moved to adopt the minutes as presented and Board Member Wilson seconded the motion. With no further discussion the motion carried with Wilson, Bain, Hartman, Moore, and Mitchell voting aye.

CHAIRMAN'S REPORT

Chairman Mitchell welcomed Ms. Tidwell and Ms. Klamet from the Appraisal Subcommittee and anticipated the review and feedback concerning the Nebraska program they would be presenting as the end of the meeting. Chairman Mitchell withheld the Chairman's Report as the information was not timely and he would include the information at the September meeting. Chairman Mitchell emphasized focusing our attention on the AMC issue and to make thorough

and calculated decisions in preparation for the upcoming legislative session as the next opportunity would not arise until the following year. Chairman Mitchell welcomed the AMC Chairman John Bredemeyer and thanked him for his efforts in formulating an appropriate direction for the appraiser community.

DIRECTOR'S REPORT

The number of appraisers for July stands as follows: 133 Registered/ Conversion; 127 Licensed; 199 Certified Residential; and 389 Certified General for a total of 848 appraisers. The accounting includes the totals for August of 2008 with a total of 902 appraisers. A significant number of appraisers have achieved an upgraded credential and with the FHA requirement as certified to perform FHA appraisals, the appraiser numbers continue to upgrade to certified credentials.

Director Policky closed the report by thanking the Board for their efforts and concerns.

RECEIPTS AND EXPENDITURES REPORT – JULY 2009

The receipts and expenditures for July were reviewed by the Director by line item with the Board. A copy of the Budget Status Report for the first month of the fiscal year is attached and considered part of these minutes. There were no significant expense items. Director Policky did comment to the Board that the Subcommittee had requested a copy of the budgets for the last few years as an example of accounting for receipts and expenditures with comments that most appraiser regulation offices do not have the responsibility of creating a budget as they are part of a greater regulatory body such as licensure and regulation or real estate as just an example.

Vice Chairman Moore moved to accept and file the July 2009 Receipts and Expenditures report for audit. Board Member Bain seconded the motion. With no further discussion the motion carried with Bain, Hartman, Moore, Wilson, and Mitchell voting aye.

Unfinished Business

1. AMC / John Bredemeyer

This item has been carried over on each agenda until the proposed statute (76-2251) in regard to the AMC legislation is ready to send to Senator Langemeier. The corrections, additions, and changes to the proposed legislation are an ongoing process. Director Policky presented to each participant the printed changes to the proposed AMC legislation prior to the meeting for consideration and accuracy. After reviewing and making changes to the proposed AMC legislation the Board proceeded to initiate final approval.

Chairman Bredemeyer suggested that the proposed legislation be forwarded to Senator Langemeier's office so the bill writers could proceed and that once the proposed draft was available in form, the members of the Board or a delegate of the Board should meet with groups such as the Real Estate Commission, the Bankers Association, the Mortgage Bankers and the Realtors Association to present the proposed AMC legislation. It was determined that Chairman Mitchell and AMC Chairman Bredemeyer would arrange to meet individual groups and explain the position of the Board in developing the AMC legislation. With no further discussion the Chairman called for a motion to approve the changes and the final draft.

Board Member Wilson moved to accept the changes to the proposed AMC legislation. Board Member Hartman seconded the motion. With no further discussion, the motion carried with Hartman, Moore, Wilson, Bain, and Mitchell voting aye.

Chairman Mitchell thanked Mr. Bredemeyer for his efforts in assisting the Board in setting a path for success concerning the AMC issues.

Board took a break at 9:55 a.m.

Board meeting reconvened at 10:15 a.m.

2. Ed Tour / Bradford Moore & Joe Wilson

Director Policky reported to the Board that 22 appraisers have registered for the North Platte location of Ed Tour and 32 appraisers have registered for the Strategic Air and Space Command location of Ed Tour. Plans and preparations will continue as it is still early to project a final number of registered participants.

The Board determined that Chairman Mitchell would present a “state of the Board” presentation for the Board’s Q&A portion of Ed Tour.

Ed Tour will be returned to the September meeting agenda for evaluation.

3. Real Property Appraiser Act

The combined changes to the Real Property Appraiser Act included the AMC legislation. The proposed changes that were initially made as a result of adding §76-2251 were discussed and edited to clarify the definitions and changes. The changes to the statutes are required to address the new 2010-2011 USPAP reference and although the update criteria has been adopted as policy by the Board, the changes to the statutes will officially reflect the requirements to upgrade a credential. A few additional housekeeping changes were made to the statutes. With no further discussion, Chairman Mitchell called for a motion. Vice Chairman Moore proposed a motion to accept the changes to the statutes. Board Member Bain seconded the motion. The motion carried with Moore, Wilson, Bain, Hartman, and Mitchell voting aye.

Board took a break for lunch at 11:30 a.m.

Board meeting reconvened at 12:15 p.m.

NEW BUSINESS

1. 09-10 Budget Appropriation

Director Policky distributed the proposed 2009-10 budget appropriation explaining the earmarks and proposed projections for each expenditure as well as the projected income based on the number of credentialed appraisers to date. As this office spent few allocated funds for the first half of the biennium, a generous carryover was available for bigger purchases such as file cabinets and chairs and permitted the Director as well as three Board members to attend the AARO conference in Washington, D.C. It is imperative during such times of transition that the Board members as well as the Director understand the goals of the Appraisal Foundation in creating a new credentialing format in establishing consistent education as well as credentialing requirements for a new credential as well as an upgrade credential and assist in making states compliant with federal policies to address accountability as well as administration. With no further discussion, Chairman Mitchell called for a motion. Board Member Hartman moved to approve the proposed 09-10 budget appropriation as presented. Vice Chairman Moore seconded the motion. The motion carried with Wilson, Bain, Hartman, Moore, and Mitchell voting aye.

2. 2010 Renewal Forms

With the Appraiser Board's approval of the renewal fees for 2010 to remain at the current rate, Director Policky presented the renewal forms to begin the process of 2010 renewals. With no further discussion, Chairman Mitchell called for a motion. Board Member Wilson moved to approve the 2010 renewal forms as presented. Vice Chairman Moore seconded the motion. The motion carried with Bain, Hartman, Moore, Wilson, and Mitchell voting aye.

3. ASC Report/Audit

Agenda was amended to move the ASC Report/Audit to the very end of the meeting.

GENERAL PUBLIC COMMENTS

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

EDUCATION

Board Member Wilson moved to approve the following new continuing education seminars and respective instructors as listed well as the requested text change:

Continuing Education New:

1. Nebraska Continuing Legal Education, Lincoln, NE:

A. "2009 NCLE Real Estate" – 6-hrs. – C2937

Instructors: Jacquelin Pueppke, Esq.
John J. Levy, Esq.
T. Randall Wright, Esq.
Brandon R. Tomacek, Esq.
Brian Grady, Senior Vice President Great Western Bank
Holly Prenger, Esq.
Mike Hagemeister, Professional Engineer of Terracon
Rod Bauman, Professional Geologist of Terracon
Thomas F. Ackley, Esq.
Barbara Wroblewski, Esq.

Instructor qualifications details available. All instructors meet the requirements of Rules and Regulations 4-003.01A to 4.003.01G.

2. Allterra Group, LLC, Ohio:

A. "Valuation Expo 09 / Valuation Visionaries" – 7 hours – C2950

Instructors: Jacqueline Doty
Mark Johnson
Susan Potteiger
George Opelka
Peter Gillispie
Bill Rayburn
Gerald Difer
Chuck Mureddu

Instructor qualifications details available. All instructors meet the requirements of Rules and Regulations 4-003.01 to 4.003.01G.

- B. “Valuation Expo 09 / 2009 Regulatory Updates / Re-Engineering the Appraisal Profession” – 7-hour – C2951

Instructors: Jim Parks
Rachel Dollar
Larry Disney
Rick Langdon
Don Kelly
Guillermo Gower
Lewis Allen
Kelly Davids
David Hundrieser

Instructor qualifications details available. All instructors meet the requirements of Rules and Regulations 4-003.01A to 4.003.01G.

Continuing Education Renewal:

- A. “Appraising FHA Today” / Online – 3 hours – C9921-I
Instructor: Charles Fisher
- B. “Appraisal Trends” / Online – 3 hours – C2637-I
Instructor: Charles Fisher
- C. “2-4 Family Finesse” / Online – 3 hours – C9314-I
Instructor: Alan F. Simmons
- D. “The Art of Residential Appraisal Review” / Online – 3 hours – C9611-I
Instructor: Alan F. Simmons
- E. “Technology for Today’s Appraiser” / Online – 3 hours – C2236-I
Instructor: Richard McKissock
- F. “Relocation Appraisal is Different” / Online – 3 hours – C9947-I
Instructor: Charles Fisher

Board Member Bain seconded the motion. With no further discussion, the motion carried with, Hartman, Moore, Wilson, Bain, and Mitchell voting aye.

Chairman Mitchell thanked those in attendance for their input and interest as the Board prepared to go into closed session.

APPLICANTS & ENFORCEMENT

Vice Chair Moore moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and consideration of written complaints and disciplinary action for individuals who have not requested a public meeting. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of credentials or qualified applicants and relating to the alleged violations of performance in real property appraisal practice and also to discuss pending litigation or litigation which is imminent with our attorney from the Nebraska Attorney General’s Office, who has received a threat of litigation against the Appraiser Board. The time on the meeting clock was 1:02 p.m. Board Member Wilson seconded the motion. The motion carried with Moore, Wilson, Bain, Hartman, and Mitchell voting aye.

Vice Chair Moore moved to come out of executive session at 2:07 p.m. Board Member Wilson seconded the motion. The motion carried with Hartman, Moore, Bain, Wilson, and Mitchell voting aye.

Vice Chair Moore moved to take the following action for the Registered applicant:
R867 / Approve. Submit for examination.

Vice Chair Moore moved to take the following action for the Certified Residential applicants:

CR353 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

CR354 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

CR355 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

CR356 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

CR357 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

CR358 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

CR359 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

CR360 / Select three (3) appraisal reports for a residential <20 years; residential >20 years and a 2-4 family and approve for Standard 3 Review. Approve to submit for examination.

Vice Chair Moore moved to take the following action for the Certified General applicant:

CR593 / Reciprocity candidate submitted proof of 30 hours of income and latest USPAP course. Passed AQB approved examination. Nebraska has agreement with South Dakota. Approve for reciprocity credential.

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

Vice Chair Moore moved to take the following enforcement actions:

06-22 Hold. Education must be completed by Nov. 30th and report submission completed by Dec. 31st. Hold

08-11 Hold / Board granted extension for education until September 30, 2009.

08-22 Hold. Litigation. Filing by Attorney General's office.

09-13 Consent Agreement: 2-day National USPAP; 30 hour General Appr. Report

Writing & Case Studies; downgrade to certified residential until complete education.

09-15 Invite informal conference.

09-17 Request true copy of appraisal report and workfile.

09-18 Request true copy of appraisal report and workfile.

Board Member Wilson seconded the Motion. With no further discussion the motion carried with Wilson, Bain, Hartman, Moore, and Mitchell voting aye.

Vice Chair Moore moved to take the following enforcement action:

09-07 Hold. Proceed with Formal. Chair speak to legal counsel regarding second review.

09-09 Hold. Proceed with Formal. Chair speak to legal counsel regarding second review.

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

NEW BUSINESS

3. ASC Report/Audit

The end of the meeting was set aside for Ms. Tidwell and Ms. Klamet to present the Appraisal Subcommittee's review of the Nebraska credentialing program. Ms. Klamet explained to the Board that the review process has changed and that a review would be presented in a different format. The last review for Nebraska occurred in July of 2007 and three areas of concern were presented as follows: 1) Temporary practice permit requiring similar credentialing criteria; 2) Data was not submitted monthly; and 3) Statutes and regulations were in conflict with AQB criteria. LB1011 resolved the problems presented in the statutes and consequently in the rules and all problems that were apparent after the 2007 review have been resolved according to Ms. Klamet

The only remaining conflict is in the statute concerning the waiver or extension for continuing education. It must be understood that it although the Board can approve an extension for continuing education, the appraiser must be removed from the current approved Subcommittee listing until all requirements for education have been met. They are not current according to the Subcommittee requirements.

Although the previous conflicts have been resolved, there are some concerns for the current statutes and regulations in regard to teaching core curriculum education and education attendance for appraisers as well as some minor housekeeping changes. It should be noted that the student is obligated to attend 100% of the time approved for the education offering for credit.

Another item of concern is in regard to enforcement action in the definition of when a case is closed. Ms. Klamet stated she felt the reporting procedure was a misunderstanding instead of a violation in that Consent Agreements must be reported when the appraiser and Board sign the Agreement and not when the obligations of the Agreement have been completed. The case is considered closed by the signatures and not when the obligations are met. Ms. Klamet pointed out that although there was a misunderstanding about the reporting obligation, the enforcement was closed in a timely manner or under a year and they found the procedures commendable.

Chairman Mitchell commented that the enforcement flowchart and guidelines that have been adopted streamlined the process. There was no debate as to what was next in the enforcement process and the understanding of the procedures obviously has been an advantage to the appraiser as well as the Board.

Ms. Klamet encourage Board to report enforcement as soon as the Agreement is signed and noted that although Consent Agreements may have been reported when completed, Director Policky has reported all surrenders or revocations immediately to the Subcommittee as well as informing the resident states of appraisers as soon as such surrender or revocation enforcement had been initiated. The enforcement files are well documented.

Ms. Klamet continued to note that although Nebraska has not processed an applicant with 100% new criteria requirements, the application program did meet the federal guidelines. The adoption and implementation of Guide Note 10 meets the criteria to validate experience credit in requesting reports from the submitted experience log by the Board.

In closing Ms. Klamet commended Nebraska on a great job and turned her attention to the education review noting that education was well documented. In considering that according to statute, all core curriculum education must be AQB/CAP approved, the review focused mainly on the continuing education.

Ms. Klamet reiterated the change in the review process and informed the Board that they would receive correspondence of the initial findings by letter with a chart check-off for areas reviewed. The Board has the option to respond at this point. The new process generates less paperwork and more efficiency.

Ms. Tidwell commented in closing that it was commendable to review an appraiser regulatory process by individuals committed to the program and to the quality of the profession.

Tentative meeting dates were approved as follows: September 17, 2009
October 15, 2009
November 19, 2009
December 17, 2009

ADJOURNMENT

Vice Chair Moore moved to adjourn the August 20, 2009 meeting. Board Member Bain seconded the motion. Motion carried unanimously.

At 2:40 p.m. Chairman Mitchell adjourned the August 20, 2009 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on August 28, 2009, in compliance with Nebraska Statute §84-1413(5).