

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

15 October 2009

OPENING

Chairman Gregg Mitchell called to order the October 15, 2009, meeting of the Nebraska Real Property Appraiser Board at 8:00 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 were present. Board Member David Hartman was absent and excused. 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. Vice Chair Moore moved to adopt the Agenda as printed. Board Member Bain seconded the motion. With no further discussion, the motion carried with Moore, Wilson, Bain, and Mitchell voting aye.

WELCOME GUESTS

Chair Mitchell welcomed the guests to the meeting and asked that they please sign the guest log and announced the closed session of the meeting would follow.

OPEN SESSION /APPROVAL OF THE MINUTES FROM SEPTEMBER 17, 2009

Chair Mitchell asked for any additions or corrections to the September 17, 2009 minutes. With no corrections or additions Vice Chairman Moore moved to adopt the minutes as presented. Board Member Wilson seconded the motion. With no further discussion the motion carried with Wilson, Bain, Moore, and Mitchell voting aye.

CHAIRMAN'S REPORT

Chairman Mitchell reported on the Association of Appraiser Regulatory Officials (AARO) meeting in Washington, DC, October 10-13 in junction with the Appraisal Foundation meeting on Friday, October 9. The AARO meeting supports an agenda to keep regulators and providers of appraisal services informed of changes to the profession as well as changes to qualifications for each credential. Chairman Mitchell summed up the meeting as informative and successful noting the most important topics appear to be the Appraisal Management Companies as well as changes to the industry as a result of the HVCC. Topics surrounding AMC and BPO issues were

discussed as well as the enhancement and regulation of consistent enforcement. Attendance is always very rewarding in assisting regulators in setting goals and confronting challenges.

Chairman Mitchell moved to the discussion concerning the offering by the Appraisal Foundation for three members from each state to attend the investigative training. Considering the limitations of three members, Chairman Mitchell requested that Nebraska bring Dennis Badger to the state as a part of reviewer training in the first quarter of 2010 or as soon as Mr. Badger may be available. With an emphasis on consistency from the Appraisal Foundation in the application of enforcement, understanding the element of reviewing and reporting under the applicable USPAP standards is very important as solid information for investigation and disciplinary action is a primary goal for disposition of enforcement.

Board Member Wilson moved to propose incorporating the investigator training with the reviewer training session and invite Dennis Badger to Nebraska as soon as he may be available. Board Member Bain seconded the motion. With no further discussion the motion carried with Bain, Moore, Wilson, and Mitchell voting aye.

It was suggested during the discussion of the tools imperative to administering the direction and responsibilities of the Board that perhaps all new Board members should complete the 15-hour USPAP course. Chairman Mitchell requested members consider the guideline and the topic be returned to the November agenda concerning the completion of the 15-hour USPAP for consideration.

Turning the attention of the Board to address the final editing of the proposed statutes, past Board Member John Bredemeyer was available to discuss the strategy to meet with individuals and present the changes to the statutes in adding the Appraisal Management Company legislation. It was determined that Mr. Bredemeyer and Chairman Mitchell would set up appointments with representatives from the Bankers Association to the Realtors Association, Mortgage Brokers and Real Estate Commission to familiarize the groups with the reasons for adopting the proposed legislation initiating accountability and transparency for an AMC who does business in Nebraska. Mr. Bredemeyer stated the role of appraisal management system is necessary to the profession but the means by which the system has been implemented takes from the accountability to not only the appraisal profession but the public. There needs to be a clearer understanding of the role and responsibilities of the appraisal management companies and meeting with interested groups to explain the position of the proposed legislation will greatly enhance the understanding and need.

Chair Mitchell thanked Mr. Bredemeyer for his efforts in assisting the Board in setting a path for success concerning the proposed statutory changes in regard to the AMC issues.

Board took a break at 10:30 a.m.

Board meeting reconvened at 10:45 a.m.

Chairman Mitchell continued with a discussion of The Appraisal Foundation's announcement to establish a third independent board, the Appraisal Practices Board (APB). The establishment of the third independent board is a solution to a study and the issuance of how to best address a void in the marketplace relating to guidance on appraisal methods and techniques that would be

available to all appraisers. The guidance will cover valuation disputes with a focus on emerging issues. The need for this type of guidance became apparent with the onset of the declining real estate market and the need for voluntary guidance.

Under the consideration of guidance, it was also decided that Board Member Wilson would author a letter to professional organizations concerning enforcement procedures as a means of establishing communication and transparency in regard to best practices.

DIRECTOR'S REPORT

The number of appraisers for October stands as follows: 132 Registered/Conversion; 128 Licensed; 201 Certified Residential; and 388 Certified General for a total of 849 appraisers. The accounting includes the totals for October of 2008 with a total of 907 appraisers. A significant number of appraisers have achieved an upgraded credential with regard to the FHA requirement that only certified credentials can perform FHA appraisals.

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

Board took a break at 12:00 p.m.

Board meeting reconvened at 12:13 p.m.

RECEIPTS AND EXPENDITURES REPORT – SEPTEMBER 2009

The receipts and expenditures for September were reviewed by the Director by line item with the Board. A total of \$16,363.27 in expenditures and \$14,944.97 in receivables is reported. No considerations were made for expenditures other than monthly obligations but receivables are significant as we are in the process of renewals for 2010. A copy of the Budget Status Report for September is attached and considered part of these minutes.

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

Unfinished Business

1. Ed Tour / North Platte & SASM

Director Policky distributed a total financial accounting for Ed Tour 2009. The distribution represented a total of \$3,092.82 which was dispersed to offer education to 110 participants. The total cost is imperative for future plans in regard to Ed Tour and the selection of speakers. A copy of the financial accounting is attached and considered part of these minutes

Board members felt the September date was appropriate but were not able to agree on the frequency of the offering. Once every year would consume most all of the remaining continuing education requirement where as once every other year would still consume anywhere from four to seven hours.

Board Member Bain proposed a motion to offer Ed Tour in the future and return the question of frequency to the November agenda. Board Member Wilson seconded the motion. With no further discussion, Chairman Mitchell called the vote. The motion carried with Bain, Moore, Wilson, and Mitchell voting aye.

2. 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. Additional changes to the statutes include the new 2010-2011 USPAP reference and the update criteria, which has been adopted as policy by the Board, to officially reflect the requirements to upgrade a credential. A few additional housekeeping changes were made to the statutes. With no further discussion, Chairman Mitchell thanked everyone for their efforts and called for a motion. Vice Chairman Moore proposed a motion to accept the changes to the statutes and forward the proposed changes to the statutes to Senator Langemeier's office. Board Member Wilson seconded the motion. The motion carried Moore, Wilson, Bain, and Mitchell voting aye.

NEW BUSINESS

1. Appraisal Foundation / Pre-Exposure of the Voluntary Disciplinary Action Matrix

A copy of the Appraisal Foundation Board of Trustees proposed Voluntary Disciplinary Action Matrix. After an extensive survey of state regulatory agencies enforcement actions, the Task Force decided to propose the disciplinary action matrix. The proposed document is a work in progress. No action is necessary. The matrix incorporated some recommended disciplinary actions for the Ethics Rule, Competency Rule and Standards 1 and 2. The Task Force is requesting feedback to the proposal by October 30th. With such feedback, an anticipated revised document will be distributed for full exposure and feedback in early Spring of 2010.

2. Governor / Spending Restraint

Director Policky distributed to all members of the Board the memorandum from Governor Heineman concerning "Spending Restraint." She explained that Governor Heineman issued a directive asking for all "state agency directors and members of boards and commissions to undertake actions to promote the greatest restraint and economy possible while delivering services to citizens across Nebraska." The memorandum went on to request that we all prepare for the downward adjustments to the enacted appropriations by taking the following actions: do not fill existing or new vacant positions unless absolutely necessary; do not incur travel costs that are not necessary for the maintenance of current direct service requirements; do not lease or purchase additional space or capital equipment unless an emergency; do not initiate programs, contracts, or services that require additional appropriations; and initiate maneuvers to make plans for significant reductions in the state appropriations for fiscal years 2010 and 2011. The "Spending Restraint" is an official notice of the strategy proposed by the Governor's office and for which budget adjustments will be made. No requests have been presented at this time.

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 continuing education seminars and respective instructors as listed:

Continuing Education New:

1. Appraisal Institute, Chicago, IL:

- A. "GIS / The Executive Overview" – Online / 7-hrs. – C2854-I
Instructor: Larry T. Wright

- B. “International Valuation Congress 2009 / Day 2” / 3.6-hours – C2960
Instructors: Larry T. Wright
Dr. Lary Cowart
- C. “International Valuation Congress 2009 / Day 3” / 4 hours – C2961
Instructors: Peggy Berg
Julio E. Torres Coto Mazier

2. Just Valuations, Inc. (JVI), Lake Mary, FL:

- A. “Introduction to HUD REO Appraisals” – Online / 12 hours – C2915-I
Instructor: Robert McKenna
Ron Nation

Continuing Education Renew:

1. Appraisal Institute, Chicago, IL:

- A. “General Appraiser Sales Comparison Approach” / 30 hours / C0009
Instructor: Mark Rattermann

Vice Chair Moore seconded the motion. With no further discussion, the motion carried with Wilson, Bain, Moore, and Mitchell voting aye.

Board Member Wilson moved to approve the following continuing education seminar and respective instructor:

1. Moore Group, Lincoln, NE:

- A. “Introduction to the HP12C Calculator” – Online / 7 hours – C2914-I
Instructor: Bradford Moore

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

APPLICANTS & ENFORCEMENT / CLOSED SESSION

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. The time on the meeting clock was 12:56 p.m. Board Member Wilson seconded the motion. The motion carried with Bain, Moore, Wilson, and Mitchell voting aye.

Vice Chair Moore moved to come out of executive session at 1:51 p.m. Board Member Wilson seconded the motion. The motion carried with Moore, Wilson, Bain, and Mitchell voting aye.

Vice Chair Moore moved to take the following action for the Supervisor / Trainee:

ST205: Approved. Continuing Education due date November 19, 2011.

ST206: Approved. Continuing Education due date November 19, 2011.

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

R868 / Approve. Submit for examination.

R869 / Approve. Submit for examination.

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

CR358 / Candidate meets all AQB upgrade requirements to qualify for CR credential.

Approve for credentialing.

CR359 / Candidate meets all AQB upgrade requirements to qualify for CR credential.

Approve for credentialing.

CR363 / 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.

CR365 / 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 Certified General applicant by reciprocity:

CG594 / Approve for credential.

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

Vice Chair Moore moved to take the following action for certified residential applicant:

CR356 / Arizona certified applicant moving to Nebraska. Approval for credential upon submission of 30 hours income education and USPAP completion documents.

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

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.

08-11 Hold / Board granted extension for education until October 28, 2009.

08-15 Close / Respondent has meet Consent Agreement to education and review.

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

09-02 Board accepted Standard 3 Review of report for quarterly submission.

09-13 Consent Agreement: 2-day National USPAP; 30 hour General Appr. Report Writing & Case Studies; downgrade to certified residential until complete education. Provisions of Consent Agreement have been met and documents indicating education has been successfully completed have been submitted to Board. Close.

09-15 Request true copy of selected reports and workfiles. Return to Board for review.

09-18 Send Advisory Letter.

09-19 Forward copy of cease and desist to Saunders County District Court.

09-20 Request true copy of report and workfile from both credentials. Forward for Review.

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

Vice Chair Moore moved to take the following enforcement action:

09-07 Hold. Hearing. Formal complaint proceedings.

09-09 Hold. Hearing. Formal complaint proceedings.

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

Tentative meeting dates were approved as follows: December 17, 2009

January 21, 2010

February 18, 2010

March 18, 2010

ADJOURNMENT

Vice Chair Moore moved to adjourn the October 15, 2009 meeting. Board Member Wilson seconded the motion. Motion carried unanimously.

At 2:00 p.m. Chair Mitchell adjourned the October 15, 2009 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on October 26, 2009, in compliance with Nebraska Statute §84-1413(5).