

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

4 February 2010

OPENING

Chairman Gregg Mitchell called to order the February 4, 2010 meeting of the Nebraska Real Property Appraiser Board at 4:06 p.m., in Real Property Appraiser Board Office, Lower Level, 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 Bradford Moore, Matthew 'Joe' Wilson, Philip Barkley and R. Gregg Mitchell were present. Director Kitty Policky was also present. David Hartman was absent and excused.

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

WELCOME GUESTS

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

PROPOSED LEGISLATION FOR CONSIDERATION/APPROVAL

Chair Mitchell asked Vice Chairman Moore to update members on the events of the last week which included a meeting with Senator Langemeier and his Chief of Staff, Senator Sullivan and her Chief of Staff, Mr. Bob Hallstrom, General Counsel for the Nebraska Bankers Association, Director Policky, and Vice Chairman Moore to discuss LB818. Mr. Hallstrom expressed the concerns by the bankers for the availability of valuation services and the time required to allow for most valuation services. Much discussion concerning the financial communities attempt to amend the appraiser law to suit the needs for valuations was discussed. Senator Sullivan explained the benefit to adding a valuation as a "tool" to the file to assist a lending officer.

Mr. Hallstrom offered to submit changes to amend the Real Property Appraiser Act to explain the guidelines for which valuations could be used and under what conditions the valuations would be permitted as explained for use as a BPO, CMA or an opinion of value as acceptable support for lending purposes. Mr. Hallstrom explained the fact that no valuation documentation is required for transactions under the federal *de minimus* of \$250,000.00 or one million for business loans. The discussion led to the fact that a majority of residential loans in Nebraska would qualify under the

federal *de minimus* or small business loans under a million does not make the method for evaluation support in a loan file credible as the basis for extending the loan or refinancing the loan.

Director Policky mentioned that Mr. Hallstrom stressed the evaluation services would be performed for free. But as Vice Chair Moore reiterated, the cost isn't the issue but the fact that valuations would be produced for lending purposes. We must stress the importance of an impartial and independent valuation performed by competent individuals. The fee really isn't the basis at the end of the day.

Chair Mitchell asked if the legislation was a bargaining chip in relationship to LB931. Although LB931 is separate and not related, LB931 does carry proposed legislation in regard to the Appraisal Management Companies. All Board members as well as guests attending the meeting unanimously agreed that the two bills must be kept separate. They are not related in any manner and should not be confused or bargained as if they were related. Going forward, Chairman Mitchell asked for suggestions in proceeding.

Board Members turned their attention to the drafted proposed amendments to LB818 submitted by Mr. Hallstrom which were designed to clarify that a broker's price opinion or comparative market analysis, for which no separate fee is charged, may be issued for the purpose of obtaining or extending financing in a transaction other than a federally related transaction. The proposed amendments by Mr. Hallstrom are attached and considered part of these minutes. Chairman Mitchell expressed our desire to thank Mr. Hallstrom for his efforts.

Chair Mitchell asked for direction from members in consideration of the proposed amendments to LB818 as submitted by Mr. Hallstrom.

Vice Chair Moore proposed a motion that the NRPAB reject the proposed amendments to the Appraiser Act as submitted by Mr. Hallstrom on Wednesday, February 3, 2010. Board Member Wilson seconded the motion. With no further discussion, the motion carried with Moore, Barkley, Wilson, and Mitchell voting aye.

Vice Chair Moore proposed a motion that Chairman Mitchell thank Mr. Hallstrom for his recommendations of changes to the Appraiser Act and offer our willingness to work with the Nebraska Bankers Association in identifying appropriate valuation services for their members. Board Member Wilson seconded the motion.

Chairman Mitchell recommended that since it was Vice Chairman Moore that has dealt with Mr. Hallstrom that the motion should more appropriately be amended to read . . . Vice Chairman Moore thank Mr. Hallstrom instead of Chairman Mitchell thank Mr. Hallstrom . . ." With no further discussion, the motion carried with Barkley, Wilson, Moore, and Mitchell voting aye.

Vice Chair Moore moved that the NRPAB support the Nebraska Coalition of Appraisers opposition to LB818 and any similar amendments to LB931. Board Member Wilson seconded the motion.

Chairman Mitchell asked Cay Lacey to explain the Nebraska Coalition of Appraisers. Lacey began by noting that by definition members are the contributors that have existed in reference to other proposed legislation and are supporting the interests of legislation presently. Support of the coalition is to the advantage of the Board in assisting the support of LB931 and opposition to LB818. The Nebraska Coalition has solicited the assistance of real estate appraiser associations

such as the Appraisal Institute, American Society of Farm Managers & Rural Appraisers, American Society of Appraisers, and the National Association of Independent Fee Appraisers. The coalition does have the assistance of a lobbyist. Further discussion led members of the Board to ask the possibility of soliciting a lobbyist in such a time of important issues contained in LB931 and the opposition to LB818. Director Policky reminded members that the cost is prohibitive after the second round of budget cuts.

Chairman Mitchell requested any further discussion. With no further discussion, the motion carried with Wilson, Moore, Barkley, and Mitchell voting aye.

Further discussion led the Board to try and eliminate a long line of redundant testimony. Further plans were made assigning the testimony and questions for LB818 to Vice Chairman Moore and testimony and questions for LB931 to Chairman Mitchell and Director Policky emphasizing that representatives from associations and individuals appraisers may appear to testify for either bill. Testimony is set at this date for Tuesday, February 9th.

ADJOURNMENT

Vice Chair Moore moved to adjourn the meeting. Board Member Barkley seconded the motion. Motion carried unanimously.

At 5:03 p.m. Chair Mitchell adjourned the February 4, 2010 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on February 12, 2010, in compliance with Nebraska Statute §84-1413(5).