

**REAL PROPERTY APPRAISER BOARD  
MAIN LEVEL, ROOM “Y”  
NEBRASKA STATE OFFICE BUILDING  
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

**21 April 2011**

**OPENING**

Chairman Brad Moore called to order the April 21, 2011 meeting of the Nebraska Real Property Appraiser Board at 9:01 a.m., in Room “Y” located on the Main Level of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

**NOTICE OF MEETING**

Chairman Moore 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. Publication of official notice of the meeting appeared in the April 18, 2011 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this State, as required by the public meeting law. 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, Brad Moore, Philip Barkley, Tom Kubert, and David Hartman were present. Director Kitty Policky was also present.

**ADOPTION OF THE AGENDA**

Chairman Moore 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. Board Member Mitchell moved to adopt the Agenda as printed. Vice Chairman Barkley seconded the motion. With no further discussion, the motion carried with Mitchell, Barkley, Kubert, Hartman, and Moore voting aye.

**WELCOME GUESTS**

Chairman Moore welcomed the guests to the meeting and asked that they please sign the guest log.

**APPROVAL OF THE MINUTES FROM MARCH 17, 2011**

Chairman Moore asked for any additions or corrections to the March 17, 2011 minutes. With no further discussion Board Member Mitchell moved to adopt the minutes as amended. Board Member Kubert seconded the motion. The motion carried with Barkley, Kubert, Hartman, Mitchell, and Moore voting aye.

**CHAIRMAN’S REPORT**

Chairman Moore began the report with a review of the Association of Appraiser Regulatory Officials (AARO) meeting in San Antonio, Texas, April 9-11. The limited budget prevented Nebraska from sending a representative to the Spring conference. Chairman Moore attended the meeting at his own expense. Materials and information from the spring conference were distributed to members. Chairman Moore discussed the issues faced by the appraiser profession and the overview of the materials presented at the AARO meeting. The AARO meeting is a very important opportunity to keep Nebraska in compliance with the rapidly changing appraisal profession.

A concern for states is the ability of the Appraisal Subcommittee to raise fees. Appraisal Subcommittee Executive Director Jim Parks emphasized that under Dodd-Frank, the Subcommittee has the ability to raise fees to up to \$80.00 per year. The rate has been increased to \$40.00 per year beginning in 2012.

## **DIRECTOR'S REPORT**

Director Policky reported the number of appraisers for April 2011 stands as follows: 91 Registered/Conversion; 87 Licensed Residential; 209 Certified Residential; and 365 Certified General for a total of 752 appraisers. The accounting includes the totals for April 2010 reporting 797 appraisers and the report for April 2009 reporting 811 appraisers. The renewal process, although almost completed, is ongoing until June 30, 2011.

Director Policky closed the report by thanking the Board for their service and assistance.

## **RECEIPTS AND EXPENDITURES REPORT – MARCH 2011**

The receipts and expenditures for March were reviewed by the Director by line item with the Board. A total of \$13,387.02 in expenditures and \$7,364.46.00 in receivables is reported. Considerations were made for expenditures for monthly obligations. A copy of the Budget Status Report, the General Ledger Detail Report and Receipt Journal for March are attached and considered part of these minutes.

Board Member Mitchell moved to accept and file the March 2011 Budget Status report for receipts and expenditures for audit. Vice Chairman Barkley seconded the motion. With no further discussion the motion carried with Kubert, Hartman, Mitchell, Barkley, and Moore voting aye.

## **UNFINISHED BUSINESS**

### **1. AMC Legislation / LB410 / Request approval proposed rules committee**

With the signature of the Governor on March 10, 2011, LB410 will become effective January 1, 2012, the next step will be to develop the rules and regulations to support the legislation. Although the Appraisal Subcommittee will not release the recommendations for the regulation of AMCs until this summer, the adopted legislation will require developing rules and regulations to support the statute. Director Policky requested approval of Cay Lacey, Diane Moore and Sheila Newell to assist the Director in developing rules and regulations to present before the Board. Board Member Mitchell so moved. Vice Chairman Barkley seconded the motion. With no further discussion the motion carried with Hartman, Mitchell, Barkley, and Kubert voting aye. Chairman Moore abstained.

Board took a break at 10:00 a.m.

Board meeting reconvened at 10:08 a.m.

## **NEW BUSINESS**

### **1. Appraisal Subcommittee Bulletin No. 2011-01**

Director Policky discussed Bulletin #2011-01 addressing statutory provisions affecting state appraiser regulatory programs. The Appraisal Subcommittee (ASC) issued the bulletin to provide information on compliance with certain provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 addressing reciprocity; qualification requirements for State licensed appraisers; minimum requirements for trainee appraisers and supervisory appraisers; course approval program of the Appraisal Foundation's Appraiser Qualifications Board (AQB); and the process of the Subcommittee monitoring of funding and staff resources available to State appraiser regulatory programs.

The Bulletin outlined changes to the ASC's process for monitoring State programs, the requirements that States must implement, with statutory references, as well as the effective dates for compliance. Recognizing States may need to amend their rules and regulations or revise their operating procedures, the ASC is providing States with a two-year implementation period for certain provisions. Effective

July 1, 2013, the ASC will begin reviewing State programs for compliance with the following three requirements as follows:

(a) A reciprocity policy must be in place and meet prescribed provisions of the Dodd-Frank Act.

(b) Certification and Licensing Requirements for State licensed appraiser's requirements must meet or exceed the minimum criteria issued by the AQB for the licensing of real estate appraisers. A state must meet the minimum qualification criteria issued by the AQB and compliance is mandatory.

(c) Certification and Licensing requirements – Minimum Qualification Requirements. Dodd-Frank Act mandates that any minimum qualification requirements established by a State for individuals in the position of "Trainee Appraiser" and "Supervisory Appraiser" must meet or exceed the minimum qualification requirements of the AQB.

The Bulletin addresses revisions to the State Compliance Review Process in that the ASC is now formally incorporating the last two items in that the ASC is to encourage States to accept courses approved by the AQB Course Approval Program and monitoring the States to determine whether a State has policies, practices, procedures, funding, and staffing consistent with the purpose of FIRREA Title XI.

Nebraska has made every effort to comply with the Dodd-Frank. The program review by the ASC will assist in evaluating any changes necessary to bring the program into compliance.

The Nebraska trainee credential of "Registered" will end issuing a new credential December 31, 2011. The remaining Registered credentials will have three renewals from the year they were credentialed under the statutes. It is the plan to move the Trainee Appraiser into the obligations of the Registered appraiser and require the Trainee Appraiser to sit for the examination and complete the application process as required. Nebraska has every opportunity to make the Appraiser Trainee a useful credential for applicants to earn experience and complete education to achieve a higher credential.

The ASC will be reviewing the Nebraska program September 13-15, 2011.

## **2. Residential log format / Addition of Cost Approach**

Director Policky asked members to consider proposed changes to the residential experience log form. Since Fannie and Freddie no longer require the cost approach for appraisals under 20 years, the cost approach is not included with recent appraisals selected by the Board for demonstration purposes. The purpose of requesting a report less than 20 years is to ascertain that applicants understand the cost approach. The cost approach is based on the understanding that market participants relate value to cost. In the cost approach, the value of a property is derived by adding the estimated value of the site to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation in the structures from all causes. The depreciation is measured through market research and the application of specific procedures. It is the understanding of the depreciation procedures the Board is interested in knowing that the applicant can apply the means to calculate depreciation.

The proposed revisions to the residential experience log form would include adding a column indicating the cost approach. Board Member Mitchell proposed in addition to the change to the form that the information above the form be revised to read in three lines with bullets as follows: • All supervisors must be certified; • The trainee must file a supervisor/trainee form with the Real Property Appraiser Board for each supervisor; and • All experience recorded must comply with the Uniform Standards of Professional Appraisal Practice. The division would make the information clearer. Vice Chairman Barkley seconded the motion. With no further discussion the motion carried with Mitchell, Barkley, and Kubert, Hartman, and Moore voting aye.

## **GENERAL PUBLIC COMMENTS**

Chair Moore asked for any public comments.

With no comments, the Chair proceeded to education.

## **EDUCATION**

Board Member Mitchell moved to approve the following continuing education seminar and respective instructors and core curriculum education and respective instructor as listed:

*Continuing Education New:*

### **1. Appraisal Institute, Chicago, IL:**

- A. "The Uniform Appraisal Dataset from Fannie Mae and Freddie Mac"/7 hours/  
C21109  
Instructor: Dawn Molitor-Genrich

### **2. McKissock, LP, Warren, PA:**

- A. "Introduction to the Uniform Appraisal Dataset" / 2 hours / C21109-I / ONLINE  
Instructor: Daniel Bradley
- B. "Appraising & Analyzing Industrial & Flex Buildings for Mortgage Underwriting" / 7 hours / C21110-I / ONLINE  
Instructor: Bruce J. Coin

### **3. American Society of Farm Managers & Rural Appraisers, Denver, CO:**

- A. "Highest & Best Use Seminar" / 8 hrs. / C21111  
Instructor: Terry Kestner
- B. "Using Excel in Specific Appraisal Applications" / 8 hours / C21112  
Instructor: Ann W. Roehm
- C. "Financial Reporting Affecting Valuation in U.S. & Global Markets / 8 hrs. / C21113  
Instructors: Greg Gilbert  
John Dorchester, Jr.  
Bruce B. Bigham

### **4. Randall School of Real Estate, Omaha, NE:**

- A. "Home Inspection: Assessing Property Condition" / 3 hours / C21121  
Instructor: Mark Byrd

*Core Curriculum Course Approval/New:*

### **1. American Society of Farm Managers & Rural Appraisers, Denver, CO:**

- A. "Sales Comparison Approach for General Appraisers" / 30 hours core / 27 CE – CG006 / NE Dept. of Education approval has been granted as required.  
Instructors: Mark Lewis  
Leann Moss

Board Member Kubert seconded the motion. With no further discussion, Chairman Moore called for the vote. The motion carried with Barkley, Kubert, Hartman, Mitchell, and Moore voting aye.

*The Nebraska Real Property Appraiser Board will meet in executive session for approval of applicants and enforcement matters.*

## **APPLICANTS & ENFORCEMENT**

Vice Chair Barkley 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 10:39. Board Member Kubert seconded the motion. The motion carried with Kubert, Hartman, Mitchell, Barkley, and Moore voting aye.

Vice Chair Barkley moved to come out of executive session at 1:45 p.m. Board Member Mitchell seconded the motion. The motion carried with Harman, Mitchell, Barkley, Kubert, and Moore voting aye.

Vice Chair Barkley moved to take the following action for the Licensed Residential by reciprocity applicant:

L593 / Approve to sit for examination and selected three appraisals for Standard 3 Compliance Report Review.

Vice Chair Barkley moved to take the following action for Certified Residential Upgrade applicants:  
CR357 / Approve to sit for examination.

CR384 / Board accepted Standard 3 Compliance Review Reports. Applicant meets statutory obligations of §76-2231.01. Approve to credential upon submission of original document indicating successful completion of examination to the Appraiser Board office.

CR385 / Board accepted Standard 3 Compliance Review Reports. Applicant meets statutory obligations of §76-2231.01. Approve to credential upon submission of original document indicating successful completion of examination to the Appraiser Board office.

Vice Chair Barkley moved to take the following action for the Certified Residential applicant by reciprocity:

CR386 / Candidate meets all statutory obligations of §76-2231.01. Approve for credentialing.

Vice Chair Barkley moved to take the following action for Certified General applicant by reciprocity:  
CG616 / Candidate meets all statutory obligations of §76-2232. Approve for credentialing.

CG617 / Candidate meets all statutory obligations of §76-2232. Approve for credentialing.

CG618 / Candidate meets all statutory obligations of §76-2232. Approve for credentialing.

CG619 / Candidate meets all statutory obligations of §76-2232. Approve for credentialing.

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

CG615 / Board accepted Standard 3 Compliance Review Reports. Applicant meets statutory obligations of 76-2232. Approve to credential upon submission of original document indicating successful completion of examination to the Appraiser Board office.

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

Vice Chair Barkley moved to take the following enforcement actions:

- 09-07 Hold. No action taken.
- 09-09 Hold. No action taken.
- 09-25 Hold until Case #09-07 & #09-09 are completed.
- 09-26 Hold. Signed Stipulation & Order. Credential inactive effective 3/25/2011 until terms of Consent Agreement has been met. Stipulation and Order to inactivate credential for violation of §76-2238(18).

Board Member Mitchell seconded the motion. Motion carried with Barkley, Mitchell, Hartman and Moore voting aye. Board Member Kubert abstained.

Vice Chair Barkley moved to take the following enforcement actions:

- 10-03 Hold. Issued Stipulation and Order to inactivate credential for violation of §76-2238(18). Consent Agreement 15-hour National USPAP & General Report Writing & Case Studies by 11.30.2010. Board Chairman sign Order. Credential inactivated until terms of Consent Agreement has been met.
- 10-15 Terms of Consent Agreement to 15-hour National USPAP and 15-hour Residential Report Writing & Case Studies have been met by deadline with the submission of completion documents. CLOSE.
- 10-19 Hold / Respondent has not submitted fee for State Treasurer costs for processing check for insufficient funds. Violation of §76-2238(21).
- 10-21 Terms of Consent Agreement to 15-hour National USPAP and 15-hour Residential Report Writing & Case Studies have been met by deadline with the submission of completion documents. CLOSE.
- 11-04 Report did not meet minimum standards. Invite informal 8:00 a.m. 5/19/2011.
- 11-06 Request true copy report and workfile and send for Standard 3 Compliance Report.
- 11-07 Request true copy report and workfile and send for Standard 3 Compliance Report.
- 11-08 Request true copy report and workfile and send for Standard 3 Compliance Report.
- 11-09 Request true copy of review report and workfile and send for Standard 3 Compliance Report.

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

Vice Chair Barkley moved to take the following enforcement actions:

- 11-02 Send report and workfile for Standard 3 Compliance Report. Related to #11-05.
- 11-03 Send report and workfile for Standard 3 Compliance Report. Related to #11-05.
- 11-05 Request Standard 3 Compliance Report.
- 11-10 Request true copy of review report and workfile and send for Standard 3 Compliance Report.

Board Member Mitchell seconded the motion. Motion carried with Barkley, Kubert, Mitchell, and Moore voting aye. Board Member Hartman abstained.

## **ADJOURNMENT**

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

At 1:54 p.m. Chairman Moore adjourned the April 21, 2011 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on April 28, 2011, in compliance with Nebraska Statute §84-1413(5).