

**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPAB OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

October 18, 2016 Meeting Minutes

A. OPENING

Chairman Marc Woodle called to order the October 18, 2016 meeting of the Nebraska Real Property Appraiser Board at 9:03 a.m., in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairman Woodle 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 email. Publication of official notice of the meeting appeared in the October 12, 2016 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this state, as required by the Open Meetings Act. 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 Marc Woodle, Christopher Langemeier, Benjamin Hynek, and David Bloxham were present. Board Member Sandra Gutwein was absent and excused. Also present were Director, Tyler Kohtz, Compliance and Education Officer, Grant Krieger, and Business and Licensing Specialist, Allison Nespor.

ADOPTION OF THE AGENDA

Chairman Woodle 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 Langemeier moved to adopt the agenda as printed. Board Member Bloxham seconded the motion. With no further discussion, the motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

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

Board Member Langemeier moved that the Board go into executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Chairman Woodle asked for a second. Board Member Bloxham seconded the motion. The time on the meeting clock was 9:06 a.m. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

William G. Blake appeared before the Board at 9:12 a.m.

Board Member Langemeier moved to come out of executive session at 11:01 a.m. Board Member Bloxham seconded the motion. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

Break from 11:01 a.m. to 11:22 a.m.

Chairman Woodle authorized a lunch order at 11:10 a.m. for board members and staff in attendance.

G. WELCOME AND CHAIR'S REMARKS

Chairman Woodle stated that less is more, and made no additional remarks.

H. BOARD MEETING MINUTES

1. APPROVAL OF SEPTEMBER 14, 2016 MEETING MINUTES

Chairman Woodle asked for any additions or corrections to the September 14, 2016 minutes. With no further discussion, the Chairman called for a vote. Board Member Hynek moved to adopt the September 14, 2016 meeting minutes as presented. Board Member Bloxham seconded the motion. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

I. DIRECTOR'S REPORT

1. APPRAISER COUNT REPORT

Director Kohtz then presented seven charts outlining the number of appraisers as of October 18, 2016, and asked for any questions or comments. There was no further discussion.

2. TEMPORARY PERMIT REPORT

Director Kohtz presented three charts outlining the number of temporary permits issued as of October 18, 2016, and asked for any questions or comments. There was no further discussion.

3. AMC COUNT REPORT

Director Kohtz presented two charts outlining the number of AMCs as of October 18, 2016, and asked for any questions or comments. There was no further discussion.

4. RECIPROCAL APPRAISER RESIDENCY

Director Kohtz presented a chart outlining the residency of Nebraska credential holders who obtained a credential by reciprocity. The Director explained the structure of the chart, and reported on the findings contained on the chart. Specifically, the Director indicated that a high percentage of reciprocal credential holders reside in the Kansas City Metro. Also, many reside in the Sioux City, Des Moines, the Colorado Front Range, and rural Northwestern Iowa areas as well. The Board found the information to be interesting, and thanked Director Kohtz for researching this information and preparing the chart.

Director Kohtz then brought attention to two handouts; Memorandums prepared by Governor Ricketts concerning the General Fund tax receipts deficit, which has again grown during the July through September quarter. The Governor is recommending that agencies exercise additional spending restraint, and only utilize unspent 2015-16 appropriations for payment of prior year obligations or justified one-time expense. In addition, current quarterly allotments will continue to be released to agencies on a reduced basis. The Governor also recommended that non-code agencies consider the restrictions placed on code agencies, which includes a hiring freeze, elimination all non-essential out-of-state travel, limiting technology and equipment purchases to those necessary for providing essential services, and reducing or deferring discretionary distributions of grants in aid.

The Director finished his report by introducing Brenda Gallardo to the Board. Director Kohtz continued by informing the Board that Ms. Gallardo, who attends the University of Nebraska, is one of the interns hired to assist with processing credential renewals through mid-January. The Board welcomed Ms. Gallardo.

J. FINANCIAL REPORT AND CONSIDERATIONS – OCTOBER 2016

1. APPROVAL OF SEPTEMBER RECEIPTS AND EXPENDITURES

The receipts and expenditures for September were reviewed by the Director by line item with the Board. Director Kohtz brought attention to postage expenses, and informed the Board that the \$562.35 includes the costs of mailing the certified letters to notify those credential holders chosen for the random criminal history record check for renewal of their credential. The Director then brought attention to conference registration expenses, and indicated that the \$500.00 expense was for his AARO registration. Director Kohtz also reported that revenues have been strong through the first few months of the fiscal year, and made note of certain revenue categories.

For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$29,291.25 in expenditures and \$17,542.15 in revenues were reported. As of the end of September, expenses amount to 21.39 percent of the budgeted expenditures for the fiscal year; 25.21 percent of the fiscal year has passed. Director Kohtz finished by presenting three charts outlining the Agency twenty-five month expenses and revenues, historic cash balance, and twenty-five month cash balance.

Board Member Langemeier moved to accept and file the September 2016 budget reports for audit. Board Member Bloxham seconded the motion. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

2. PER DIEMS

Director Kohtz requested a per diem payment in the amount of \$100.00 for Board Member Hynek for representing the Board at a September 23, 2016 informal negotiation meeting with Director Kohtz concerning Investigation 15-23, and a per diem payment in the amount of \$100.00 for Board Member Woodle for representing the Board at a September 27, 2016 informal negotiation meeting with Director Kohtz concerning Investigation 14-35. Board Member Langemeier moved to approve the per diem payments as requested for Board Members Hynek and Woodle. Board Member Bloxham seconded the motion. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

K. GENERAL PUBLIC COMMENTS

Chairman Woodle asked for any public comments. With no comments, the Chairman proceeded to Education.

L. EDUCATION

Board Member Langemeier moved to take the following actions on education activities and instructors as listed:

NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS

Valuometrics.info

Stats, Graphs and Data Science 1 (C21625-I)/14 Hours – *Deny*

George Dell (*no action*)

McKissock, LLC

The Income Approach: An Overview (C21626-I)/7 Hours – *Approve*

Dan Bradley - *Approve*

Residential Property Inspection for Appraisers (C21627-I)/7 Hours – *Approve*

Dan Bradley – *Approve*

Appraisal Institute

Review Case Studies - Residential (C21628)/14 Hours – *Approve*

Craig Harrington – *Approve*

Residential and Commercial Valuation of Solar (C21629)/14 Hours – *Approve*

Sandra Adomatis – *Approve*

CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS RENEWAL

Appraisal Institute

Fundamentals of Separating Real and Personal Property From Intangible Business Assets

(C21164)/14 Hours – *Approve*

Kerry Jorgensen - *Approve*

Seconded by Hynek. Chairman Woodle called for the vote. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

OTHER ACTIVITIES

Timothy Rounds, a Nebraska certified residential real property appraiser, made a request to the Board for consideration of course titled “Fannie Mae’s Form Reports and the UAD: Effective Report Writing Skills Aren’t Optional Anymore,” completed in Wyoming, as meeting the requirements for the seven hour report writing update course. The Board agreed that the course meets the Board’s expectations and would be accepted as meeting the seven hour report writing update course requirement if submitted for that purpose.

M. UNFINISHED BUSINESS

1. BOARD MEMBER RECOGNITION: No update.

2. RENEWAL SEASON INTERN EMPLOYEES: Director Kohtz informed the Board that one of the two openings have been filled by Ms. Gallardo, and staff is currently working on filling the second position.

N. NEW BUSINESS

1. AARO BYLAW AMENDMENTS: Director Kohtz presented the proposed bylaw changes for the Association of Appraiser Regulatory Organizations to the Board for consideration, and informed the Board that it has a vote as a member, so it should have the opportunity to offer any comments or feedback to consider for the vote. There was no further discussion.

2. OPEN 2ND CONGRESSIONAL DISTRICT CERTIFIED REAL PROPERTY APPRAISER REPRESENTATIVE POSITION: Director Kohtz requested approval for a Memo From the Board concerning the 2nd Congressional District Certified Real Property Appraiser position that will be open after Board Member Woodle’s term expires. With no further discussion, Board Member Langemeier made a motion to approve the Memo From the Board to notify appraisers of the open 2nd Congressional District Certified Real Property Appraiser position. Seconded by Bloxham. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

- 3. AQB APPROVAL OF UNO REAL ESTATE DEGREE PROGRAM:** Director Kohtz informed the Board that the University of Nebraska at Omaha's Bachelor's Degree in Business Administration with a concentration in Real Estate and Land Economics was approved by The Appraisal Foundation's Appraiser Qualifications Board as meeting up to 90% of the real property appraiser qualifying education requirements.

The Director continued by saying that those that meet all the AQB approved qualifying education through the College of Business Administration Real Estate Program, and earn a Bachelor's Degree in Business Administration with a concentration in Real Estate and Land Economics, would only need to complete the Fifteen-Hour National USPAP Course for the licensed residential and certified residential real property appraiser credentials, and the Fifteen-Hour National USPAP Course with ten hours of general appraiser income approach for the certified general real property appraiser credential, to finish the qualifying education required to become a real property appraiser. This would allow an individual wishing to enter the appraiser profession the opportunity to place more focus on obtaining the experience hours required for credentialing upon graduation.

Board Member Hynek indicated that this is great news for the State of Nebraska and the appraiser profession. Chairman Woodle agreed, and added, "Anything that helps get people into the profession is a good thing." Director Kohtz informed the Board that he will add an acknowledgement of this accomplishment to the Board's Facebook page and next newsletter. Also, the Director indicated that he and David Beberwyk, the Director of Outreach and Education at the UNO Real Estate Center, have discussed getting the Board into the classroom for a presentation. Once UNO has information on its website regarding this program, the Director indicated that he would add a link to it on its website. Chairman Woodle indicated that this would be great information for the "Quick Hits" section of the newsletter. The Board agreed with Director Kohtz's plan to promote the approval.

The Director then turned his attention to a meeting that he attended at UNO on October 12, 2016 concerning the AQB approval of UNO's Bachelor's Degree in Business Administration with a concentration in Real Estate and Land Economics. The Director informed the Board that it was a very productive meeting that was attended by many local appraisers, real estate professionals, UNO Real Estate Program staff, and AQB staff. The meeting was facilitated by Greg Harding with the AQB, who was responsible for the program's evaluation. Director Kohtz indicated that many great conversations took place concerning the future of the industry, and the focus was placed primarily on experience. The discussion included adjusting the number of required hours for experience, competency based experience examination, the redevelopment of the practicum program, and supervisory appraiser concerns. One of the reoccurring themes was that the time and effort does not match the reward for supervisory appraisers, which is why changes to the experience qualification requirements are needed. Finally, the number of appraisers in Nebraska was discussed. During this conversation, many felt that the Eastern part of the state has a sufficient supply of appraisers, but the Western part of the state has an inadequate number of appraisers. Mr. Harding commended the group for its collaboration between the profession, the University, and the Board. He indicated that this is the first state he visited with such of a strong sense of community.

Break from 12:07 p.m. to 12:29 p.m.

Lunch served to board members and staff at 12:16 a.m.

O. LEGISLATIVE REPORT AND BUSINESS

- 1. TITLE 298 UPDATE:** Director Kohtz presented the updated draft of Title 298 with the recommendations made by AAG Hart included. The Director also informed the Board that the Governor's Policy and Research Office reviewed the draft and indicated that it had no concerns. The Director asked for any comments or recommendations. With no further discussion, Chairman Woodle asked for a motion. Board Member Hynek moved to approve the draft Title 298 as amended and set the hearing date for December 15, 2016. The motion was seconded by Bloxham, and carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.
- 2. AMC REGISTRATION ACT UPDATE:** Director Kohtz presented a draft of the AMC Registration Act to the Board for review. This draft is to address the necessary changes required by the AMC Final Rule promulgated by Office of the Comptroller of the Currency; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; National Credit Union Administration; Bureau of Consumer Financial Protection; and Federal Housing Finance Agency, which was published on June 9, 2015 with an effective date of August 10, 2015. States have three years to become compliant with the AMC Final Rule before the Appraisal Subcommittee begins including AMC registration as part of its audit. The Director informed the Board that this draft mirrors the AMC Final Rule, with the exception that language was developed to complement the Real Property Appraiser Act and fit within Nebraska statute parameters. For example, "Appraiser" is defined for the specifics of this act.

The majority of the changes are found in the definitions section, but there was also a section added for appraiser panel and Federally Regulated AMC. Director Kohtz indicated that one of the requirements in the AMC Final Rule is the collection of fees and reporting information to the ASC for the AMC Federal Registry, which is difficult to accomplish since the Federally Regulated AMC's are not regulated by the state. The Director indicated that he made a slight change to the federal language for appraiser independence to make it very clear what the requirement is. Director Kohtz finished review of the AMC Final Rule changes by informing the Board that the Appraisal Subcommittee has not yet established a monetary amount, a method of collection, or what information is required for the AMC Federal Registry, so the language in the draft is written to cover any possible scenario at this time. If more information come available during the drafting phase, the Board can address any needed changes at that time.

The Director then brought attention to the yellow highlighted sections of the draft, and informed the Board that these additions have been recommended by board members since the laws were last updated. The Director pointed the Board to page 9, and informed the Board that the language:

Have a good reputation for honesty, trustworthiness, integrity, and competence to perform appraisal management services in such manner as to safeguard the interest of the public as determined by the board; and

Have not had a final civil or criminal judgement against it for fraud, dishonesty, breach of trust, or misrepresentation involving real estate, financial services, or appraisal management services within a five-year period immediately preceding the date of application.

was included to provide the Board a better standard by which to consider applicants for registration as appraisal management companies. The Director then moved to page 14, and informed the Board that the language:

An appraisal management company shall not directly or indirectly engage in or attempt to engage in business as an appraisal management company or advertise or hold itself out as engaging in or conducting business as an appraisal management company in this state under any legal name or trade name not included in the application for registration, or renewal of a registration, as approved by the board.

is intended to address those organizations practicing in Nebraska under a different name than what it was approved to operate under. On the same page, the following language:

An appraisal management company shall not require an appraiser to indemnify an appraisal management company or hold an appraisal management company harmless for any liability, damage, losses, or claims arising out of the appraisal management services provided by the appraisal management company.

was a big issue a few years ago and was requested to be added to the next update. Director Kohtz informed the Board that he has not heard of this occurring lately, so those organizations practicing this have stopped, or it has become a standard practice accepted by the appraiser community.

Director Kohtz then moved to page 18, and informed the Board that the language was added to provide authority to the Board to issue cease and desist orders to those operating in Nebraska as an AMC without a registration issued by the Board. This was a huge issue a few years ago, but has trailed off in recent years. The Director continued by saying it is a needed authority that provides public protection.

On page 20, the Director brought attention to the language, “*Costs incurred for an administrative hearing, including fees of counsel, the hearing officer, court reporters, investigators, and witnesses, shall be taxed as costs in such action as the board may direct*” found under 76-3217 (3) and indicated that this matches the language in the real property appraiser act.

Director Kohtz informed the Board that after discussions with Bill Marienau, the language added to 76-3219 on page 21 will be removed.

Finally, the Director brought attention to the language on page 21 concerning the Attorney General’s powers and duties in relation to the Act, which includes the following language:

At the request of the board, the Attorney General shall render to the board an opinion with respect to all questions of law arising in connection with the administration of the Nebraska Appraisal Management Company Registration Act and shall act as attorney for the board in all actions and proceedings brought by or against the board under or pursuant to the act. All fees and expenses of the Attorney General arising out of such duties shall be paid out of the Appraisal Management Company Fund. The Attorney General may appoint special counsel to prosecute such action, and all fees and expenses of such counsel allowed shall be taxed as costs in the action as the court may direct.

Whenever, in the judgment of the board, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of the Nebraska Appraisal Management Company Act, the Attorney General may maintain an action in the name of the State of Nebraska, in the district court of the county in which such violation or threatened violation occurred, to abate and temporarily and permanently enjoin such acts and practices and to enforce compliance with the act. The plaintiff shall not be required to give any bond nor shall any court costs be adjudged against the plaintiff.

The Director asked for any comments or recommendations. The Board indicated that the draft is in good shape, and Director Kohtz was asked to describe the next step. Director Kohtz informed the Board that the draft should be sent to bill drafting to be put into bill format, and then the draft will be reviewed for technical issues and language problems. Board Member Hynek moved to send the draft of the AMC Registration Act to bill drafting as amended. The motion was seconded by Bloxham, and carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

P. BOARD POLICIES AND PROCEDURES

1. BOARD POLICIES

- a. Current Board Policies:** No discussion.
- b. Board Policy 13-04 Amendment:** The Board reviewed amended Board Policy 13-04, which establishes a minimum cash fund balance for the Real Property Appraiser Fund. This policy was updated to reflect the expenditures for FY 16-17.
- c. Board Policy 13-05 Amendment:** The Board reviewed amended Board Policy 13-05, which establishes a minimum cash fund balance for the AMC Registration Fund. This policy was updated to reflect the expenditures for FY 16-17.

Board Member Hynek made a motion to approve Board Policies 13-04 and 13-05 as amended. The motion was seconded by Bloxham. With no further discussion, the vote carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

2. APPRAISER FORMS AND PROCEDURES

- a. 1000 Hour Trainee Real Property Appraiser Courtesy Review Program:** Director Kohtz presented the comments received regarding the questions pertaining to the 1000 Hour Trainee Real Property Appraiser Courtesy Review Program, and asked the Board for any comments or recommendations. With no comment, Director Kohtz asked the Board if it would like to see a Board Policy drafted to outline the procedures and requirements. The Board agreed with this suggestion, and the Director informed the Board that he will prepare a Board Policy for review at the November meeting.

3. COMPLIANCE FORMS AND PROCEDURES

- a. SME/Standard 3 Reviewer Training and Evaluation Program:** No discussion.

Q. OTHER BUSINESS

- 1. BOARD MEETINGS:** Director Kohtz informed the Board that it tentatively agreed on November 7, 2016 for the next meeting. Since the Board set hearing for the Title 298 update at this meeting, there is no need to move the November meeting from November 17, 2016. Chairman Woodle asked Director Kohtz to send an email to each board member to confirm availability on November 17th. Director Kohtz informed the Board that an email will be sent at the end of the week.

2. CONFERENCES/EDUCATION

- a. **CEO Krieger Appraisal Foundation Level III Investigator Training Report:** CEO Krieger attended The Appraisal Foundation's Level III Investigator Training Course held from September 19th through 21st in St. Louis, Missouri. Krieger indicated that he learned that no two agencies are alike. He continued to say that he obtained a lot of valuable information regarding hearing preparations and interviewing techniques. The Board asked CEO Krieger what he meant by this statement. CEO Krieger elaborated on his comments regarding the differences in agencies; specifically, how many other agencies conduct extensive field work and multiple interviews with respondents. Krieger noted that the size of these agencies allow for more resources to carry out the previously mentioned duties, but this would be impractical in Nebraska. CEO Krieger also noted the tips and techniques he acquired from others in the industry helps prepare for a formal hearing.
- b. **CEO Krieger Basic Appraisal Principles Course Report:** CEO Krieger attended the Basic Appraisal Principles Course held on September 27th and 28th, and October 4th and 5th, in Lincoln, Nebraska. CEO Krieger noted that the course was quite full, which is a good sign that there are multiple people in the process of becoming trainees. CEO Krieger also felt that the information obtained would greatly help in the investigation process.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER

- a. **AQB Approval of UNO Real Estate Degree Program:** Director Kohtz informed the Board that the AQB approval of the UNO Real Estate Degree Program will be included under "Quick Hits" in the next newsletter as recommended.

5. APPRAISAL SUBCOMMITTEE

- a. **Next ASC Meeting - November 9, 2016; 1850 K Street NW, Washington, DC:** Director Kohtz brought attention to the next ASC meeting. There was no further discussion.

6. APPRAISAL FOUNDATION

- a. **Qualifications Board Second Exposure Draft of Proposed Changes to the Real Property Appraiser Qualification Criteria:** Director Kohtz presented the "Second Exposure Draft of Proposed Changes to the Real Property Appraiser Qualifications Criteria" to the Board for review. The Director summarized the changes included, and informed the Board that for the Licensed Residential classification, the AQB is proposing to eliminate all college level education; for the Certified Residential classification, the AQB is proposing three options for an individual to demonstrate specific college-level equivalency. The first option is the attainment of an Associate's degree or higher. The second option is to pass 1 College-Level Examination Program exams equivalent to a minimum of twenty-one semester credit hours in specified subject matter areas. A third option in lieu of an Associate's degree would allow an applicant seeking the Certified Residential credential to document successful completion of twenty-one semester hours of specific collegiate courses from an accredited college, junior college, community college, or university.

(continued on page 10)

(continued from page 9)

The Director then turned attention to the changes to experience requirements found in the draft. The AQB believes it is appropriate to consider offering a more balanced approach to the qualifications needed for a credential by reducing the number of hours of experience required; therefore, the AQB is proposing revising the experience hours required for the Licensed Residential classification to 1,000 hours with no minimum time frame; Certified Residential classification to 1,500 hours of experience with no minimum time frame; and Certified General classification to 2,000 hours, with at least 1,000 hours in nonresidential appraisal, and no minimum time frame.

Chairman Woodle indicated that he has no issues with the proposed changes to the post-secondary education requirements; however, reducing the experience requirements with no additional changes will not improve the quality of appraiser applicants, but will result in more disciplinary action. The Board doesn't see the best reports under the current requirements, so reducing those requirements can only lead one to believe that the quality will be further reduced. Board Member Bloxham and Board Member Hynek also expressed dissatisfaction with the proposed experience changes, and agreed with Board Member Woodle's assessment. Board Member Langemeier brought attention to the number of trainee real property appraisers, and indicated that the numbers are strong, so these proposed changes are not taking into consideration that more appraisers are coming.

Board Member Hynek asked Director Kohtz if the Board has ever responded to an exposure draft. The Director informed the Board that it has not since he has been here, but it is also the reason why the exposure drafts are agenda items. Director Kohtz informed the Board that he is more than happy to provide a response if he has direction. Chairman Woodle proposed that the Director draft a letter that acknowledges the pressure faced by the AQB, and brings attention to the Board's concerns with the proposed changes. Board Member Hynek moved to authorize Director Kohtz to draft a letter to the AQB in response to the Second Exposure Draft of Proposed Changes to the Real Property Appraiser Qualifications Criteria to express the Board's concerns with the proposed experience changes. The motion was seconded by Bloxham, and carried with Bloxham, Hynek, Langemeier, and Woodle.

- b. Appraiser Qualifications Board Public Meeting to Discuss the Second Exposure Draft of Proposed Changes to the Real Property Appraiser Qualification Criteria – November 18, 2016; 610 North 7th Street, St. Louis, MO:** Director Kohtz brought attention to the next AQB meeting. There was no discussion.
- c. Corrective Courses for Appraisers:** Director Kohtz brought attention to "Corrective Courses for Appraisers" developed by The Appraisal Foundation. The Director informed the Board that he had no discussion, but wanted to bring the existence of the courses to the Board's attention.

7. IN THE NEWS

- a. Appraisal Buzz Article – Flying a Drone for Appraisal Use:** Director Kohtz brought attention to the Appraisal Buzz article titled "Flying a Drone for Appraisal Use." The Director continued by saying that he had no discussion pertaining to this article, but found the use of drones to be interesting. Board Member Langemeier informed the Board that he has a drone for recreational purposes; it is not used in his appraisal practice. Board Member Langemeier proceeded to describe his drone flying experiences to the Board.

- b. **Appraisal Buzz Article – Valuation 3.0 Defining a Future Without Limits:** Director Kohtz brought attention to the Appraisal Buzz article titled “Valuation 3.0 Defining a Future Without Limits.” The Director continued by saying that he had no specific discussion pertaining to this article, but felt that the content was interesting enough to bring to the Board’s attention. There was no further discussion.
- c. **Appraisal Buzz Article – The Latest Updates to SF Handbook 4000.1:** Director Kohtz brought attention to the Appraisal Buzz article titled “The Latest Updates to SF Handbook 4000.1.” There was no further discussion.

Break from 2:02 p.m. to 2:13 p.m.

Board Member Langemeier moved that the Board go into executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Chairman Woodle asked for a second. Board Member Bloxham seconded the motion. The time on the meeting clock was 2:13 p.m. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

Board Member Langemeier moved to come out of executive session at 3:17 p.m. Board Member Hynek seconded the motion. The motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

C. CONSIDERATION OF APPLICANTS AS NEBRASKA REAL PROPERTY APPRAISER

Board Member Langemeier moved to take the following actions for the applicants as listed:

T16011 / Approve as Trainee Real Property Appraiser. Send advisory letter informing applicant that a Supervisory Appraiser registered with the Board is required prior to engaging in real property appraisal practice for experience credit acceptable for credentialing.

SA-2014042 / Approve as Supervisory Appraiser.

L16005R / Approve as a Licensed Residential Real property Appraiser.

CR16009R / Approve as a Certified Residential Real Property Appraiser.

CG16017R / Approve as a Certified General Real Property Appraiser.

CR16006 / Education and Experience accepted; approve to sit for exam, and authorize Director to issue credential upon successful completion of exam.

CG16002 / Deny; send redacted copy of Standard 3 Review.

Item 1 / Deny.

Board Member Bloxham seconded the motion. Motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY: None

E. CONSIDERATION OF DISCIPLINARY ACTIONS/ ENFORCEMENT MATTERS

Board Member Langemeier moved to take the following enforcement actions:

16-11 / Proceed with investigation for the alleged violation of Neb. Rev. Stat. § 76-2237, 76-2236.01(2), and 76-2238 (4)(12)(15)(16)(18).

14-22 / Close.

14-23 / Close.

14-24 / Close.

14-26 / Close.
14-27 / Close.
15-05 / Hold.
15-09 / Hold.
15-16 / Dismiss without prejudice.
15-18 / Authorize Special Assistant Attorney General Blake to file formal charges for violation of Neb. Rev. Stat. § 76-2237 and N.R.S. § 76-2238 (4)(12)(15)(16)(21).
15-19 / Authorize Director to negotiate SME fee.
16-02 / Ongoing.
16-03 / Dismiss without prejudice.
16-04 / Execute Consent Agreement; Signed by Board Chair.
16-05 / Ongoing.
16-07 / Ongoing.
16-09 / Ongoing.

Board Member Hynek seconded the motion. Motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

The Board discussed an organization that submitted an application for renewal of a registration as an appraisal management company to the Board on February 3, 2016. The submitted application included the answer “No” to the question, “Has disciplinary action been taken against the applicant by any regulatory agency in Nebraska or any other jurisdiction, or has the applicant’s registration/licensure/certification been surrendered or allowed to lapse due to any action pending or threatened within the past 24 months?” On March 22, 2016, the Board received notice of a Consent Agreement signed by the organization on October 29, 2015 in another jurisdiction. Failure to disclose this information may be a violation of Neb. Rev. Stat. § 76-3216 (1) (c) (Item 1).

The Board discussed a request for an individualized continuing education program made by a credentialed appraiser. No action was taken.

Board Member Langemeier moved to take the following actions for other executive session items:

Item 1 / Open grievance 16-12 and proceed with investigation for the alleged violation of Neb. Rev. Stat. § 76-3216 (1) (c).

Board Member Hynek seconded the motion. Motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye.

R. ADJOURNMENT

Board Member Langemeier moved to adjourn the meeting. Board Member Hynek seconded the motion. Motion carried with Bloxham, Hynek, Langemeier, and Woodle voting aye. At 3:20 p.m. Chairman Woodle adjourned the October 18, 2016 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on November 1, 2016, in compliance with Nebraska Revised Statute §84-1413 (5).