

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

**September 21, 2017 Meeting Minutes**

**A. OPENING**

Chairperson Chris Langemeier called to order the September 21, 2017 meeting of the Nebraska Real Property Appraiser Board at 9:00 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**

Chairperson Langemeier 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 September 18, 2017 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 Chris Langemeier, Benjamin Hynek, David Bloxham, Gary McCormick, and Christopher Mustoe were present. Also present were Director Tyler Kohtz, Compliance and Education Officer Grant Krieger, and Business and Licensing Specialist Allison Nespor.

**ADOPTION OF THE AGENDA**

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

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

Board Member Hynek 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. Chairperson Langemeier asked for a second. Board Member Bloxham seconded the motion. The time on the meeting clock was 9:03 a.m. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

Board Member Hynek moved to come out of executive session at 9:38 a.m. Board Member Bloxham seconded the motion. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

Break from 9:38 a.m. to 9:49 a.m.

## **G. WELCOME AND CHAIR'S REMARKS**

Chairperson Langemeier welcomed all to the meeting, and expressed his delight to see all in attendance. Roger Morrissey and Diane Moore were the only members of the general public in attendance.

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF AUGUST 17, 2017 MEETING MINUTES**

Chairperson Langemeier asked for any additions or corrections to the August 17, 2017 meeting minutes. With no further discussion, Chairperson Langemeier called for a vote. Board Member Bloxham moved to adopt the August 17, 2017 meeting minutes as presented. Board Member Mustoe seconded the motion. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

## **I. DIRECTOR'S REPORT**

### **1. APPRAISER COUNT REPORT**

Director Kohtz presented seven charts outlining the number of appraisers as of September 21, 2017, and provided a brief summary on appraiser count trends. The Director then 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 August 31, 2017, and asked for any questions or comments. There was no further discussion.

### **3. SUPERVISORY APPRAISER COUNT REPORT**

Director Kohtz presented two charts outlining the number of supervisory appraisers as of September 21, 2017, and asked for any questions or comments. There was no further discussion.

### **4. AMC COUNT REPORT**

Director Kohtz presented two charts outlining the number of AMCs as of September 21, 2017, and asked for any questions or comments. There was no further discussion.

## **I. FINANCIAL REPORT AND CONSIDERATIONS – SEPTEMBER 2017**

### **1. APPROVAL OF AUGUST RECEIPTS AND EXPENDITURES**

The receipts and expenditures for August were reviewed by the Director by line item with the Board in the Budget Status Report. Director Kohtz brought attention to the personal services expenditures and informed the Board that the increase in expenditures is due to an extra pay period during the month of August. Next, the Director informed the Board that the data processing expenditure is low due to a bill discrepancy correction. The Director then brought attention to the publication and print expense, and indicated that the amount of \$691.67 includes the quarterly copier services for April through June. Director Kohtz informed the Board that three state assessments were also paid for the current fiscal year during August, which include an annual assessment of \$633.00 for accounting and auditing services, an annual assessment of \$108.00 for purchasing, and a quarterly assessment of \$44.50 for human resource management systems. The Director also brought attention to the \$10,390.00 amount for legal services, and the \$5,005.00 amount for legal related expenses; both primarily due to the 15-18 hearing. As of the end of August, expenses amount to 15.66 percent of the budgeted expenditures for the fiscal year; 16.99 percent of the fiscal year has passed. Finally, Director Kohtz pointed the Board to the revenues, and informed the Board that renewal revenues are already being received. The Director asked for any questions related to the Budget Status Report. There was no further discussion.

The Director then brought attention to the General Ledger for August, and informed the Board that he had no comments. The Director then asked if the Board had any questions pertaining to the General Ledger. There was no further discussion.

Director Kohtz then presented three graphs showing expenses, revenues, and cash balance. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$44,298.40 in expenditures and \$15,529.69 in revenues were reported.

Board Member Hynek moved to accept and file the August 2017 financial reports for audit. Board Member McCormick seconded the motion. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

## **2. PER DIEMS**

Director Kohtz informed the Board that he has no per diem requests for this meeting. Chairperson Langemeier asked if any board members had a request for the Board to consider. There was no further discussion.

## **K. GENERAL PUBLIC COMMENTS**

Chairperson Langemeier asked for any public comments. There were no comments.

## **L. EDUCATION**

Board Member Hynek moved to approve the following education activities and instructors as listed:

### **NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS**

#### **Appraisal Institute**

Honing In: State of the Industry and Professional Development (2171442.05) / 4 Hours -  
Thomas Kubert, Scott DiBiasio, Dave Wellsandt

The Basics of Regression - A Refresher for Appraisal Professionals (2171443.05) / 4 Hours -  
Craig Steinley

Residential Applications Part 2: Using Microsoft Excel to Analyze and Support Appraisal  
Assignments Results (2171444.05) / 7 Hours - Craig Steinley

#### **McKissock, LLC**

The Basics of Expert Witness for Commercial Appraisers (2172445.03) / 7 Hours - Dan Bradley

Income Approach Case Studies for Commercial Appraisers (2172429.02) / 4 Hours - Dan Bradley

Seconded by Bloxham. Chairperson Langemeier called for the vote. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

## **M. UNFINISHED BUSINESS**

### **1. USPAP BOOK HOLDING ACCOUNT**

Director Kohtz informed the Board that no response has been received to date.

### **2. NRPAB DATABASE – ASC FEDERAL REGISTRY SOAP APPLICATION**

Director Kohtz informed the Board that there is no update.

### **3. RENEWAL SEASON TEMPORARY EMPLOYEES**

Director Kohtz informed the Board that the job posting has closed for the two positions and staff will begin the interviewing and hiring process next week.

#### 4. STANDARDIZED TWO YEAR RENEWAL PERIOD

Director Kohtz presented a report titled “Standardization of Two Year Renewal” to the Board for review and consideration. The Director reminded the Board that at its regular meeting on August 17, 2017, the Board discussed the positives and negatives of a standardized two year credential renewal, as opposed to offering credential holders the option of a one or two year renewal. The Board concluded that standardization of the two year renewal may increase the staff’s operational efficiency, and reduce costs associated with processing renewal applications due to the decrease in the number of applications that must be processed each fiscal year. However, the Board also brought attention to unknowns, such as:

- How would the two year period be determined?
- How many credential holders would be due for renewal each year?
- How would the conversion to two year renewals take place?
- How can the standardization of the two year renewal be implemented?
- What other factors need to be considered?

Director Kohtz provided a summary of the report and brought attention to the history regarding renewal options, the laws and rules that pertain to credential renewals, current and prospective appraiser counts and trends, available options, and implementation possibilities. The specifics mentioned by the Director include:

- Standardizing the two year renewal would significantly reduce the workload for staff, especially during the low year for the number of renewals due. The year to year difference for the two year renewal would be 210 to 500; compared to the current year to year difference of 500 to 650. Standardizing the two year renewal would eliminate the need for temporary staffing during the low renewal year as processing 200-250 renewal applications from September through January would be manageable with current staffing.
- When figuring a categorical break for standardization of two year renewals, the three options studied include separating the credential holders alphabetically, by continuing education cycle, and by way of obtaining credential (reciprocity or by education, experience, and examination). Social security numbers and birth dates were also considered, but there was no logical pattern that presented itself when considering social security numbers, and the Board’s birth date records are not complete. All three options present a fairly equal break in the number of credential holders that would renew during each year of the biennial period, and consistency would be obtained regarding when any credential holder is due for renewal of his or her credential. In addition, all three options are equal in terms of the effect on expenditures and revenues. Finally, administration of the random criminal history record check program is not expected to be affected by the standardization of a two year renewal period, as ten percent of those due for renewal would continue to be selected, unless the Board chose to make changes to the percentage utilized. When considering all the data, only one option, renewal based on continuing education cycle, is logical for implementation. Separating credential holders by name or by means of obtaining a credential would require moving the continuing education cycle of many credential holders, or would require that many credential holders renew in the middle of their continuing education cycle, which may actually increase the expenditure per renewal application substantially due to the increased level of detail that would be needed to maintain continuing education records.

- Standardizing the two year renewal would result in saving approximately \$13,200.00 in resources during a biennial period; however, the amount of saving would be skewed to one year or another during the period due to an inequality in the number of renewals due each year. The time attributed to staff would be directed to other activities during this period, which would result in less of a savings. \$6,931.00 is budgeted for SOS Temp Services each year. This expenditure would be eliminated during the low renewal year of the biennial period. In addition, approximately \$1,500.00 would be eliminated as both certified and regular mailings, phone activity, various other physical resources, and the number of criminal history records checks would be greatly reduced during the low renewal year of the biennial period. With all this taken into account, the estimated savings in expenditures is \$8,400.00 during the biennial period if any of the options shown above were implemented.

Because many credential holders are in the middle of their renewal cycle, or choose to renew every year, a higher number of credential holders fall into the current biennial period, which results in higher revenues under the current renewal option. In addition, revenues to administer the criminal history record check program are consistent from year to year under the current option. If any of options shown above were implemented, revenues would likely be reduced by approximately \$11,000.00 for the biennial period. This number may be different from biennial period to biennial period depending on how the number of one year renewals oscillates from period to period.

- If the Board pursues a standardized two year renewal based on continuing education cycle, a statutory change should be considered to clarify the Board's authority to require that a credential holder's renewal is due at the time his or her continuing education cycle ends. The Director added that this would also be a good time to consider changes to the date on which the renewal application is due to the Board's office. The current November 30th date due is inconsistent with the continuing education cycle end date, and these dates should complement each other. It also appears that implementation of the two year renewal by continuing education cycle will have no impact on the inactive status language in the Real Property Appraiser Act, but a thorough vetting should take place during the time that language changes are being considered. Finally, statutory consideration must be given to new credential holders. Changes could be added to the Board's current draft, REQ3205, which would slow the progress, but time is adequate to make the needed changes. Director Kohtz also recommended that the Board include language indicating that this requirement will be phased in as credential holders complete their continuing education periods with a delayed effective date. Once a statutory change is made and approved by the Nebraska Legislature, Title 298 must be updated to incorporate the new statutory language. A delayed effective date would also give the Board plenty of time to notify the appraiser community of the changes.

If the Board is interested in proceeding without a statutory change, an opinion from the Attorney General's Office would be needed to clarify the Board's authority to restrict a credential holder's renewal to a two year period. If the response indicates that the Board has the proper authority, Title 298 must be updated to reflect the Board's intent. Once again, any change should include a delayed implementation to allow time for the appraiser community to be notified, and should consider continuing education cycles as they currently exist.

- Maintaining the current renewal options has benefits as well. For example, due to the stable number of renewals during each year of a two year period, consistency exists for workload, staffing, and needed resources from year to year. Standardizing the two year renewal would create an imbalance between two consecutive years. Revenues are also relatively consistent from year to year, which is helpful for budget planning. Finally, the current renewal options may result in higher revenues during a two year period due to the number of appraisers that choose to renew for one year compared to two years, and the effect on revenues of those that are awarded a credential after November 1<sup>st</sup> will have to be addressed. Implementing a standardized two year renewal period would require some adjustment to establish a new consistency.

Chairperson Langemeier thanked Director Kohtz for the report, and commented that senior appraisers may feel pushed out if they are required to renew for two years. The Chairperson expanded on his comments by adding that this may be especially true for those out-state and those at the end of their careers. Board Member Bloxham indicated that it may not be worth the effort to force 70% of the appraisers to a two year renewal to save \$8,000.00 in expenditures. Board Member Mustoe expressed a different view, and felt that the two year renewal would be more efficient for both the Board and appraisers. Board Member Mustoe also agreed that easing appraisers into the two year renewal would reduce some of the concerns that Chairperson Langemeier described. Mustoe finished by saying timing and implementation would be big obstacles to figure out. Chairperson Langemeier brought attention to the report and indicated that a roadmap for implementation is there, the Board would just need to decide what action it would like to take. Board Member Mustoe added that the savings in the budget due to the change could be added to other areas. Board Member McCormick addressed the report for the first time, and indicated that he was surprised by the number of appraisers that don't renew for two years. Board Member Mustoe agreed and stated, "It is interesting to see the two year vs one year demographics." Board Member Hynek wondered aloud if these numbers will change after the report writing update course requirement is retired.

Board Member Bloxham turned attention toward new credential holders and indicated that he has seen states do it both ways; some states require appraisers to pay in full, while others will prorate the amount for the first renewal. Director Kohtz responded that he would prefer that the Board avoid prorating fees, and that he is unsure of the Board's authority to do so. The Director informed the Board that approximately twenty to twenty five new credential holders would be affected each year. Board Member McCormick added that it would be beneficial to have the renewal standard with the continuing education cycle; this would eliminate some of the confusion as to when what continuing education is due. Director Kohtz agreed with this comment. Board Member Bloxham asked if requiring the USPAP Update course every two years is an AQB requirement. The Director responded with, "Yes, it is an AQB requirement." Chairperson Langemeier granted Public Member Diane Moore permission to speak. Ms. Moore informed the Board that it did at one point consider requiring that all appraisers take the USPAP Update course in the year it comes out. Board Member Mustoe indicated that he finds this idea to be reasonable. Director Kohtz asked the Board if it would like for him to research this. Chairman Langemeier indicated that focus should remain on the current topic.

Chairperson Langemeier asked board members to think about effects of a standardized two year renewal, and the topic can be revisited in the future. Chairman Langemeier recommended that the item be added back on to the agenda in six months. Board Member Mustoe asked if this date could be moved up. Chairperson Langemeier offered the February meeting; the Board agreed. Board Member Bloxham stated, "I hate that it is so difficult to navigate renewals when a person has multiple licenses." Bloxham then asked, "Could you talk to other states that have made the change?" Director Kohtz responded, "I don't know of any state that has made this change, and it has never come up in conversation." Board Member Mustoe added that he has never seen another state that gives you a choice for a one or two year renewal. Director Kohtz informed the Board that this item will be placed on the agenda in February for further discussion.

## **N. NEW BUSINESS**

### **1. OPEN AT-LARGE LICENSED REAL ESTATE BROKER/CREDENTIALLED APPRAISER POSITION**

Board Member Langemeier's term as the At-Large Licensed Real Estate Broker/Credentialed Appraiser Board Member expires on December 31, 2017. Director Kohtz informed the Board that it is time to begin advertising for the position, and that he intends to follow the same procedures as for previous openings. Director Kohtz mentioned that he will keep the Board up to date regarding any communication with the Governor's office and applicants for the open position, and asked if the Board had any specific requests for him. Board Member Hynek asked if a motion is needed. Chairperson Langemeier recommended that the Board take one motion for both openings.

### **2. OPEN AT-LARGE REPRESENTATIVE OF FINANCIAL INSTITUTIONS POSITION**

Director Kohtz informed the Board that Governor Ricketts received the official notice of resignation from Board Member Bloxham, and advertising for the opening will begin as soon as he receives notice from Governor Ricketts that he has accepted Board Member Bloxham's resignation. The Director indicated that he intends to follow the same procedure as for the previous openings of this position.

Director Kohtz then asked for approval to prepare a Memo From the Board concerning Mr. Bloxham's resignation and the open At-Large Representative of Financial Institutions position, and a Memo From the Board concerning the open At-Large Licensed Real Estate Broker/Credentialed Appraiser position. Board Member Hynek moved to approve a Memo From the Board concerning Mr. Bloxham's resignation and the open At-Large Representative of Financial Institutions position, and a Memo From the Board concerning the open At-Large Licensed Real Estate Broker/Credentialed Appraiser position. The motion was seconded by Mustoe, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

### **3. PRE-JANUARY 1, 2014 CREDENTIALING APPLICANT EXPERIENCE REQUIREMENTS**

Director Kohtz presented a Memo to the Board concerning the pre-January 1, 2014 credentialing applicant experience requirements. The Director continued by informing the Board that retired Board Policy 13-12, approved by the Board on August 22, 2013 and amended by the Board on October 10, 2013, defined the date on which credentialing was required for acceptable experience credit as January 1, 2014. The Board Policy was implemented to address the concerns of the Appraisal Subcommittee Policy Manager Neal Fenochietti, who during review of the Real Property Appraiser Act concluded that acceptable experience may only be obtained by an individual holding a valid credential issued by the Board. The current language in Title 298 does not include a reference to January 1, 2014 as it was not known at the time the original language was drafted that LB867 would be introduced and approved by the Legislature requiring that Board Policies be retired and Guidance Documents and Internal Procedure Documents be implemented.

The Director finished by indicating that there are four possible actions that may be considered by the Board: 1) The Board can take an official motion to recognize that credentialing is not required for experience obtained before January 1, 2014; 2) A Guidance Document can be approved to present the matter and express the Board's position; 3) 298 NAC, Chapter 2, § 002.01 can be updated to state, "On or after January 1, 2014 ..."; or 4) The Board can choose to take no action, which would result in a credentialing requirement for all acceptable experience credit.

Chairperson Langemeier asked, "What is the simplest approach?" Director Kohtz responded that the simplest and most effective approach would be to issue a guidance document. Chairperson Langemeier indicated that it is the Board's intent to continue allowing the experience obtained before January 1, 2014 without credential to be accepted for experience credit. Director Kohtz informed the Board that a guidance document will be drafted for review at the October meeting.

#### **4. REAL ESTATE COMMISSION DATABASE INQUIRY**

Director Kohtz reminded the Board that at its strategic planning meeting on May 11, 2017, the Board set an objective to research the possibility of purchasing Real Estate Commission's database from it, or contributing to the development of the Real Estate Commission's database to incorporate appraiser function. The Director informed the Board that he held some preliminary discussion with Greg Lemon at the Real Estate Commission. Director Kohtz continued to say that he gets the impression that Mr. Lemon is not completely happy with the progress of the commission's database, but the major deterrent to exploring involvement in the commission's database is the annual maintenance costs of \$30,000.00 to \$70,000.00. There is no scenario in which the Board could absorb any of this amount. Director Kohtz indicated that its current annual maintenance costs are around \$6,000.00, significantly lower than what the Real Estate Commission is facing. Board Member Hynek indicated that no further exploration is needed. Chairperson Langemeier asked if there is a way that we could just pay rent to the Real Estate Commission to put our appraisers in their database. The Director responded that he doesn't know because he has not seen anything; the prototype will not be available until October sometime. Chairperson Langemeier recommended that Director Kohtz view the prototype and report to the Board if the idea of putting our information in their database is feasible or not.

#### **5. H.R. 3446 – RESTORATION OF ANTITRUST IMMUNITY TO STATE OCCUPATIONAL BOARDS**

Director Kohtz presented House Bill 3446 titled "Restoration of Antitrust Immunity to State Occupational Boards to the Board for review. The Director informed the Board that the intent of the bill is to help States combat abuse of occupational licensing laws by economic incumbents, to promote competition, to encourage innovation, to protect consumers, and to facilitate the restoration of antitrust immunity to State occupational boards, and for other purposes. Director Kohtz continued by saying that this bill has a lot of the popular ideas to define active supervision by a State, which includes two alternate routes for State occupational boards to achieve immunity. The first route is for the State to adopt a policy of using less restrictive alternatives to occupational licensing to address real, substantial threats to public health, safety, or welfare, and the implementation of the Office of Supervision of Occupational Boards to control law and rule development and implementation, exercise control over the board's compliance program, and overturn any action by the board that does not meet the criteria set forth in this bill. The second route is for the State to adopt a policy of using less restrictive alternatives to occupational licensing to address real, substantial threats to public health, safety, or welfare, and the State enacts legislation requiring judicial review of occupational licensing laws. Judicial review would require that all provisions of this bill are met. Director Kohtz finished by informing the Board that the bill has been sent to a committee for review, and that there is a mirror bill in the Senate as well. The Director indicated that he does not know the process for passing a bill at the federal level or the likelihood of this bill passing. The Board thanked the Director for the information.



## **O. LEGISLATIVE REPORT AND BUSINESS**

### **1. LB17**

Director Kohtz informed the Board that Senator Craighead has resigned. He then stated that he has been in contact with Michelle Andahl from Senator Craighead's office, and Bill Marienau, legal counsel for the Banking, Commerce and Insurance Committee. Both indicate that there is no change in the status of LB17. Ms. Andahl is planning for the newly appointed senator to carry the bill, and Bill Marienau is confident that if needed, finding another senator to carry the bill across the finish line is not a problem.

### **2. REQ3205\_AUGUST 31, 2017**

Director Kohtz presented REQ3205 to the Board for review, and informed the Board that the final changes have been made. There was no discussion. The director then asked that the Board to approve the bill draft for public comment. Board Member Hynek moved to approve REQ3205 as presented and request comments on the proposed language for consideration at the November meeting. Seconded by Bloxham, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

### **3. TITLE 298\_AUGUST 17, 2017 DRAFT**

Director Kohtz informed the Board that Assistant Attorney General Hart had no comments or recommendations to the Board regarding the Title 298 draft. Director Kohtz then reminded the Board of the Governor's Executive Order 17-04 issued on July 6, 2017 that orders all code agencies to suspend all rule making efforts until December 31, 2017, and conduct a review of all existing and pending agency regulations. The Director then asked the Board how it would like to proceed with this draft. Director Kohtz offered two options; first, hold any action on the draft until the end of the year; or second, request that a review be conducted by the Governor's Policy and Research Office. Chairperson Langemeier commented that this draft does the things that the Governor is hoping to accomplish with the executive order. Board Member Bloxham indicated that the earlier the review the better. The Director agreed with Board Member Bloxham and added that the previous reviews by the Governor's Policy and Research Office took a few months. If this is the case, the Governor's executive order would be expired before the Board enters the formal administrative processes. Director Kohtz added that he would emphasize that the purpose of this draft is to reduce burdensome requirements and provide administrative clarity. The only language in the draft that does not fit this would be the CHRC fee increase, which was already discussed with the Governor's Policy and Research Office. Board Member Bloxham moved to send the Title 289 draft to the Governor's Policy and Research Office for review. The motion was seconded by Mustoe, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

### **4. OTHER LEGISLATIVE MATTERS**

Director Kohtz asked the Board if it had any other legislative matters that it wished to discuss. There was no further discussion.

## **P. ADMINISTRATIVE BUSINESS**

**1. GUIDANCE DOCUMENTS:** No discussion.

**2. INTERNAL PROCEDURAL DOCUMENT:** No discussion.

**3. APPRAISER FORMS AND PROCEDURES:** No discussion.

#### **4. APPRAISER SERVICES AGREEMENTS**

##### **a. Subject Matter Expert Services Agreement**

Director Kohtz reminded the Board that at its strategic planning meeting on May 11, 2017, the Board set an objective to include the Board approved reviewer qualifications and requirements in the Subject Matter Expert Services Agreement. Director Kohtz presented the updated “Subject Matter Expert Services Agreement” to the Board for consideration. The Director informed the Board that the highlighted new Section 1 titled “Qualifications” is added to meet the Board’s intent of including reviewer qualifications and requirements in the agreement. Director Kohtz added that many of the requirements were already incorporated into the document, so there were not as many changes made as originally anticipated. The Director finished by informing the Board that “including but not limited to USPAP” is added to Section 2.A for emphasis. Board Member Bloxham brought attention to Section 1.A.1, and asked how one would obtain a temporary permit for an assignment prior to being engaged for the assignment. Board Member Bloxham recommended that “possess” be changed to “obtain.” Director Kohtz informed the Board that this change will be made. Board Member Hynek asked about Section 1.A.3, and asked if a disciplinary action pending should be the sole reason to eliminate a contractor. Director Kohtz responded that it would become a liability to the Board if it were to proceed with a Subject Matter Expert who is under investigation by any jurisdiction. The credibility of the case against the respondent would be compromised. Chairperson Langemeier recommended that the language be changed to require that disciplinary proceedings be disclosed. This way the Board could evaluate the matter to determine what effect it might have on the investigation. Director Kohtz informed the Board that this change will be made. Chairperson Langemeier granted Public Member Roger Morrissey permission to speak. Mr. Morrissey asked, “Should they be required to take the most recent version of USPAP?” Board Member Bloxham responded that the subject report in an investigation may not be related to the most recent version of USPAP. Board Member Hynek added that one can be familiar with USPAP without ever taking a course. Chairperson Langemeier indicated that it would be more beneficial that a contractor complete the course for the version of USPAP that pertains to the appraisal report that is the subject of the investigation. Board Member Hynek agreed, and added if the potential contractor has not completed the USPAP course pertinent to the subject appraisal report, then the contractor cannot be used. Chairperson Langemeier once again granted Public Member Roger Morrissey permission to speak. Mr. Morrissey asked if an appraiser should be on the FHA list to review. Board Member Hynek responded that one can be familiar with FHA requirements without being on the list. Director Kohtz added that the contract language is very clear that the contractor must be familiar with all laws, rules, and policies relevant to the investigation. Chairperson Langemeier asked the Director to make the recommended changes and bring the updated draft back to the Board at the October meeting. Director Kohtz informed the Board that the changes will be made.

##### **b. Appraiser Credentialing Applicant Appraisal Review Services Agreement**

Director Kohtz presented the “Appraiser Credentialing Applicant Appraisal Review Services Agreement” to the Board for consideration and informed the Board that this is a project that he has wished to take on for some time. The Director indicated that currently, the Board uses an engagement letter format for appraiser applicant reviews. Technically, these are contracts with a state agency and should meet all the expectations of a state contract; the current format is inadequate. Director Kohtz declared that he modeled this contract after the SME contract to establish consistency between the two contracts. Board Member Hynek requested that the same updates be made to this contract as were requested for the SME contract. Chairperson Langemeier agreed, and asked the Director to bring an updated version back to the Board at the October meeting. Director Kohtz informed the Board that the updates will be made for the October meeting.

## **Q. OTHER BUSINESS**

### **1. BOARD MEETINGS**

Chairperson Langemeier reminded the Board that Board Member McCormick will be absent and excused for the October meeting.

### **2. CONFERENCES/EDUCATION**

Business and Licensing Specialist Nespor informed the Board that Investigative Level 3 Training has been postponed. Chairperson Langemeier asked if it has been rescheduled yet. BLS Nespor responded that it has not, but she will sign up once a date is set.

### **3. MEMOS FROM THE BOARD: No discussion.**

### **4. QUARTERLY NEWSLETTER: No discussion.**

### **5. APPRAISAL SUBCOMMITTEE**

#### **a. What's New**

Director Kohtz presented an update on the Appraisal Subcommittee, which included notice of the next ASC meeting scheduled for November 8, 2017, a notice to Texas appraisers concerning renewal after Hurricane Harvey, and notice that the ASC intends to publish the revised Policy Statements in the Federal Register and will post a Notice of Proposed Rulemaking for the transmission of AMC Registry Fees. There was no discussion.

### **6. APPRAISAL FOUNDATION**

#### **a. ASB Public Meeting; October 13, 2017 – Washington, D.C.**

Director Kohtz informed the Board that the next ASB meeting will be on October 13, 2017 in Washington, D.C.

### **7. IN THE NEWS**

#### **a. Appraisal Buzz Article – The Appraisal Foundation Addresses the FHFA**

#### **b. Appraisal Buzz Article – Appraisal Institute Seeks to Prevent Appraiser Waivers**

Director Kohtz presented two Appraisal Buzz articles to the Board for review. The first titled “The Appraisal Foundation Addresses the FHFA,” and the second titled “Appraisal Institute Seeks to Prevent Appraiser Waivers.” The Director informed the Board that both letters take issue with the GSE’s proposal to waive appraisal requirements for certain transactions. Board Member Bloxham asked if this proposed waiver was new. Director Kohtz responded that he does not know the answer to this question, and that he has not researched the matter. There was no further discussion.

## **C. CONSIDERATION OF APPLICANTS FOR CREDENTIAL AS NEBRASKA REAL PROPERTY APPRAISER**

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

**T17011 / Approved as Trainee Real Property Appraiser.**

**T17012 / Approved 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.**

**T17013 / Approved as Trainee Real Property Appraiser.**

**SA-T17011 / Approve as Supervisory Appraiser.**

**SA-T17013 / Approve as Supervisory Appraiser.**

**CG17024R / Approve as a Certified General Real Property Appraiser.**

**CG17016 / Education and experience accepted; approve to sit for exam, and authorize Director to issue credential as a Certified General Real Property Appraiser upon successful completion of exam.**

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

**D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY:** None

**E. CONSIDERATION OF DISCIPLINARY ACTIONS/ ENFORCEMENT MATTERS**

Board Member Hynek moved to take the following enforcement actions:

**17-04 / Hold**

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

**F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS**

Board Member Hynek moved to take the following action for other executive session items:

**I17-01 / Hold**

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

**S. ADJOURNMENT**

Board Member Hynek moved to adjourn the meeting. Board Member Mustoe seconded the motion. Motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye. At 11:12 a.m. Chairperson Langemeier adjourned the September 21, 2017 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on October 5, 2017, in compliance with Nebraska Revised Statute §84-1413 (5).