

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

**October 19, 2017 Meeting Minutes**

**A. OPENING**

Chairperson Chris Langemeier called to order the October 19, 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 October 16, 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, and Christopher Mustoe were present. Board Member Gary McCormick 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**

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, 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 Mustoe seconded the motion. The time on the meeting clock was 9:03 a.m. The motion carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye.

William G. Blake appeared before the Board at 9:20 a.m.

Roger Smith and James Zalewski appeared before the Board at 9:25 a.m.

Break from 10:17 a.m. to 10:26 a.m.

Board Member Hynek moved to come out of executive session at 10:45 a.m. Board Member Bloxham seconded the motion. The motion carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye.

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

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

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF SEPTEMBER 21, 2017 MEETING MINUTES**

Chairperson Langemeier asked for any additions or corrections to the September 21, 2017 meeting minutes. With no further discussion, Chairperson Langemeier called for a vote. Board Member Hynek moved to adopt the September 21, 2017 meeting minutes as presented. Board Member Mustoe seconded the motion. The motion carried with Hynek, Bloxham, 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 October 19, 2017, and provided a brief summary on appraiser count trends. The Director then asked for any questions or comments. Chairperson Langemeier commented that the trend is still downward. Director Kohtz responded that the trend is downward for those credentialed through education, experience, and examination, but the trend is upwards for those credentialed through reciprocity. Chairperson Langemeier indicated that the first group is what he would like to see trending upwards. The Board agreed with this comment.

### **2. TEMPORARY PERMIT REPORT**

Director Kohtz presented three charts outlining the number of temporary permits issued as of September 30, 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 October 19, 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 October 19, 2017, and asked for any questions or comments. There was no further discussion.

Director Kohtz finished his report by explaining an error made while booking his airline ticket for the fall AARO conference, and offered an apology to the Board. The Director informed the Board that the additional cost for the ticket and the change fee will appear in the November General Ledger Report. The Board accepted the apology.

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

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

The receipts and expenditures for September 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 workers comp premiums expense of \$1,344.00 is a state assessment; there is no workers compensation claim being paid. The Director then turned to the postage expense, and informed the Board that the \$686.72 expenditure was primarily the result of the CHRC selection letters and the renewal postcards being mailed. Next, Director Kohtz brought attention to the data processing expense and informed the Board that the \$2,398.01 amount includes the August CIO bill and the corrected July CIO bill. Finally, the Director informed the Board that the \$5,267.50 amount for the legal related expense includes the remaining hearing officer balance for #15-18. As of the end of September, expenses amount to 21.98 percent of the budgeted expenditures for the fiscal year; 25.21 percent of the fiscal year has passed. Finally, Director Kohtz pointed the Board to the revenues, and informed the Board that revenues are right on track. 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 September, 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 \$28,729.23 in expenditures and \$14,442.73 in revenues were reported.

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

### **2. PER DIEMS**

Director Kohtz informed the Board that he had 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.

### **3. JOURNAL STAR NEWSPAPER SUBSCRIPTION**

Director Kohtz presented the Lincoln Journal Star Newspaper Subscription renewal notice to the Board for consideration. Director Kohtz informed the Board that he typically renewed the subscription as a reoccurring expense; however, the rate increase between this year and last year was more than he was comfortable approving without the Board's consideration. Director Kohtz indicated that the rate has typically moved up steadily, and the total change was \$47.00 during a four year period. Between this year and last year, that change is \$118.00. Chairperson Langemeier asked who uses the paper. Director Kohtz responded, "Primarily staff, I use the online edition that we have access to through the subscription." Board Member Hynek pointed out that a subscription is not needed for online access to the Lincoln Journal Star. The Board agreed that the increase is not worth the price of the paper and that the subscription should not be renewed. No action was taken.

## **K. GENERAL PUBLIC COMMENTS**

Chairperson Langemeier asked for any public comments. Diane Moore asked if appraisers will once again have access to the new electronic edition of USPAP. Chairperson Langemeier responded that it will be available. Director Kohtz added that it will be added to the Appraiser Login, just like the previous years. The Director finished by stating that it will be available for new credential holders and for those that renew their current credential. Ms. Moore thanked the Board.

## **L. EDUCATION**

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

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

#### **Appraiser eLearning**

ANSI, Home Measurement & the Power of Price Per Square Foot (2172447.33) / 7 Hours -  
Bryan Reynolds

Appraiser's Guide to CYA (Covering Your Appraisal) (2172448.33) / 4 Hours - Bryan Reynolds

Intro to Commercial Property Valuation (2172449.33) / 7 Hours - Bryan Reynolds

Public Records, Square Footage & the Real Estate Information Crisis (2172450.33) / 7 Hours -  
Bryan Reynolds

Sales Comparison Approach: A Course on Analysis and Reporting (2172451.33) / 7 Hours -  
Bryan Reynolds

Selecting and Supporting Market Adjustments (2172452.33) / 3 Hours - Bryan Reynolds

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

Board Member Hynek moved to correct the course number for the McKissock, LLC activity titled "Income Approach Case Studies for Commercial Appraisers" from 2172429.03 to 2172446.03. The motion was seconded by Mustoe, and carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye.

## **M. UNFINISHED BUSINESS**

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

Director Kohtz informed the Board that advertising for the open at-large licensed real estate broker/credentialed appraiser position has begun. A Memo From the Board was sent out, a Facebook post was made on the Board's page, and various real estate related entities were notified and provided a copy of the Memo From the Board.

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

Director Kohtz informed the Board that advertising for the open at-large representative of financial institutions position has begun. A Memo From the Board was sent out, a Facebook post was made on the Board's page, and various financial related entities were notified and provided a copy of the Memo From the Board.

**3. NRPAB DATABASE – ASC FEDERAL REGISTRY SOAP APPLICATION**

Director Kohtz informed the Board that there is an issue between the code utilized by CIO and the code utilized by the ASC, which will need to be resolved for the two programs to communicate with each other. Currently, the ASC is working to resolve the difference so that an estimate for development and implementation into the NRPAB database can be put together by CIO.

**4. REAL ESTATE COMMISSION DATABASE INQUIRY**

Director Kohtz informed the Board that there is no update.

**5. RENEWAL SEASON TEMPORARY EMPLOYEES**

Director Kohtz informed the Board that two interns, Meg Loontjer and Joel Beckwith, began with the Board on October 10, 2017. The Director informed the Board that both individuals are very bright and will fit in well with the staff. Ms. Loontjer appeared before the Board and declared that she is currently enrolled at Southeast Community College, and holds a degree from Wichita State, where she was a pole vaulter, and a degree from the University of Nebraska. The Board welcomed Ms. Loontjer. Director Kohtz also presented a written introduction submitted by Mr. Beckwith to the Board for review.

**6. USPAP BOOK HOLDING ACCOUNT**

Director Kohtz informed the Board that no response has been received to date and requested that this item be removed from the agenda. The Board agreed to remove this item from the agenda. The Director informed the Board that if a response is received, he will add this item back on to the agenda.

**N. NEW BUSINESS**

**1. ABSTRACTERS BOARD REQUEST FOR NRPAB TO PROVIDE ADMINISTRATIVE SERVICES**

Director Kohtz presented a letter in which the State of Nebraska Abstracters Board of Examiners made a request to enter into negotiations with the Board to assume the administrative duties of the Abstracters Board of Examiners. The Director requested authorization to conduct a feasibility study and provide a report to the Board. Director Kohtz continued by informing the Board that the Abstracters Board of Examiners director retired, and the agency currently has no staff to conduct its administrative duties.

The Director indicated that he has had a couple preliminary discussions with the Abstracters Board of Examiners Chairperson Jason White. Mr. White signaled that Abstracters Board of Examiners is having trouble filling the opening, but that it is now considering alternatives, such as contracting with another agency to administer the program. Director Kohtz declared that there are some things that could easily be incorporated into the Board's daily operations, such as managing communications and providing accounting functions, but many other aspects of administering the program are not known, such as budgeting, law changes and monitoring, meeting preparation, enforcement, applicant management and approval, renewal management and approval, and public communication. The Director finished by informing the Board he has some concerns with the Abstracters Board's fiscal standing. Director Kohtz continued by saying that Mr. White feels that by removing the current personnel expenditures the Abstracters Board of Examiners would remain solvent for some time into the future. Director Kohtz expressed concern with this rationale as any contract with another agency would likely require a large part, if not all, of the personnel allocation for administration.

Chairperson Langemeier began the discussion by declaring that it is the right thing to give the proposal consideration. The Chair continued by saying that current staffing just doesn't have the time to take on such of an endeavor. This may be a good opportunity to consider another employee that could split time between the two boards and take additional strain off the current staff; however, the Board also has to consider the long term effect of adding an additional employee in relationship to the Abstracters Board's viability. Board Member Mustoe agreed with Chairperson Langemeier and stated, "I think give them the courtesy of looking at it, but don't take it on if it doesn't make sense; I'm leaning no." Board Member Hynek commented, "I don't want the responsibility."

Director Kohtz was asked how the relationship would potentially work. The Director responded, "I don't know at this point. I know that this type of relationship exists at other agencies, and I have some experience with this type of situation from when I was with the Nebraska Board of Engineers and Architects; that board administered the programs for the Nebraska Board of Geologists and the Nebraska Board of Landscape Architects. I also know that the contracts to provide such services range from \$25,000.00 to \$45,000.00, plus all costs for performing the services." The Director was asked if the abstracters would still have a board. Director Kohtz indicated that the board would still exist. Chairperson Langemeier added that our staff would just be working for their board as well. Board Member Hynek indicated that he would prefer that staff does not look into it at all. The Board agreed that there is not enough information available, and any information should be provided by the Abstracters Board; not the Board's staff. The Board agreed to take no action on Abstracters Board's request as it has no interest in administering the Abstracters Board's program without a detailed plan.

Director Kohtz asked the board to provide guidance as to how it would like for him to proceed. Chairperson Langemeier indicated that the Board expressed no interest in utilizing its staff for the development of a plan to administer another State agency's program. It is the Board's position that its resources are limited as they exist, and taking on such an endeavor is not in its best interest. The Board will give consideration to a formal detailed proposal prepared and submitted by the Abstracters Board.

## **2. ABSTRACTERS BOARD REQUEST FOR NRPAB TO PROVIDE LIMITED TEMPORARY SERVICES**

Director Kohtz informed the Board that no request was received. There was no further discussion.

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

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

Director Kohtz informed the Board that the draft, along with a detailed summary of the changes included in REQ3205 have been posted on the website for public comment, and sent to the major stakeholders, such as the NBA, NACO, Real Estate Commission, the Department of Banking, the Department of Revenue, UNO, REVVA, the Nebraska Chapter of the Appraisal Institute, ASC, the Nebraska Realtors Association, and Bill Peters. A Memo From the Board was also sent to notify the appraiser community of the proposed changes. The public comment period will close on October 31, 2017. There was no further discussion.

**2. TITLE 298\_AUGUST 17, 2017 DRAFT**

Director Kohtz informed the Board that he submitted the Title 298 draft to the Governor’s Policy and Research Office for a preliminary review as recommended by the Board at its September meeting. The Director indicated that he was requested to provide an explanation as to how the proposed rule changes relate to the Governor’s Executive Order 17-04 issued on July 6, 2017. The Director informed the Board that the draft accomplishes many of the things intended by Executive Order 17-04, and presented the explanation submitted to the Governor’s Policy and Research Office to the Board for review. Director Kohtz finished by saying that the person in the Governor’s office who reviews the Board’s proposed rules was at the end of her pregnancy when the draft was submitted, so there will likely not be a response for quite some time. There was no further discussion.

**3. TITLE 297\_A.G. PROPOSED AMENDMENTS TO MODEL RULES OF AGENCY PROCEDURES**

Director Kohtz presented a memorandum from the Office of the Attorney General indicating that it is reviewing the model rules of agency procedure, which have not been updated since adopted in July of 1994. The Director informed the Board that this is essentially the Board’s Title 297. If the Attorney General’s office makes changes to the model rules, the Board will have to update Title 297.

**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**

Director Kohtz presented proposed Guidance Document 17-07 titled “Credentialing Experience Requirements Prior to January 1, 2014” to the Board for consideration. Director Kohtz reminded the Board that an education provider contacted the Board’s office in August of 2017 to inquire about the application of 298 NAC, Chapter 2, § 002.01; specifically, the education provider requested clarification as to whether experience obtained prior to January 1, 2014 is still accepted by the Board if the experience was obtained by a non-credential holder. The Board discussed the education provider’s inquiry at its September 21, 2017 regular meeting and concluded that it needs to provide direction to the public clarifying the Board’s intent that experience obtained prior to January 1, 2014 may be obtained by a non-credential holder. The Board requested that Director Kohtz draft a guidance document for review. With no further discussion, Board Member Hynek moved to adopt Guidance Document 17-07 as presented. The motion was seconded by Mustoe, and carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye.

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

**3. APPRAISER FORMS AND PROCEDURES**

Chairperson Langemeier directed the Board to Board Packet page L.1, and asked if the education summary is necessary as it appears to be duplicated information. Director Kohtz responded that the table of contents is the official board meeting packet listing of education courses presented for consideration, and vote sheet is a meeting guide. Business and Licensing Specialist Nespor indicated that she utilizes the table of contents to put the vote record together. BLS Nespor was asked if the vote record could be put together without the table of contents. BLS Nespor responded that it would be very difficult. There was no further discussion.

#### **4. APPRAISAL SERVICES AGREEMENTS**

##### **a. 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 changes requested at the September meeting are shown in red. Board Member Hynek asked if a motion is needed. Director Kohtz responded, “Yes.” Chairperson Langemeier granted Public Member Roger Morrissey permission to speak. Mr. Morrissey expressed concern for USPAP Standard 3 reviews and forms utilized by the Board. Mr. Morrissey asked, “How do I know that I am competent if I have not seen the appraisal yet? How are you going to find reviewers that are competent? I want to be sure that we are seeking our peers.” Mr. Morrissey finished by informing the Board that USPAP does not cover competency well enough. Board Member Bloxham indicated that the contract is not the procedure, it is just the agreement for when an appraiser is selected for the review. Mr. Morrissey responded, “When you call me, will you ask if I have experience?” Mr. Morrissey asked about the Board’s inquiry into an appraiser’s past review work. Chairperson Langemeier informed Mr. Morrissey that the vetting takes place before a selection is made, and this is also the reason why the Board has a panel. Mr. Morrissey asked, “Who is on the panel?” Board Member Bloxham asked the question, “Do we have to give that information out?” Chairperson Langemeier responded, “No.” Board Member Mustoe added that the Board does consider the type of property and geography when assessing competency. Mr. Morrissey indicated that he wants to be sure that reviewers are vetted. Board Member Hynek indicated that the profession does not lend itself to rigid competency standards, and that the Board will select the best reviewer for the assignment. Chairperson Langemeier added that an appraiser can look competent on paper, but provide a poor review. Mr. Morrissey followed by saying that he wants to make sure that the Board utilizes good appraisers to complete reviews. Someone’s license is on the line, and the issue will have to be reported to E&O. Board Member Bloxham and Hynek both agreed that there is always room for improvement in the selection process, which is why it is discussed at strategic planning each year. Chairperson Langemeier indicated that the process does a good job at eliminating poor reviewers. Director Kohtz was granted permission to comment. The Director stated that the Board will select the most qualified reviewer for the matter at hand, and a lot of work goes into selecting an appraiser for a specific matter. He reminded those present that the Board has as much, if not more, riding on the outcome of an investigation. If a reviewer were to discover that he or she is not competent to perform the duties, then he or she has the right to withdraw from the contract. There was no further discussion. Board Member Bloxham moved to approve the Subject Matter Expert Services Agreement as presented. The motion was seconded by Mustoe, and carried with Hynek, Bloxham, Mustoe, and Langemeier.

##### **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 agreement includes the same changes as the “Subject Matter Expert Services Agreement.” Board Member Bloxham moved to approve the Appraiser Credentialing Applicant Appraisal Review Services Agreement as presented. The motion was seconded by Hynek, and carried with Hynek, Bloxham, Mustoe, and Langemeier.

Break from 11:38 a.m. to 11:47 a.m.



## **Q. OTHER BUSINESS**

### **1. BOARD MEETINGS:** No discussion.

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

#### **b. Kohtz Fall AARO Conference Report**

Director Kohtz attended the Fall AARO Conference from October 13th through 16th in Washington, D.C. The Director provided a detailed summary of the conference for the board members to review. Director Kohtz informed the Board that much of the discussion centered on residential appraisals and potential appraiser qualifications changes.

The discussions regarding evaluations were interesting because of the two distinct points of view, one being that the sky is falling, and the second being that change is taking place and the profession needs to adjust. Chairperson Langemeier asked, "Why is the sky falling?" Director Kohtz responded that evaluations are being used in the place of full appraisals for residential mortgage loan transactions below the de minimis as determined by the federal financial institutions. The Director continued by saying that evaluations are restricted reports, so USPAP compliance is still required by appraisers. Director Kohtz indicated that some attendees from other states saw this as a much more dire issue, but he was unsure of their particular situation. In Nebraska, an evaluation assignment would still need to be performed by a credentialed appraiser. Board Member Bloxham declared that the guidelines for evaluations are just as stringent as for appraisals, and that evaluations are being used on low use, unrestricted loans. Board Member Hynek indicated that there are a lot of inconsistencies from assignment to assignment for evaluations. Board Member Bloxham added that it would be nice for the appraisal industry to see that there are loan types that exist that do not have much risk and that a full appraisal is not necessary.

Director Kohtz then brought attention to the AMC Federal Registry, and informed the Board that when the ASC was asked about revenues expected from the AMC Federal Registry, the answer was anywhere from a few thousand to a million. The Director informed the Board that he is unsure what to think of such of a comment.

Director Kohtz then turned to the licensed real property appraiser credential, and indicated that he found it interesting that many states have, or are in the process of, retiring the licensed residential credential. The Director informed the Board that based on the criteria changes being discussed, this move could come back to haunt states.

The Director proceeded to summarize the criteria changes being discussed, and informed the Board that the recommendations nearly mirror the last exposure draft. The proposed changes being discussed include reducing education requirements for the licensed and certified residential level, reducing experience requirements for all levels, developing an applied application option for experience, and allowing a streamlined path from the licensed residential to the certified residential level.

Director Kohtz then commented that there was a presentation on standardizing ANSI as the standard for home measurements. The State of Kentucky has already taken steps to do so, and many other states expressed having serious problems with the variances between measurements found with the many sources, such as the MLS or the assessor's information. Board Member Hynek indicated that this is a problem everywhere. Chairperson Langemeier commented that square footage is not relevant to buyers the way it is to appraisers, so it is hard to reach a consensus for measurement standards.

Director Kohtz moved on to his next point and indicated that he found it interesting how many states are moving towards online experience logs that can be checked in real time. The Director indicated that he was unsure of what is gained by doing so, but that he noticed many states commenting that they utilize online experience logs.

Director Kohtz finished his presentation by informing the Board that the best presentation was Kyle Wolf's active shooter presentation because it is something that is not regularly thought about. The Director informed the Board that Mr. Wolf did a great job at explaining the psychological reaction during such of an event, and why it is important to develop a plan and visualize that plan. There was no further discussion.

**c. Kohtz UNL Farm and Rural Property Appraisal Course Presentation; October 31, 2017**

Director Kohtz informed the Board that he has been invited to give a presentation to the Farm and Rural Property Appraisal Course on east campus on October 31, 2017. The Director informed the Board that he will discuss appraisal practice and real property appraiser qualifications. Chairperson Langemeier wished Director Kohtz luck with his presentation. There was no further discussion.

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

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

**5. APPRAISAL SUBCOMMITTEE**

**a. ASC Request for Comments Regarding Proposal to Revise Policy Statements**

Director Kohtz presented the Appraisal Subcommittee's request for comments on the proposal to revise the ASC Policy Statements to the Board for review. The Director informed the Board that minor changes are included to the existing policy statements, but the major changes include the introduction of three new policy statements 8 through 11 for the AMC program. Policy Statements 8 through 10 are also duplicates of existing Policy Statements 1, 3, and 7. There was no further discussion.

**b. ASC Final Rule on Collection and Transmission of Annual AMC Registry Fees**

Director Kohtz presented the Appraisal Subcommittee's Final Rule to Implement Collection and Transmission of Annual AMC Registry Fees published in the Federal Register to the Board for review. The Director guided the Board to pages Q.42 and Q.43 in the packet, and informed the Board that § 1102.402 and § 1102.403 are the only important sections in this entire document. These are the rules that establish the AMC Federal Registry Fee, and describe the collection and transmission of the fees. Director Kohtz finished by informing the Board that the rules have no impact on LB17. There was no further discussion.

**6. APPRAISAL FOUNDATION**

**a. AQB September 8, 2017 Public Meeting Summary**

Director Kohtz presented the AQB's September 8, 2017 public meeting summary to the Board for review. The Director then guided the Board to page Q.47, and informed the Board that the 2008-2016 National Uniform Licensing and Certification Examination Pass Rates were included with this meeting summary. Director Kohtz informed the Board that he found the statistics to be interesting; specifically, the large fluctuations during a few years. One board member commented that the fluctuations were likely caused by major changes to the examination during those years. There was no further discussion.

**b. The Appraisal Foundation Hosts Valuation Roundtables**

Director Kohtz presented the Appraisal Foundation’s press release regarding its roundtable held where valuation-related organizations recently met to discuss trending valuation issues and determine where, collectively, consensus can be reached. The Director then brought attention to then list of attendees on page Q.49. There was no further discussion.

**7. IN THE NEWS**

**a. Appraisal Buzz Article – The Changing Landscape of Residential Appraising**

Director Kohtz presented the Appraisal Buzz article titled “The Changing Landscape of Residential Appraising” to the Board’s attention. The Director commented on the relevance of this article considering the Board’s earlier discussion concerning the trend towards evaluations in residential appraising. Director Kohtz pointed the Board to the questions and answers section in the article, and informed the Board that he thought the answers were very helpful. There was no further discussion.

**b. Appraisal Buzz Article – Risky Business**

Director Kohtz presented an Appraisal Buzz article titled “Risky Business” to the Board for review. This article discussed the current trends within the appraiser regulatory environment, and noted that the number of appraiser complaints nationally are very low. Director Kohtz informed the Board that this information matched what he heard at AARO as well. The Director declared that the article indicates that lawsuits are on the rise against AMCs for malpractice; much of the blame previously placed on the appraiser is now being placed on the AMC. The article also indicates that many lenders are adding new requirements to minimize risk. There was no further discussion.

Board Member Bloxham 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 Hynek seconded the motion. The time on the meeting clock was 12:12 p.m. The motion carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye.

Board Member Hynek moved to come out of executive session at 12:40 p.m. Board Member Mustoe seconded the motion. The motion carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye.

**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:

**T17014 / Approved as Trainee Real Property Appraiser.**

**T17015 / Requirements for credentialing as a Trainee Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**

**T17016 / Approved as Trainee Real Property Appraiser.**

**T17017 / Requirements for credentialing as a Trainee Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**

**T17018 / Requirements for credentialing as a Trainee Real Property Appraiser approved as submitted. Authorize Director to issue credential upon**

completion of background check.

**T17020 / Requirements for credentialing as a Trainee Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check. 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-T2017007A / Approve as Supervisory Appraiser.**

**SA-T2017007B / Deny.**

**SA-T17014 / Approve as Supervisory Appraiser.**

**SA-T17015 / Approve as Supervisory Appraiser.**

**SA-T17016 / Approve as Supervisory Appraiser.**

**SA-T17017 / Approve as Supervisory Appraiser.**

**SA-T17018 / Approve as Supervisory Appraiser.**

**CG17025R / Requirements for credentialing as a Certified General Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**

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

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

**T17019 / Requirements for credentialing as a Trainee Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**

**SA-T17019 / Approve as Supervisory Appraiser.**

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

#### **D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY**

Board Member Hynek moved to take the following action for AMC applicant as listed:

**NE2017008 / Requirements for registration as an Appraisal Management Company approved as submitted. Authorize Director to issue registration upon completion of background check.**

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

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

Board Member Hynek moved to take the following enforcement actions:

**17-05 / Proceed with investigation for the alleged violation of  
Neb. Rev. Stat. §§ 76-2237 and 76-2238 (4)(5)(12)(16)(18).**

**17-04 / Hold**

**15-18 / Upon acceptance of the Findings of Fact and Conclusions of Law issued by the Hearing Officer on August 22, 2017, the Board finds that the Respondent has violated Neb. Rev. Stat. §§ 76-2237, 76-2238 (4), (12), (15), (16), and (18), and orders the following with regard to the Respondent:**

- (1) Respondent shall be on probation for a period of one year, commencing December 1, 2017. During the period of probation, any appraisal report by Respondent shall be required to be signed by a supervisor, who shall be a certified real property appraiser in the State of Nebraska, whose scope of practice is appropriate for the assignment.**
- (2) The Board may request logs of the Respondent's appraisals for any two monthly periods during the one-year probation. The Board will have the right to have up to two reports reviewed by a review appraiser selected by the Board from the logs, with the cost of review to be paid by the Respondent within thirty days of billing.**
- (3) Respondent shall complete a USPAP course of not less than 15 hours by June 1, 2018. The course must be in a classroom and not online or by correspondence. Respondent must successfully complete the course and submit to the Board a certificate indicating the course has been successfully completed by the June 1 deadline. The course may not be used as continuing education.**
- (4) Respondent shall pay \$30,000.00 to the Board for costs associated with the investigation. This amount may be paid in equal quarterly installments of \$7,500.00.**
- (5) Failure to complete any of these disciplinary terms shall be just cause for the Board to order an immediate suspension of Respondent's credential, or such other action as the Board determines to be appropriate and lawful.**

**16-04 / Close.**

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

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

Inquiry I17-01 was discussed.

The Board reviewed Inquiry I17-02. In a newspaper advertisement, the subject of this inquiry appears to be advertising him- or herself as a credentialed appraiser in the State of Nebraska without obtaining the proper credentialing issued by the Board as required by Neb. Rev. Stat. § 76-2246.

The Board discussed a matter in which a continuing education certificate submitted to the office for credit included the signature of an “Accredited Instructor” who was not approved as an instructor by the Board for the continuing education activity in question. In accordance with 298 NAC Chapter 6, § 003.01H, “A document certifying completion must be issued to each attendee upon completion of any continuing education activity. The document may be transmitted to the attendee in person, by mail, by email, or by any other electronic means which are secure. The document shall include the name of education provider, signature of education provider and/or instructor, name of activity as approved by the Board, location at which activity was conducted or presentation method, date(s) the activity was conducted, activity number issued by the Board, number of Board approved hours, pass or fail statement, and name of credential holder.” Furthermore, in accordance with 298 NAC Chapter 6, § 003.04B, the Board may rescind approval of a continuing education activity if the instructor responsible for the activity content and presentation is not approved by the Board. The Board assigned inquiry number I17-03 concerning this matter.

The Board discussed a request made by a credentialed appraiser for an individualized continuing education program.

The Board discussed a matter in which the approval of an activity listed on a continuing education certificate submitted to the office for credit expired prior to the date on which the activity was offered for continuing education credit as approved by the Board. In accordance with 298 NAC Chapter 6, § 003.04A, a continuing education activity shall expire on the date five years after the date of approval by the Board. The Board assigned inquiry number I17-04 concerning this matter.

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

**I17-01 / Close**

**I17-02 / Hold**

**I17-03 / Send letter to education provider to inquire about instructor status.**

**Item 4 / Deny request.**

**I17-04 / Send letter to education provider to inquire about matter, and notify attendee of status of activity.**

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

## **S. ADJOURNMENT**

Chairperson Langemeier brought attention to Board Member Bloxham, and informed the Board that this is his last meeting as a board member. The Chairperson thanked Board Member Bloxham for his service and dedication, and wished him luck at his new position in Colorado. The Board and staff concurred with the Chairperson’s remarks. Board Member Bloxham expressed his gratitude, and informed the Board that he enjoyed his time on the Board.

Board Member Bloxham moved to adjourn the meeting. Board Member Hynek seconded the motion. Motion carried with Hynek, Bloxham, Mustoe, and Langemeier voting aye. At 12:48 p.m. Chairperson Langemeier adjourned the October 19, 2017 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on November 1, 2017, in compliance with Nebraska Revised Statute § 84-1413 (5).