

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

**June 20, 2019, Meeting Minutes**

**A. OPENING**

Chairperson Ben Hynek called to order the June 20, 2019 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 Hynek 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 on the State of Nebraska Public Calendar found at [www.nebraska.gov](http://www.nebraska.gov) on June 10, 2019. 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, 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 Benjamin Hynek of Lincoln, Nebraska, Thomas Luhrs of Imperial, Nebraska, Christopher Mustoe of Omaha, Nebraska, Gary McCormick of North Platte, Nebraska, and Wade Walkenhorst of Lincoln, Nebraska were present. Also present were Director Tyler Kohtz, Business and Licensing Specialist Allison Nespor, and Administrative Specialist Katja Duerig, who are all headquartered in Lincoln, Nebraska.

**ADOPTION OF THE AGENDA**

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

Board Member Mustoe 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. Board Member Luhrs seconded the motion. The time on the meeting clock was 9:02 a.m. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

Board Member Mustoe moved to come out of executive session at 9:31 a.m. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

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

Chairperson Hynek greeted the public and said "Less is more."

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF MAY 16, 2019 MEETING MINUTES**

Chairperson Hynek asked for any additions or corrections to the May 16, 2019 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Mustoe moved to adopt the May 16, 2019 meeting minutes as presented. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

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

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

Director Kohtz presented seven charts outlining the number of appraisers as of June 20, 2019. The Director reported that trends were consistent. Director Kohtz asked for any questions or comments. There was no further discussion.

### **2. TEMPORARY CREDENTIAL REPORT**

Director Kohtz presented three charts outlining the number of temporary permits issued as of May 31, 2019. The Director commented on the high number of temporary permits issued during the past few months. The Director then 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 June 20, 2019. The Director informed the Board that he had no comments, and then 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 June 20, 2019. The Director reported that the trends were maintaining. Director Kohtz asked for any questions or comments. There was no further discussion.

## **J. FINANCIAL REPORT AND CONSIDERATIONS – JUNE 2019**

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

The receipts and expenditures for May were reviewed by the Director by line item with the Board in the Budget Status Report. Director Kohtz brought attention to the \$21,687.17 Data Processing Expense. The Director reported that this expense covers the work being done on the EFT payment function and online renewal application, as well as the enforcement interface. Director Kohtz informed the Board that the enforcement interface is in the testing stage, and that the EFT function and renewal application will soon be tested. The Director indicated that more specifics will be offered further down the agenda. Director Kohtz then commented on the \$730.67 amount for Publication and Print Expense. This is a quarterly copy services expense, explained the Director. Finally, Director Kohtz reported that Travel Expenses were higher this month than normal due to his travel to the AARO conference in May. The Director commented that 91.8% of the fiscal year had passed, and only 65.7% of budgeted expenditures have been utilized as of the end of May. Director Kohtz then moved on to the summary of revenues, and reported that the Board had reached 104.04% of projected revenues. The Director said, “It was a good year.” Director Kohtz asked for any questions or comments. There was no further discussion.

Director Kohtz then brought attention to the General Ledger for May. The Director noted an entry of \$300.00 with the explanation “NRPAB NSF CHK NEW CR2019005R”, which he attributed to the reversal of a check that bounced in April. Director Kohtz asked for any questions or comments. There was no further discussion.

Director Kohtz 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 \$46,477.40 in expenditures and \$14,636.91 in revenues were reported. The Director then remarked that the cash balance for the AMC fund is \$268,608.56, the Appraiser Fund is \$331,172.24, and the overall cash balance for both funds is \$599,780.80. Director Kohtz noted that the cash balance for the Appraiser Fund increased from last year’s balance, which is a good sign of the direction things are moving. The Director added that the AMC Fund cash balance decreased, but that was expected, and the drop matched projections. Director Kohtz asked for any questions related to the graphs. There was no further discussion.

Board Member Mustoe moved to accept and file the May 2019 financial reports for audit. Board Member Luhrs seconded the motion. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

### **2. PER DIEMS**

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

## **K. GENERAL PUBLIC COMMENTS**

Chairperson Hynek asked for any public comments. Public member John Ferris announced that he worked at Farm Credit Services of America, where six people were in the appraiser training process. He expressed his support for the Board. Chairperson Hynek thanked Mr. Ferris. Mr. Ferris and Meghan Turner were the only public members in attendance.

**L. CONSIDERATION OF EDUCATION-INSTRUCTOR REQUESTS**

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

**NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS**

**Appraisal Institute**

Artificial Intelligence, AVMs, and Blockchain: Implications for Valuation (2191445.02) / 4 Hours – Mark Linne

Rural Area Appraisals: Freddie Mac Guidelines and Property Eligibility Requirements (2191449.02) / 7 Hours – Mark Ratterman

**IRWA**

600 Introduction to Environmental Issues (2191446.07) / 7 Hours – Clyde B. Johnson

603 Understanding Environmental Contamination in Real Estate (2191447.07) / 7 Hours – Clyde B. Johnson

604 Environmental Due Diligence and Liability (2191448.07) / 7 Hours – Clyde B. Johnson

Seconded by Board Member Mustoe. Chairperson Hynek called for the vote. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

**M. UNFINISHED BUSINESS**

**1. ONLINE APPRAISER RENEWAL APPLICATION SUBMISSION PORTAL WITH ELECTRONIC PAYMENT**

Director Kohtz reported that work on the Online Appraiser Renewal Application Submission Portal with Electronic Payment is moving along. He remarked that the office was shown an example of the EFT file, which includes many numbers indicating what the payment is for, how much it is, who it was made by, and other details. The Director declared that CIO is working to finishing up the renewal application, and the office would be testing it soon, but also expressed doubt that it will be functional in time for this renewal season. Director Kohtz indicated that he should have a better idea either way by the July meeting. The ideal situation is to have the Online Appraiser Renewal Application Submission Portal ready soon, so the early submittals made during late August or early September could be used to work out the bugs and internal procedures. Chairperson Hynek indicated that he was not worried about it and that he'd rather it be right than fast. The Director then commented that the enforcement interface project should be completed within the next few weeks. He described it as looking similar to the current investigation log, but more functional for staff. Chairperson Hynek said that is good news. There was no further discussion.

## **N. NEW BUSINESS**

### **1. FBI National Identity Services Audit**

Director Kohtz presented an email from the FBI Criminal Justice Information Services (CJIS) Division, received by BLS Nesor on June 3, 2019, to the Board for review. The intent of the email was to notify the Board that a representative from the FBI CJIS would conduct an in-person audit of the Board's CHRI program on August 21, 2019. The Director reported that the previous FBI audit was educational and not difficult to get through. Director Kohtz also added that the Board's processes, procedures, and forms are all up to date, so he anticipates the audit will go smoothly. Chairperson Hynek asked if board members needed to be present for the audit. Director Kohtz replied that it is not necessary. There was no further discussion.

### **2. Nebraska Real Property Appraiser National Credentialing Exam Results Summary**

Director Kohtz presented an email prepared by BLS Nesor to the Board for review, which contains a summary of the Nebraska Real Property Appraiser National Credentialing Exam results. The Director explained that, as a follow up to a conversation from last month's board meeting, he asked BLS Nesor to research the pass and fail data for Nebraska real property appraiser applicants that take the national exam. The Director deferred to BLS Nesor for further explanation. BLS Nesor reported that, out of thirty-five attempts from January 2016 to May 2019, twenty-six were passing attempts, or 74.3%. The thirty-five attempts were taken by twenty-nine individuals, therefore 89.7% of applicants eventually passed and received their credentials. BLS Nesor noted that the passing score on the exam is now 79%, and that it changes every year. Director Kohtz added that The Appraisal Foundation controls the grade for a passing score. Chairperson Hynek remarked that the report was interesting. There was no further discussion.

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

### **1. CURRENT LEGISLATION**

Director Kohtz presented the final legislative report of the current session to the Board for review, and informed the Board that LB96, LB179, LB294, and LB454 were all passed by the Legislature and signed by the Governor. Director Kohtz finished the legislative report by asking if any members had any other bills that they would like to discuss. There was no further discussion.

### **2. OTHER LEGISLATIVE MATTERS: No discussion.**

## **P. ADMINISTRATIVE BUSINESS**

### **1. GUIDANCE DOCUMENTS**

#### **a. 17-07: Credentialing Experience Requirements Prior to January 1, 2014**

Director Kohtz presented Guidance Document 17-07 to the Board with a recommendation to retire due to Title 298 changes.

#### **b. 18-01: Reinstatement of Supervisory Appraiser Designation upon Renewal of Real Property Appraiser Credential Obtained After January 1<sup>st</sup>**

Director Kohtz presented Guidance Document 18-01 to the Board with a recommendation to retire due to Title 298 changes.

Board Member Luhrs moved to retire Guidance Documents 17-07 and 18-01. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

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

**3. FORMS AND PROCEDURES**

**a. Updated NRPAB USPAP Review Report Form**

Director Kohtz presented the Updated NRPAB USPAP Review Report Form to the Board for review, and informed the Board that the form presented is a template he and AS Duerig developed as requested by the Board during the 2018 strategic planning meeting. The Director indicated that the form is not a finished product, but staff did not want to go any further without feedback from the Board. The board members took a moment to look it over. Board Member Mustoe asked why the title, which states the version of USPAP used, is not an input line. Director Kohtz asked if the Board would be comfortable with that, considering that USPAP changes every couple of years. Board Member Mustoe pointed out that, presently, the Board receives review reports on forms that do not indicate the correct USPAP year. BLS Nespor commented that she asks reviewers to make a statement about which USPAP version was used in their review reports. Director Kohtz agreed with BLS Nespor's recommendation to reviewers. Board Member Mustoe said if he received a redacted review report that had an incorrect year on the top, he would immediately question the credibility of the review appraiser. The Board expressed satisfaction with the format of the proposed form; however, Chairperson Hynek requested another month to review the form in greater detail. Director Kohtz asked for confirmation that the form itself should be generic in terms of the version of USPAP being utilized for the review. Chairperson Hynek answered affirmatively, and the board members agreed. The Director asked that board members review the form and provide comments back to the Board's office, so that staff can incorporate the requests into the current draft for review at the July meeting. The board members agreed with this request. There was no further discussion.

**Q. OTHER BUSINESS**

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

**2. CONFERENCES/EDUCATION:** No discussion.

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

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

**5. APPRAISAL SUBCOMMITTEE**

**a. ASC Meeting; August 28, 2019 – Washington, D.C.**

Director Kohtz informed the Board that the next ASC meeting is scheduled for 10:00 a.m. on August 28, 2019 in Washington, D.C.

**b. North Dakota Appraisal Waiver Request**

**i. ASC Special Meeting; June 7, 2019**

Director Kohtz reported that the ASC held a special meeting on June 7, 2019 concerning the North Dakota appraisal waiver request.

**ii. Notice of Received Request for a Temporary Waiver (Request for Comments)**

Director Kohtz presented the ASC's Notice of Received Request for a Temporary Waiver to the Board for review. The Director guided board members to the section of the document that includes the specific questions to which the ASC is seeking responses. There was no further discussion.

**c. ASC February 13, 2019 Meeting Minutes**

Director Kohtz presented the ASC February 13, 2019 Meeting Minutes to the Board for review. The Director described the highlights of the document, and informed the Board that the ASC plans to develop a more robust state grant program, is having discussions about making participation in the UID program mandatory, and discussed a lawsuit filed in New Jersey regarding the constitutionality of USPAP. There was no further discussion.

**d. ASC 2018 Annual Report**

Director Kohtz announced that the ASC 2018 Annual Report is available in the Board Member Portal for review.

**6. THE APPRAISAL FOUNDATION:** No discussion.

**7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS:** No discussion.

**8. IN THE NEWS**

**a. Appraisal Buzz Article – Re-imagining Appraising**

Director Kohtz presented the Appraisal Buzz article "Re-imagining Appraising" to the Board. The Director commented that the article discusses artificial intelligence and data, which is experiencing a big push over the "traditional" appraisal method by Fannie Mae and Freddie Mac. There was no further discussion.

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

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

- T19011 / Approve as Trainee Real Property Appraiser.**
- CR19010R / Approve as Certified Residential Real Property Appraiser.**
- CG19016R / Approve as Certified General Real Property Appraiser.**
- CG19017R / Approve as Certified General Real Property Appraiser.**
- CG19013 / Education and experience accepted. Approve to sit for exam and authorize Director to issue a credential as a Certified General Real Property Appraiser upon successful completion of exam. Send redacted USPAP Review Report and advisory letter.**

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

Board Member Mustoe 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. Board Member Luhrs seconded the motion. The time on the meeting clock was 10:01 a.m. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

Board Member Mustoe moved to come out of executive session at 10:08 a.m. Board Member Luhrs seconded the motion. The motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye.

**D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY**

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

**NE2019002 / Approve for Registration as an Appraisal Management Company.**

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

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

Board Member Mustoe moved to take the following enforcement actions:

**17-04 / Ongoing.**  
**18-10 / Ongoing.**  
**19-01 / Close.**  
**19-03 / Hold.**  
**19-06 / Close.**  
**19-07 / Dismiss with prejudice.**

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

**F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS:** No discussion.



**R. ADJOURNMENT**

Board Member Mustoe moved to adjourn the meeting. Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, Luhrs, Walkenhorst, and Hynek voting aye. At 10:10 a.m., Chairperson Hynek adjourned the June 20, 2019 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on June 25, 2019, in compliance with Nebraska Revised Statute § 84-1413 (5).