

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

August 15, 2019 Meeting Minutes

A. OPENING

Chairperson Ben Hynek called to order the August 15, 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 on August 7, 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, 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. Board Member Thomas Luhrs of Imperial, Nebraska, was absent and excused.

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 McCormick seconded the motion. With no further discussion, the motion carried with Mustoe, McCormick, 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 McCormick seconded the motion. The time on the meeting clock was 9:02 a.m. The motion carried with Mustoe, McCormick, Walkenhorst, and Hynek voting aye.

Board Member Mustoe moved to come out of executive session at 9:50 a.m. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, McCormick, Walkenhorst, and Hynek voting aye.

Break from 9:50 a.m. to 10:30 a.m.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Hynek greeted the public, and said "Less is more." Brian Morrissey and Roger Morrissey were members of the public in attendance.

H. BOARD MEETING MINUTES

1. APPROVAL OF JULY 18, 2019 MEETING MINUTES

Chairperson Hynek asked for any additions or corrections to the July 18, 2019 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Mustoe moved to adopt the July 18, 2019 meeting minutes as presented. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, McCormick, 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 August 15, 2019. The Director reported that trends were maintaining and 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 July 31, 2019. The Director informed the Board that he had no comments, and 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 August 15, 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 August 15, 2019. The Director informed the Board that he had no comments, and then asked for any questions or comments. There was no further discussion.

J. FINANCIAL REPORT AND CONSIDERATIONS – AUGUST 2019

1. APPROVAL OF JULY RECEIPTS AND EXPENDITURES

The receipts and expenditures for July 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 reported that an extra pay period in the month of July resulted in higher than normal expenditures. The Director then moved on to the Data Processing Expense of \$20,599.63, and informed the Board that the majority of this expenditure is attributed to the online renewal application with electronic payment. Director Kohtz reported that work on the renewal application is still in progress, but the project is currently about \$20,000 below budget. The Director added that the database enforcement interface is now fully functional, and that project came in about \$2,000 below budget. As of the end of July, expenses amount to 11.06 percent of the budgeted expenditures for the fiscal year; 8.49 percent of the fiscal year has passed. Revenues are currently at 3.0 percent of the projected revenues for the fiscal year. The Director asked for any questions related to the Budget Status Report. There was no further discussion.

Director Kohtz then brought attention to the General Ledger for July. The Director noted an entry “FY19-20 EAP,” and informed the Board that the \$37.08 expenditure is a state assessment for counseling services for employment issues, family issues, chemical dependency issues, or any other issue causing employees problems. 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 \$49,483.83 in expenditures and \$9,787.91 in revenues were reported. The Director then remarked that the cash balance for the AMC fund is \$250,360.65, the Appraiser Fund is \$287,476.74, and the overall cash balance for both funds is \$537,837.39. Director Kohtz asked for any questions related to the graphs. There was no further discussion.

Board Member Mustoe moved to accept and file the July 2019 financial reports for audit. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, McCormick, 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. With no comments, the Chair proceeded to Education.

L. CONSIDERATION OF EDUCATION-INSTRUCTOR REQUESTS

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

NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS

Appraisal Institute

Valuation Resources for Solar Photovoltaic Systems (2191456.02) / 4 Hours – Sandra Adomatis

Artificial Intelligence, AVMs, and Blockchain: Implications for Valuation-Synchronous (2192487.02) / 4 Hours – Mark Linne

Fundamentals of the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) (2192488.02) / 4 Hours – John Underwood

Calypso

Mold A Growing Concern [3.5 Hours] (2192460.10) / 3.5 Hours – Francis X. Finigan

Victorian Era Architecture for Real Estate Professionals [3.5 Hours] (2192461.10) / 3.5 Hours – Francis X. Finigan

McKissock LLC

National USPAP Update (2018-19) (2191173.03) / 7 Hours – Dan Bradley, Wally Czekalski, Charles Huntoon, Philicia Lloyd, Steve Maher, Larry McMillen, Julie Molendorp, Dale Shea, Steve Vehmeier

Desktop Appraisal Assignments: An Overview (2191474.03) / 3 Hours – Dan Bradley, Wally Czekalski, Charles Huntoon, Philicia Lloyd, Steve Maher, Larry McMillen, Julie Molendorp, Dale Shea, Steve Vehmeier

Focus on FHA Minimum Property Requirements (2191475.03) / 4 Hours – Dan Bradley, Wally Czekalski, Charles Huntoon, Philicia Lloyd, Steve Maher, Larry McMillen, Julie Molendorp, Dale Shea, Steve Vehmeier

IRWA

Reviewing Appraisals in Eminent Domain C-410 (2191489.07) / 8 Hours – David Burgoyne

417 The Valuation of Environmentally Contaminated Real Estate (2191490.07) / 16 Hours – David Burgoyne

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

Board Member Mustoe moved to approve the following education activities and instructors effective September 1, 2019:

**NEW DISTANCE QUALIFYING EDUCATION ACTIVITIES AND INSTRUCTORS
The Moore Group**

Residential Report Writing and Case Studies (1192457.04) / 15 Hours – Bradford Moore

Specialized Residential Appraisal Topics (1192458.04) / 20 Hours – Bradford Moore

Advanced Residential Applications and Case Studies (1192459.04) / 15 Hours – Bradford Moore

Basic Residential Appraisal Principles (1192480.04) / 30 Hours – Bradford Moore

Basic Residential Appraisal Procedures (1192481.04) / 30 Hours – Bradford Moore

Market Analysis and Highest and Best Use (1192482.04) / 15 Hours – Bradford Moore

Appraisal Institute

Advanced Residential Applications and Case Studies, Part 1-Synchronous (1192462.02) / 15 Hours – Richard Dubay

Advanced Residential Report Writing, Part 2-Synchronous (1192463.02) / 30 Hours – Richard Dubay

Online General Appraiser Income Approach, Part 1 (1192464.02) / 30 Hours –
David Lennhoff

Online General Appraiser Market Analysis and Highest & Best Use (1192465.02) / 30 Hours
– Robert Dunham

Online General Appraiser Sales Comparison Approach (1192466.02) / 30 Hours –
Kenneth Foltz

Online General Appraiser Report Writing and Case Studies (1192467.02) / 30 Hours –
Richard Dubay

Advanced Market Analysis and Highest & Best Use-Synchronous (1192468.02) / 35 Hours –
Gary DeWeese, Kerry Jorgensen, Larry T Wright

Online Real Estate Finance, Statistics, and Valuation Modeling (1192469.02) / 15 Hours –
Kenneth Foltz, Kenneth Lusht

Online General Appraiser Income Approach, Part 2 (1192470.02) / 30 Hours –
Kenneth Foltz, David Lennhoff

Quantitative Analysis-Synchronous (1192471.02) / 35 Hours – Thomas Hamilton

Online General Appraiser Site Valuation and Cost Approach (1192472.02) / 30 Hours –
Thomas Kirby, Robert Moorman

Online Residential Report Writing and Case Studies (1192483.02) / 15 Hours –
Sandra Adomatis

Online Residential Sales Comparison and Income Approach (1192484.02) / 30 Hours –
Edward Molinari

Online Residential Site Valuation and Cost Approach (1192485.02) / 15 Hours –
Edward Molinari

Online Residential Market Analysis and Highest & Best Use (1192486.02) / 15 Hours –
Thomas Kirby

Hondros College

Residential Site Valuation and Cost Approach (1192476.34) / 15 Hours – Elizabeth Sigg

Residential Market Analysis and Highest and Best Use (1192477.34) / 15 Hours –
Elizabeth Sigg

Residential Sales Comparison and Income Approaches (1192478.34) / 30 Hours –
Elizabeth Sigg

Statistics, Modeling, and Finance (1192479.34) / 15 Hours – Elizabeth Sigg

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

M. UNFINISHED BUSINESS

1. ONLINE APPRAISER RENEWAL APPLICATION SUBMISSION PORTAL WITH ELECTRONIC PAYMENT

Director Kohtz reported that progress is still being made on the Online Appraiser Renewal Application Submission Portal with Electronic Payment; however, he had no substantial update. The Director asked for any questions or comments. There was no further discussion.

N. NEW BUSINESS

1. Renewal Season Temporary Employees

Director Kohtz informed the Board that the process of hiring two interns to assist with credential renewals has begun. The Director reminded the Board that the intent is to hire two interns who will each work for approximately twenty hours a week from around October 1st through mid-January. There was no further discussion.

O. LEGISLATIVE REPORT AND BUSINESS: No discussion.

P. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS

a. 19-02: Clarification of Supervisory Appraiser-Trainee Course Requirements for Supervisory Appraiser Applicants

Director Kohtz presented Guidance Document 19-02 to the Board for consideration, and explained that this guidance document clarifies the supervisory appraiser and trainee course completion requirement for a supervisory appraiser applicant. A board-approved supervisory appraiser and trainee course must be successfully completed as a certified residential real property appraiser or certified general real property appraiser for approval as a supervisory appraiser. Director Kohtz asked for any questions or comments. There was no further discussion.

b. 19-03: Acceptance of Supervisory Appraiser/Trainee Course or Continuing Education Activity Completed in Another Jurisdiction Online or by Correspondence

Director Kohtz presented Guidance Document 19-03 to the Board for consideration, and informed the Board that this guidance document establishes the criteria for acceptance of a supervisory appraiser and trainee course or a continuing education activity completed in another jurisdiction online or by correspondence. The Director asked for any questions or comments. There was no further discussion.

Board Member Mustoe moved to approve Guidance Documents 19-02 and 19-03 as presented. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, McCormick, Walkenhorst, and Hynek voting aye.

2. INTERNAL PROCEDURAL DOCUMENTS: No discussion.

3. FORMS AND PROCEDURES

a. NRPAB USPAP Review Contracts

Director Kohtz presented the following appraisal services agreement documents to the board for consideration:

- 1. Nebraska Real Property Appraiser Credentialing Applicant Appraisal Review Services Agreement**
- 2. Subject Matter Expert Services Agreement**

The Director noted that the agreements were updated to harmonize the with rules and statutes. The Director asked for any questions or comments. There was no further discussion.

b. NRPAB USPAP Review Report Forms

Director Kohtz presented the following USPAP Review Report forms to the Board for consideration:

- 1. 2014-15 NRPAB USPAP Review Report**
- 2. 2016-17 NRPAB USPAP Review Report**
- 3. 2018-19 NRPAB USPAP Review Report**

The Director commented that the Board has already reviewed the format of the documents, and the standards for each USPAP version were simply added to develop the form for each specific version of USPAP. The Director asked for any questions or comments. There was no further discussion.

c. Real Property Appraiser Forms and Applications

1. Real Property Appraiser Credential Renewal Application Procedures

Director Kohtz presented the Real Property Appraiser Credential Renewal Application Procedures to the Board for consideration. The Director informed the Board that the document is updated annually for each renewal season. The Director asked for any questions or comments. There was no further discussion.

Board Member Mustoe moved to approve the following documents as presented:

**Nebraska Real Property Appraiser Credentialing Applicant
Appraisal Review Services Agreement**

Subject Matter Expert Services Agreement

2014-15 NRPAB USPAP Review Report

2016-17 NRPAB USPAP Review Report

2018-19 NRPAB USPAP Review Report

Real Property Appraiser Credential Renewal Application Procedures

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

Q. OTHER BUSINESS

1. BOARD MEETINGS: No discussion.

2. CONFERENCES/EDUCATION

a. Fall AARO Conference; October 18-21, 2019

Director Kohtz reported that the Fall AARO Conference would take place in Washington, D.C. on October 18-21, 2019. The Director informed the Board that he planned to attend, and asked for approval for attendance. Board Member Mustoe moved to approve Director Kohtz for attendance at the Fall 2019 AARO Conference. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, McCormick, Walkenhorst, and Hynek voting aye.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER: No discussion.

5. APPRAISAL SUBCOMMITTEE

a. Final Order Granting in Part Temporary Waiver Relief

Director Kohtz presented an entry in Volume 84, No. 152 of the Federal Register titled, "Appraisal Subcommittee; Final Order Granting in Part Temporary Waiver Relief" to the Board for review. The Director reported that Federal Financial Institutions Examination Council partially approved the request made by the Governor of North Dakota, the North Dakota Department of Financial Institutions, and the North Dakota Bankers Association for a temporary waiver to appraiser credentialing requirements for appraisals for certain FRTs. Director Kohtz informed the Board that a few of those commenting supported the granting of a temporary waiver, but the majority of comments were from appraisers opposing the granting of a temporary waiver. The ASC concluded that a scarcity of appraisers does exist in North Dakota, and that the scarcity is leading to a significant delay in appraisal services for FRTs. The ASC granted a temporary waiver of appraiser credentialing requirements for appraisals of FRTs under \$500,000 for 1-4 family residential real estate transactions and FRTs under \$1,000,000 for commercial real estate transactions for a period of one year. The ASC also required that the requestor provide a status report at least 30 days prior to the expiration of the one-year period. The report must include a plan that was developed in collaboration with stakeholders and any implementation progress made on the plan towards identifying meaningful solutions to resolve appraiser scarcity and delay issues faced in North Dakota, and supporting data showing that appraiser scarcity leading to significant delays continues to exist. Director Kohtz asked for any questions or comments. There was no further discussion.

b. ASC April 15, 2019 Meeting Minutes

Director Kohtz presented the meeting minutes from the ASC's April 15, 2019 meeting to the Board for review. The Director informed the Board that he had no specific comments. There was no further discussion.

6. THE APPRAISAL FOUNDATION

a. Appraisal Standards Board Considering Creating Standards for Evaluations

Director Kohtz presented a press release issued by the Appraisal Standards Board titled “Appraisal Standards Board Considering Creating Standards for Evaluations” to the Board for review. The Director informed the Board that he had no specific comments and asked the Board if it had any discussion. There was no further discussion.

b. Raising Commercial Appraisal Threshold Puts U.S. Economy at Greater Risk

Director Kohtz presented a statement from The Appraisal Foundation titled “Raising Commercial Appraisal Threshold Puts U.S. Economy at Greater Risk” to the Board for review. The Director summarized the statement, and informed the Board that The Appraisal Foundation President David Bunton expressed concern regarding action taken by the National Credit Union Administration to quadruple the threshold for commercial transactions requiring an appraisal from \$250,000 to \$1,000,000. Director Kohtz asked for any questions or comments. There was no further discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS: No discussion.

8. IN THE NEWS

a. Appraisal Buzz Article – Appraisal Institute Calls for Congressional Oversight

Director Kohtz presented the Appraisal Buzz article titled “Appraisal Institute Calls for Congressional Oversight” to the Board for review. The Director informed the Board that this article discusses the action taken by the National Credit Union Administration to quadruple the threshold for commercial transactions requiring an appraisal from \$250,000 to \$1,000,000, and makes a call for additional congressional oversight and changes to the appraiser regulatory structure. Director Kohtz asked for any questions or comments. There was no further discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

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

T19012 / Approve as Trainee Real Property Appraiser. Send advisory letter.

CG19018R / Approve as Certified General Real Property Appraiser.

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

D. REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY

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

NE2019004 / Request clarification in surety bond that the bonding company is aware of, and will comply with, Neb. Rev. Stat. § 76-3203 (2).

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

E. CONSIDERATION OF COMPLIANCE MATTERS

Director Kohtz brought attention to the SAAG Status Report, and requested permission to only obtain a report from SAAG Blake if he has something to report. Chairperson Hynek found no issues with the Director’s request, and the Board agreed.

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

- 19-08 / Dismiss with prejudice.**
- 19-09 / Dismiss with prejudice.**
- 19-10 / Dismiss with prejudice.**
- 19-11 / Dismiss with prejudice.**
- 19-12 / Dismiss with prejudice.**
- 19-13 / Dismiss with prejudice.**
- 19-14 / Dismiss with prejudice.**
- 17-04 / Ongoing.**
- 19-03 / Close.**

Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, 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, Walkenhorst, and Hynek voting aye. At 10:52 a.m., Chairperson Hynek adjourned the August 15, 2019 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on August 27, 2019, in compliance with Nebraska Revised Statute § 84-1413 (5).