

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

**November 21, 2024 Meeting Minutes**

**A. OPENING**

Chairperson Downing called to order the November 21, 2024 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 Downing 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 November 14, 2024. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website in Public Meeting Material ([https://appraiser.ne.gov/board\\_meetings/](https://appraiser.ne.gov/board_meetings/)). A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Bonnie Downing of Dunning, Nebraska; Cody Gerdes of Lincoln, Nebraska; Kevin Hermsen of Gretna, Nebraska; Rodney Johnson of Norfolk, Nebraska; and Derek Minshull of North Platte, Nebraska were present. Also present were Director Tyler Kohtz, Licensing Programs Manager Karen Loll, and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska. Finally, Agenda Item C, 23-12: NRPAB vs. Nelsen commencing at 9:05 a.m., will be recorded. Ben Kinnison, Blake Aspen, and John L. Jelkin from the Attorney General's Office were present at the start of this meeting.

**C. 23-12: NRPAB vs. Nelsen**

Russell Nelsen appeared before the Board at 9:02 a.m.

Chairperson Downing opened to Agenda Item C, the matter of the NRPAB vs. Russell L. Nelsen. The Chairperson declared that Nelsen entered into a consent agreement with the Nebraska Real Property Appraiser Board concerning the Board's investigation #23-12, which was executed by the Board on August 15, 2024. Exhibit A of Section C of the public meeting material was noted.

Chairperson Downing continued that Section 9(B) of the Consent Agreement required that Nelsen complete and submit to the Board one or more report(s) for a non-traditional client in which the submitted reports shall be reviewed for conformity with the Uniform Standards of Professional Appraisal Practice. Section 9(B) of the Consent Agreement also states that the Board may enter into a contract with a qualified, disinterested third-party certified real property appraiser for completion of a real property appraisal practice review assignment on any of the submitted reports to assist the Board with its review.

At its regular meeting on October 17, 2024, the Board reviewed the report for a non-traditional client submitted in accordance with Section 9(B) of the Executed Agreement and the USPAP Compliance Review Report completed for the submitted report. Chairperson Downing presented Exhibit B, the non-traditional report received by the Board, and Exhibit C, USPAP Compliance Review Report for the non-traditional report. The Board found that Nelsen failed to meet the terms under Section 9(B) of the Agreement.

The Chairperson announced that a Notice to Show Cause was sent to Nelsen by mail on October 21, 2024 and received by Nelsen on November 1, 2024 requiring Nelsen to appear before the Board and show cause as to why the Board should not consider additional discipline including, but not limited to, immediate downgrade of his credential to appraise real property in the State of Nebraska from the certified general classification to the certified residential classification; or order such other action as the Board determines to be appropriate and lawful for failure to complete the terms as stated in the Consent Agreement. The Chairperson noted Exhibit D as the Notice to Show Cause, and Exhibit E as the certified mail card and receipt, as labeled in Section C of the public meeting material. The Chairperson then provided Nelsen an opportunity to respond.

Nelsen explained that he submitted a report in accordance with the Consent Agreement and claims that the submitted report contains the suggestions that he received from the Board. Nelsen discussed the USPAP Compliance Review Report that was completed and stated that the reviewer claimed he failed to use an adequate sales comparison approach technique in addition to other errors. Nelsen explained that he spent days on the report, and while he understands that there is no such thing as a perfect report, he felt that it was a well written report. Nelsen acknowledged some of the mistakes in the report identified the USPAP Compliance Review Report. Nelsen ended his response by summarizing the hardship that this process has cause on him and his family and by informing the Board that he does not believe that the issues found in the USPAP Compliance Review Report should result in his license being revoked.

Chairperson Downing asked the board members and AAG Jelkin if there were any questions or comments to Nelsen's response. AAG Jelkin asked Nelsen if he had received copies of the exhibits as referenced and presented. Nelsen confirmed. AAG Jelkin asked for context on the situation in Blair, NE. Nelsen explained that there were thirteen tracts in a condemnation appraisal report. The reports were separated into the body of the report and into each individual tract. The client who presented the tracts to each owner only provided the individualized tract reports. Nelsen then stated that the individual tract reports submitted were not appraisals on their own. Chairperson Downing asked if there were any more questions or comments from the Board. There were none.

Chairperson Downing stated for the record that exhibits A-E were received and reported that the Board will discuss the matter under Agenda Item F and take into consideration all relevant information, including Nelsen's response. Nelsen would be notified of any action taken by the Board shortly after the meeting. Agenda Item C, the matter of the NRPAB vs. Russell L. Nelsen was then closed by Chairperson Downing.

Nelsen asked if renewal of his credential is due on January 1, 2025, and if so, is he required to submit an application on or by November 30, 2024. Director Kohtz responded, and indicated that if Nelsen intends to continue practicing, he has the full right to renew his credential. Nelsen expressed concern on whether the Board would take away his credential completely. Chairperson Downing stated that this matter had not been discussed yet. Nelsen also asked how long the process will take. Director Kohtz reported that he will contact Nelsen in the afternoon regarding the Board's intent and final action. Nelsen explained that he would like to maintain his certified general credential to continue to appraise agricultural property. Nelsen referenced the USPAP Compliance Review Report and expressed his understanding of the things he left out of his report, but feels that he has learned from the processes and paid \$875.00. Board Member Gerdes requested clarification as to if Nelsen's most recent response is to Exhibit C, which contains the USPAP Compliance Review Report. Nelsen confirmed and stated that he reviewed the report over several times. Board Member Gerdes explained that the Board spent a lot of time ensuring that Nelsen had a complete review and an adequate roadmap. There was no further discussion.

Russell Nelsen exited the meeting at 9:17 a.m.

Board Member Gerdes 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 Johnson seconded the motion. The time on the meeting clock was 9:17 a.m. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Ben Kinnison, Blake Aspen, and John Jelkin from the Attorney General's Office exited the meeting at 9:25 a.m.

Board Member Minshull moved to come out of executive session at 11:10 a.m. Board Member Hermsen seconded the motion. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Break from 11:10 a.m. to 11:30 a.m.

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

Chairperson Downing welcomed all to the November 21, 2024 meeting of the Nebraska Real Property Appraiser Board. The Chairperson recognized Roger Morrissey as the only member of the public in attendance at this time.

## **I. BOARD MEETING MINUTES**

### **1. APPROVAL OF OCTOBER 17, 2024 MEETING MINUTES**

Chairperson Downing asked for any additions or corrections to the October 17, 2024 regular meeting minutes. With no discussion, Board Member Downing called for a motion. Board Member Johnson moved to approve the October 17, 2024 meeting minutes as presented. Board Member Gerdes seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no further discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, and Downing voting aye. Board Member Minshull abstained.

## **J. DIRECTOR'S REPORT**

### **1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS**

#### **a. Real Property Appraiser Report**

Director Kohtz presented nine charts outlining the number of real property appraisers as of November 21, 2024 to the Board for review. The Director reported that trends are stable and indicated that he had no specific comments.

The Director then brought attention to the 2025-26 Appraiser Count Renewal Progress Report charts and informed the Board that, as of November 20, 2024, 242 real property appraiser credentials have been renewed out of 536 due; nineteen renewal applications are currently pending. Forty-five percent of all real property appraiser credentials have been renewed with five percent pending. The Director informed the Board that the projected renewal rate for this fiscal year is eighty-nine percent. Director Kohtz asked for any questions or comments. Board Member Johnson asked if the Board was on pace with a typical year. Director Kohtz stated that application renewal processing is ahead of pace compared to the previous few years. Last year, LPM Loll was brought on as a temporary employee later in the year, and in years prior, the Board had no temporary assistance, so the pace was much slower. Rachel Espinoza is doing an excellent job this year. The Director reported that, if the office was fully staffed, a similar pace would be expected. There was no further discussion.

#### **b. Temporary Real Property Appraiser Report**

Director Kohtz presented three charts outlining the number of temporary credentials issued as of October 31, 2024 to the Board for review. The Director reported that trends are stable and indicated that he had no specific comments. Director Kohtz asked for any questions or comments. There was no further discussion.

#### **c. Supervisory Real Property Appraiser Report**

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of November 21, 2024 to the Board for review. The Director reported that trends are stable and indicated that he had no specific comments. Director Kohtz asked for any questions or comments. Chairperson Downing commented on the consistency maintained in the numbers. There was no further discussion.

**d. Appraisal Management Company Report**

Director Kohtz presented two charts outlining the number of AMCs as of November 21, 2024 to the Board for review. The Director reported a slight bump in the number of registered AMCs. The Director asked for any questions or comments. LPM Loll stated that one registration expired and three new AMC registrations were approved, which resulted in an overall increase of two. There was no further discussion.

**2. DIRECTOR APPROVAL OF APPLICANTS**

**a. Real Property Appraiser Report**

Director Kohtz presented the Real Property Appraiser Report to the Board for review showing real property appraiser applicants approved for credentialing by the Director and the real property appraiser applicants approved to sit for exam by the Director for the period between October 10, 2024 and November 13, 2024. The Director asked for any questions or comments. There was no further discussion.

**b. Appraisal Management Company Report**

Director Kohtz presented the Appraisal Management Company Report to the Board for review showing appraisal management company applicants approved for registration by the Director for the period between October 10, 2024 and November 13, 2024. The Director asked for any questions or comments. There was no further discussion.

**c. Education Activity and Instructors Report**

Director Kohtz presented the Education Activities and Instructors Report to the Board for review showing education activities and instructors approved by the Director for the period between October 10, 2024 and November 13, 2024. The Director asked for any questions or comments. EPM Sims reported that the Education Activity and Instructors Report was incorrect, and the information was reviewed at the October meeting. The Director amended his report to state that there are no new education activities approved by the Director. There was no further discussion.

**3. 2024-25 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS**

Director Kohtz presented the 2024-25 NRPAB Goals and Objectives and SWOT Analysis to the Board for review and provided a status update. The Director brought attention to the goal to work with the Banking, Commerce, and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction to add language to the Real Property Appraiser Act and the Appraisal Management Company Registration Act, allowing the use of a conditional dismissal in lieu of disciplinary action under the Laws, Rules, and Guidance Documents section and reported that requisition drafts REQ00112 and REQ00113 have been made available for public comment. The Director then moved to the goal to adopt Title 298 changes to harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, addressing the Board's PAVE Dashboard regulations review, adding a fee schedule, and incorporating changes made to the Real Property Appraiser Qualification Criteria Effective January 1, 2026 and CAP Guidelines effective September 17, 2023 and informed the Board that preliminary review has been completed by the GPRO, AGO, and ASC and will be discussed later in the meeting.

*(Continued on page 6)*

*(Continued from page 5)*

Director Kohtz then guided the Board to the goal under Compliance to obtain a second special assistant attorney general for compliance matters and reported that proposals for appointment as SAAG were received. Chairperson Downing thanked Director Kohtz for the update.

## **K. FINANCIAL REPORT AND CONSIDERATIONS**

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

The receipts and expenditures for October were presented to the Board for review in the agency Budget Status Report. Director Kohtz brought attention to the PSL Expenditures for the month of \$37,777.60 and of \$48,272.19 and informed the Board that these amounts are unusually high due to three pay periods in the month of October and payment for Allison Nespor's end of employment. The Director moved to the Data Processing Expense and informed the Board that the expense of \$4,142.95 is for the CIO IMS Billing for both August and September. Director Kohtz indicated that there was a charge discrepancy that needed to be addressed before making payment. The Director then turned the Board's attention to the Dues and Subscription Expense of \$600.00 and remarked that this expense is for the 2025 AARO membership fee. Next, Director Kohtz guided the Board to the Insurance Expense of \$18.88 and explained that this expense is the DAS Bond Assessment for FY 24-25. The Other Expenditure Expense of 60.00 was reported by the Director as the State Treasury charges for ACH returns for insufficient funds. The Director reported that overall expenditures for the month of October totaled \$56,894.72, and the year-to-date expenditures for the fiscal year are \$158,869.56, which amounts to 30.75 percent of the budgeted expenditures for the fiscal year; 33.70 percent of the fiscal year has passed. The Director moved to revenues and stated that revenues are on pace with the projected revenues for the fiscal year and indicated that the overall revenues for the month of October were \$46,909.35, and the year-to-date revenues for the fiscal year are \$111,582.19, which amounts to 29.68 percent of the projected revenues for the fiscal year. The Director reiterated that 33.70 percent of the fiscal year has passed.

Director Kohtz then brought attention to the Budget Status Report for the Appraiser Fund and AMC fund. The Director reported that the Real Property Appraiser Fund expenditures for the month of October totaled \$37,339.44, and the year-to-date expenditures for the fiscal year are \$105,337.90, which amounts to 30.07 percent of the budgeted expenditures for the fiscal year. The Real Property Appraiser Fund revenues were \$35,797.05 for October, and the year-to-date revenues for the fiscal year are \$81,510.46, which amounts to 31.13 percent of projected revenues for the fiscal year. Director Kohtz then reported the AMC Fund expenditures for the month of October were \$19,555.28, and the year-to-date expenditures for the fiscal year are \$53,531.66, which amounts to 32.20 percent of budgeted expenditures for the fiscal year. The AMC Fund revenues were \$11,112.30 for October, and the year-to-date revenues for the fiscal year are \$30,071.73, which amounts to 26.34 percent of the projected revenues for the fiscal year.

Director Kohtz then guided the Board to the MTD General Ledger Detail report for the month of October and brought the Board's attention to Batch #7626546 with the Payee/Explanation, "JULY-SEPT 2024 ACH RETURNS IBT" found on page K.10 and informed the Board that the amount of \$825.00 was a debit to the revenue account for the State Treasury ACH returns. The Director then led the Board's attention to Batch #7627596 with the Payee/Explanation, "FURNITURE PRE-AUCTION SPE 2024" found on page K.12 and reported that this detail is for the sale of the conference room tables. The Director pointed the Board's focus to Batch # 7616531 and Batch #7638246 with the Payee/Explanations, "AS – OCIO – IMSERVICES" and reported this as the IMS Billing for both August and September mentioned during discussion of the budget status report. Finally, Director Kohtz turned the Board's attention to Batch #7625463 with the Payee/Explanation, "PURCHASE CARD TRANSACTION" and stated that this payment is for the AARO Membership dues. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz finished by presenting four graphs showing expenses, revenues, and cash balances. The Director noted expenditures of \$56,894.72 and revenues of \$46,909.35 for the month of October for the Real Property Appraiser program, which includes both the Appraiser Fund and the AMC Fund. The Director once again reported that the Real Property Appraiser Fund Expenditures totaled \$37,339.44, the Real Property Appraiser Fund revenues totaled \$35,797.05, the AMC Fund expenditures totaled \$19,555.70, and the AMC revenues totaled \$11,112.30. Director Kohtz stated that the cash balance for the AMC Fund is \$297,197.14, the Appraiser Fund is \$375,700.33, and the overall cash balance for both funds is \$672,897.47. The Director asked for any questions or comments. Board Member Minshull asked if the renewal revenues contain the new fee structure discussed during strategic planning. The Director responded that the first fee change is not implemented until July 1, 2025.

Board Member Hermsen moved to accept and file the October financial reports for audit. Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

## **2. ASC GRANT REPORT**

Director Kohtz reported that there is no ASC Grant update. There was no further discussion.

## **3. 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.

## **L. GENERAL PUBLIC COMMENTS**

Chairperson Downing asked for any public comments. With no public comments, Chairperson Downing moved on to Education.

## **M. EDUCATION: No discussion.**

**N. UNFINISHED BUSINESS**

**1. BOARD MEMBER COMMUTING/TRAVEL STATUS**

Director Kohtz reported that there was no update for this agenda item.

**2. BUSINESS PROGRAMS MANAGER POSITION**

Director Kohtz reported that twelve applications have been received to date, six have been offered phone interviews, and two have completed phone interviews with the Director. One of the two interviewed applicants was not eligible due to their May 2025 college graduation date. There was no further discussion.

**3. OPEN 3RD CONGRESSIONAL DISTRICT CERTIFIED REAL PROPERTY APPRAISER REPRESENTATIVE**

Director Kohtz brought attention to the Board's 3rd Congressional District Certified Real Property Appraiser Representative opening and asked the Board if it had any comments or feedback to pass along to the Governor's office regarding any of the known applicants. There were no comments. Director Kohtz reminded board members to let him know at any time if there were any comments or feedback to provide to the Governor's office concerning this appointment. There was no further discussion.

**O. NEW BUSINESS:** No discussion.

**P. LEGISLATIVE REPORT AND BUSINESS**

**1. REQUEST FOR COMMENTS AND RECEIVED RESPONSES FOR REQ00112\_SEPTEMBER 24, 2024 AND REQ00113\_SEPTEMBER 24, 2024**

Director Kohtz announced that responses to the Board's request for comments for both REQ00112\_September 24, 2024 and REQ00113\_September 24, 2024 have been received. The Director reported no negative feedback and no opposition to the proposed changes. Director Kohtz then informed the Board that, in addition to those responses included in Section P, REQ00112 and REQ00113 were also made available to the public, real property appraisers, AMCs, education providers, the Nebraska Bankers Association, the UNO Real Estate Program, NACO, REVVA, the Nebraska Real Estate Commission, the Nebraska Department of Banking, and Nebraska Department of Revenue with no response provided.

**2. NEBRASKA REAL PROPERTY APPRAISER ACT UPDATE**

Director Kohtz presented REQ00112\_September 24, 2024 to the Board for consideration and requested approval to obtain sponsorship for introduction as a legislative bill. The Director asked for any questions or comments related to the Nebraska Real Property Appraiser Act update. With no further discussion, Board Member Gerdes moved to approve REQ00112\_September 24, 2024 as presented for introduction as a legislative bill and authorize Director Kohtz to obtain sponsorship. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With none, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.



**3. NEBRASKA APPRAISAL MANAGEMENT COMPANY REGISTRATION ACT UPDATE**

Director Kohtz presented REQ00113\_September 24, 2024 to the Board for consideration and requested approval to obtain sponsorship for introduction as a legislative bill. The Director asked for any questions or comments related to the Nebraska Real Property Appraiser Act update. With no further discussion, Board Member Gerdes moved to approve REQ00113\_September 24, 2024 as presented for introduction as a legislative bill and authorize Director Kohtz to obtain sponsorship. Board Member Johnson seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With none, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**4. REQUEST FOR PRELIMINARY REVIEW OF TITLE 298\_AUGUST 15, 2024 DRAFT AND RECEIVED RESPONSES**

Director Kohtz reported that ASC Policy Manager Stewart, AAG Jelkin, and Kenny Zoeller with the Governor's Policy and Research Office have completed preliminary reviews of the Title 298 draft. Director Kohtz presented the Governor's Policy and Research Office discussion and informed the Board that no changes were recommended. Mr. Zoeller did inquire about the CHRC changes and how new real property appraisers and AMC owners are affected. Director Kohtz informed the Board that he summarized the requirements moving forward and the purpose for making changes to the CHRC requirements for existing credential holders and AMC owners of more than 10% to Mr. Zoeller. The Director then turned the Board's attention to the comments provided by AAG Jelkin, who also did not recommend any changes to the draft for the Board to consider. AAG Jelkin did request clarification on the Board's adoption of the APA model rules. Director Kohtz informed AAG Jelkin that the APA model rules are found in Title 297. Finally, the Director reported the comments from ASC Policy Manager Stewart. PM Stewart brought attention to the changes pertaining to PAREA found in 298 Chapter 2, § 002.09, and reported that if a state accepts 100% of experience obtained through a PAREA program, the Real Property Appraiser Qualifications Criteria does not require the state to review the experience obtained through a PAREA program. Director Kohtz obtained clarification from PM Stewart that although not required in the Criteria, reviewing PAREA experience would be acceptable under the Criteria. The Director then asked the Board if it would like to make any changes to its proposed language. The Board agreed to keep the language as drafted.

PM Stewart also referenced 298 NAC Chapter 6, §§ 005.03B, 005.03C, and indicated that the language found in these sections are AQB requirements for a Certified USPAP Instructor but reported that the Criteria does not impose these requirements on all instructors. Director Kohtz guided the Board to Page P.132 with the language for 298 NAC Chapter 6, §§ 005.03B, 005.03C and asked the Board if it wished to make any changes to its proposed language. The Board agreed to keep the language as drafted.

**5. TITLE 298 UPDATE**

Director Kohtz presented the Title 298\_August 15, 2024 Draft to the Board for consideration and requested a motion to approve the draft and hold a hearing for adoption of the proposed changes to Title 298 on February 20, 2025 at 9:00 a.m. The Director reported that, in conversations with AAG Jelkin, a rules hearing can be incorporated into a regular meeting. Therefore, holding the February meeting by virtual conferencing should not be an obstacle for the rules hearing, as long as all requirements for holding a meeting by virtual conferencing are met. Board Member Gerdes moved to approve Title 298\_August 15, 2024 Draft as presented and hold hearing for adoption of the proposed changed to Title 298 on February 20, 2025 at 9:00 a.m. Board Member Hermsen seconded the matter. Chairperson Downing recognized the motion and asked for any discussion. With none, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**6. OTHER LEGISLATIVE MATTERS:** No discussion.

**Q. ADMINISTRATIVE BUSINESS:** No discussion.

**R. OTHER BUSINESS**

**1. BOARD MEETINGS**

**a. Virtual Conferencing Format for December, January, and February Meetings**

Director Kohtz reported that the Board typically holds the December, January, and February meetings by virtual conferencing to prevent winter weather from causing attendance problems. The Director reminded the Board that virtual attendance is optional and board members may choose to attend in-person. The Board agreed to continue holding the December, January, and February meetings by virtual conferencing. Board Member Johnson moved to hold the December, January, and February Meetings by virtual conferencing. Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With none, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**2. CONFERENCES/EDUCATION**

**a. Kohtz Fall AARO Conference Report**

Director Kohtz reported that he attended the Fall AARO conference in Boston, Massachusetts from October 28 through October 30th, 2024. The Director provided a detailed summary of the conference for the Board Members to review and noted the following highlights:

- Jim Park, Executive Director of the ASC, reported that thirty-four state Appraiser Program and AMC Program compliance reviews were completed and thirty-seven state program reviews are in process. Five state Appraiser Programs and three state AMC Programs received an excellent rating. The ASC is working on State Enforcement Rulemaking; Dodd-Frank gave the ASC enforcement authority to use in advance of or to avoid derecognition, including suspensions and removal of appraisers or AMCs from national registries. The ASC continues to focus on appraisal bias and lack of diversity in the profession. The ASC Grants Program was also discussed; the ASC has an approved budget of \$2,025,000 for FY24 and \$4,000,00 for FY25. Park identified federal legislation during the ASC Update, which includes the PAL Act and Appraisal Improvement Act. Finally, a summary of the number of appraisers on the Appraiser Registry showed a slow increase for the certified general classification, a slow decrease for the certified residential classification, and a more rapid decrease for the certified residential classification. Overall, the number of appraisers is steady.
- Kelly Davids of The Appraisal Foundation provided a summary of the AARO-ASC-TAF partnership and identified activities that focused on civic engagement, expanded communications, the Pathways to Success Scholarship Program, and encouraging the next generation of appraisers. There were no findings from HUD Secretary-initiated complaint that resulted in a Conciliation Agreement. Davids also presented TAF resources and thanked Brad Swinney and Michelle Czekalski-Bradley for their leadership on the Appraiser Qualifications Board and the Appraiser Standards Board.
- The Appraisal Standards Board provided an update on the future advisory opinions concerning new assignments and record keeping, AVM standards, and the question of appraiser standard of care.
- On May 28, 2024, the AQB published a concept paper on college degree requirements within the Criteria. The AQB reviewed 254 comments from the public. The AQB is reassessing the Criteria to ensure the Criteria remains relevant amidst technological advancements, regulatory shifts, and stakeholder expectations. The workplan includes reevaluating college requirements, exploring alternative experience options, and reassessing the national exams. An overview of PAREA was also provided; fifty-one states have adopted or are in the process of adopting partial or full PAREA.
- A presentation was given by ASC Policy Managers Maria Brown and Johnathan Stewart on understanding Title XI and the AMC Rule for state regulators.
- The Executive Directors and Administrators Roundtable included a general discussion on challenges faced by states, Fair Housing Laws and the discrimination complaint process were discussed along with board member conflict of interest and the acceptance of mass appraisal experience was discussed.
- Regeane Frederique, ASC Grants Director, gave a presentation on the ASC Grants Program.

- Mel Black and Craig Capilla gave a presentation on best practices for real property appraiser enforcement from the attorney's perspective.
- A presentation by Jose Jimenez was given on cybersecurity. The importance of protecting sensitive information from hackers, the type of hackers, the techniques used by hackers, and the future of hacking were covered.
- Kevin Smith of Fannie Mae provided the Fannie Mae Update. Smith indicated that the Loan Quality Center volume remains consistent year-over-year, while the selection pool can go up or down. Smith also revealed that the LQC Tips letter has been updated to include more information on policy and issues found during review. Common issues witnessed by Fannie Mae include improbable distances and undisclosed assistance. A summary of the AQM monitoring and QC processes was also provided.
- Scott Reuter of Freddie Mac provided the Freddie Mac Update. According to Reuter, the number of appraisers has remained static over the past eight years, while appraisal volume ebbs and flows. Reuter then moved to appraisal quality and indicated that market condition analysis and GLA adjustments are issues seen by Freddie Mac. Priority has been placed on subjective and potentially biased words and phrases and examples of Loan Collateral Advisory messaging, and subjective language found in reports, were provided. Reuter indicated that the message rate for subjective words changed from 7.76 percent in July 2023 to 3.1 percent in December 2023 and the message rate for unsuitable words changed from 6.02 percent in July 2023 to .10 percent in December 2023. Property data collector qualifications and seller oversight were also covered. Reuter described the spectrum of valuation options from no appraisal needed to appraisal needed. Appraiser Quality Monitoring, according to Reuter, the purpose and objective is to improve appraisal quality by identifying the patterns or issues of concern in appraisal reports, and appraiser that do not employ recognized appraisal methodologies and/or do not follow Freddie Mac appraisal policies. Reuter finished the presentation by declaring states need to work better with Freddie Mac to remove unnecessary roadblocks in the complaint submission process.
- Jacqueline Olson covered risk management strategies and practical applications. Olson summarized the effect of the hurricane in Orlando, Florida and the risk management steps taken by the State of Florida to maintain critical operations during a disaster.

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

#### 4. QUARTERLY NEWSLETTER

##### a. Fall 2024 Edition of The Nebraska Appraiser

Director Kohtz presented the Fall 2024 Edition of The Nebraska Appraiser to the Board for consideration. The Director asked for any questions or comments. With no further discussion, Chairperson Downing asked for a motion. Board Member Minshull moved to approve the Fall 2024 Edition of The Nebraska Appraiser as presented. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing asked for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

#### 5. APPRAISAL SUBCOMMITTEE

#### 6. THE APPRAISAL FOUNDATION

##### a. TAF November Newsletter

Director Kohtz presented The Appraisal Foundation's October Newsletter to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

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

#### 8. IN THE NEWS: No discussion.

#### D. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicants L23003, CR2017001R CR24007, CG23036, and CG24014. Chairperson Downing asked for a motion on CR24007, L23003, CG23036, CG24014, and CR2017001R.

Board Member Gerdes moved to take the following action:

**CR24007 / Provide redacted copy of the USPAP Compliance Review Reports to applicant and request that applicant independently complete a 2-4 family residential property report for a non-traditional client, without the assistance of the supervisory real property appraiser, demonstrating competency in USPAP. Applicant must submit the report to the Board's office within ninety days of the November 21, 2024 meeting.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**L23003 / Approve to sit for exam and authorize director to issue credential as a licensed residential real property appraiser upon providing evidence of successful completion of the National Uniform Licensing and Certification Examination and providing necessary fees.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CG23036 / Authorize staff to select and request that applicant submit two reports dated on or after September 3, 2024 from the submitted additional real property appraisal practice experience log, that include all three approaches to value, with the workfile for each report.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CG24014 / Approve to sit for exam and authorize director to issue credential as a certified general real property appraiser upon providing evidence of successful completion of the National Uniform Licensing and Certification Examination and providing necessary fees.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CR2017001R / Approve 2025-26 Application for Renewal of Nebraska Real Property Appraiser Credential and issue written advisory reminding applicant of the importance of answering questions truthfully on an application.**

Board Member Johnson seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**E. REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY**

The Board reviewed applicant NE2018007. Chairperson Downing asked for a motion on NE2018007.

Board Member Gerdes moved to take the following action:

**NE2018007 / Approve Application for Renewal of Nebraska Appraisal Management Company Registration and issue a written advisory reminding the applicant of the importance of answering questions truthfully on an application.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**F. COMPLIANCE**

The Board reviewed compliance matters 23-01, 23-08, and 23-12. Chairperson Downing asked for a motion on 23-12.

The Board reviewed Exhibits A-E introduced during Agenda Item C, the matter of the NRPAB vs Russell L. Nelsen and found that Russell L. Nelsen is in violation of the Consent Agreement dated August 15, 2024, and that the violation of the Consent Agreement is grounds for additional discipline. It is hereby ordered that Respondent shall immediately cease and desist from appraising real property in the State of Nebraska that requires a credential as a certified general real property appraiser or from holding himself out to be a certified general real property appraiser in the State of Nebraska, and Respondent's credential to appraise real property in the State of Nebraska, and Respondent's credential to appraise real property in the State of Nebraska is immediately downgraded to the certified residential classification. Board Member Gerdes moved to adopt the Findings of Fact, Conclusions of Law, Decision and Order and close Grievance 23-12. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**G. OTHER EXECUTIVE SESSION ITEMS**

**1. General**

**a. 2024.16**

The Board reviewed 2024.16. Board Member Gerdes moved to close the matter. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With none, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**b. 2024.18**

The Board reviewed a request for an individualized program of continuing education that includes the Board's acceptance of a specific education activity offered by a specific education provider, approved by the Board for continuing education at the time of completion, but was not approved in the jurisdiction in which the activity was completed at the time of completion. In accordance with Neb. Rev. Stat. § 76-2236(4), Board Member Gerdes moved to adopt an individualized program of continuing education for the 2024-2025 continuing education period for the requestor as follows:

- Up to twenty hours of continuing education may be awarded for completion of an education activity provided by a specific education provider, advertised publicly by the specific education provider as approved in the jurisdiction in which it was completed, but not approved in the jurisdiction in which the education activity was completed at the time the education activity was completed, if approved by the Board under 298 NAC Chapter 6 at the time the education activity was completed and evidence is provided that such education activity was satisfactorily completed during the two-year continuing education period.
- Except for the individualization of continuing education as stated, all provisions of Neb. Rev. Stat. § 76-2236 shall apply.

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**2. REVIEW OF SPECIAL ASSISTANT ATTORNEY GENERAL PROPOSALS**

The Board reviewed proposals for appointment as a Special Assistant Attorney General. Board Member Gerdes moved to authorize Director Kohtz to begin negotiations of an agreement with NRPAB241, the Board's top selection for appointment as a Special Assistant Attorney General for the Nebraska Real Property Appraiser Board. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With none, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**3. PERSONNEL MATTERS**

Personnel Matters were discussed.

**S. ADJOURNMENT**

Board Member Johnson moved to adjourn the meeting. Board Member Minshull seconded the motion. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye. At 12:18 p.m., Chairperson Downing adjourned the November 21, 2024 meeting of the Nebraska Real Property Appraiser Board.

Respectfully submitted,



Tyler N. Kohtz  
Director

These minutes were available for public inspection on November 26, 2024, in compliance with Nebraska Revised Statute § 84-1413 (5).