



THE NEBRASKA APPRAISER

News from the Nebraska Real Property Appraiser Board

Winter 2017

Director's Comments



Director Tyler Kohtz

Tyler Kohtz has been the Director for the Nebraska Real Property Appraiser Board since March of 2012. He is responsible for the development, implementation, and management of all programs for the agency, including the administration and enforcement of the Real Property Appraiser Act and the Appraisal Management Company Registration Act.

In Like a Lion, Out Like a Lamb

There is an old saying, "In like a lion, out like a lamb." Although there are many historic uses of this phrase, it is typically a reference to the month of March, which often begins cold and snowy, and ends with mild weather. For a State Agency, the legislative session feels like it is "In like a lion, out like a lamb." In December, proposed legislation is being finalized and the search for a Senator to introduce the bill takes place. By January, a flurry of bills are introduced, budget discussions begin, and legislative bill hearings take place. By the time March rolls around, all the heavy lifting is done and "patience" becomes the word of the day. What else has been keeping the Board busy? The Title 298 changes have been approved, so the Board has been making the necessary updates to applications and procedures. Also, the Appraisal Subcommittee just finished its most recent audit of the Board's appraiser program; preparation for these audits take a tremendous effort on the part of the Board's staff. In just a few short months the Board will begin planning for the next fiscal year, and the process will start all over again.

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Upcoming NRPAB Meetings:

- ♦ April 20, 2017 @ NRPAB Office (Conference Room)
- ♦ May 18, 2017 @ NRPAB Office (Conference Room)
- ♦ June 15 2017 @ NRPAB Office (Conference Room)

* The start time for each meeting can be found on the agenda posted to the Board's website at least 48 hours prior to the start of the meeting.

Changes to Title 298 Approved

By Tyler N. Kohtz, Director

The Board held a public hearing on Thursday, December 15, 2016 for proposed changes to Title 298 of the Nebraska Administrative Code, which includes the outright repeal of chapters one through eleven, and the addition of new chapters one through eight. At the conclusion of the hearing, the Board moved to formally repeal chapters one through eleven and adopt new chapters one through eight as proposed. The adopted changes to Title 298 result from the Nebraska State Legislature's approval of LB717 in 2014, the Nebraska State Legislature's approval of LB139 in 2015, and the Nebraska State Legislature's approval of LB731 in 2016; and also includes the restructuring of all chapters to provide clarity and address inconsistencies, to address issues concerning the administration and enforcement of Title 298, and to harmonize the language between the Real Property Appraiser Act ("Act"), the Uniform Standards of Professional Appraisal Practice ("USPAP"), and Title 298. Title 298 was approved by Governor Ricketts on February 22, 2017, and became effective on February 27, 2017.

LB717, which updated the Act with the necessary requirements for compliance with the Real Property Appraiser Qualification Criteria as promulgated by the Appraiser Qualifications Board of The Appraisal Foundation on December 9, 2011, was signed into law by Governor Heineman on April 10, 2014 with an effective date of January 1, 2015. The changes found in LB717 affect new and upgrade credentialing requirements, renewal requirements, continuing education requirements, and trainee real property appraiser/supervisory appraiser requirements.

LB139, which was signed into law by Governor Ricketts on April 13, 2015, updates the Act to address a multitude of issues concerning the administration and enforcement of the Act. The primary purpose is to eliminate inconsistencies within the Act, and inconsistencies between the Act and USPAP, and to provide clarity for administrative issues recently faced by the Board.

LB731 was signed into law by Governor Ricketts on April 6, 2016. This bill included updates to the Act to meet current federal requirements, and some general administrative changes.

Chapter 6, which addresses the administration of education activities and instructors, includes major changes for the Board's education program. The previous language found in Title 298 was inadequate for the effective administration of education activities and instructors. Chapter 6 includes requirements, approval procedures, resubmission procedures, and procedures for rescinding approval for all qualifying education, continuing education, online and correspondence activities, and the seven-hour supervisory appraiser and trainee course.

A copy of the updated Title 298 can be found on the Board's website at http://www.appraiser.ne.gov/rules_regulations.html. If you have any questions regarding the changes found in Title 298, please contact the Board's office at 402-471-9015, or by email at: nrpab.questions@nebraska.gov.

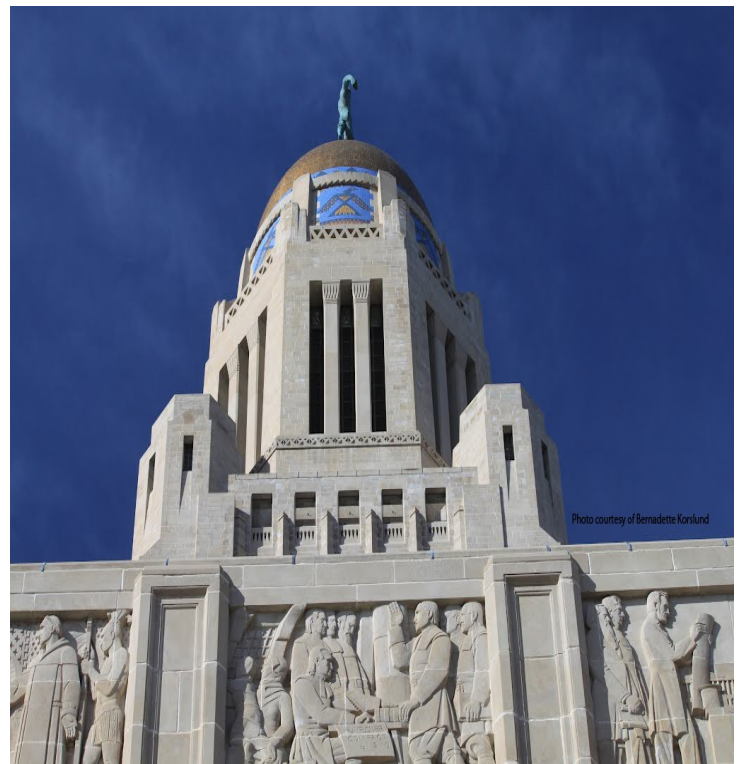


Photo courtesy of Bernadette Korlund

Be Aware of Appraiser Directed Scams

By Tyler N. Kohtz, Director

In March of 2014 the Board released a Memo From the Board titled "Letter Sent to California Appraisers May Be Fraudulent." The memo described a letter sent to appraisers by a firm named Savant Claims Management, on behalf of an alleged investor named First Mutual Group, LP. In the letter, Savant Claims Management alleged that USPAP violations were found in a report completed by the recipient of the letter. Furthermore, the letter alleged that First Mutual Group suffered significant financial damages resulting from an inaccurate valuation due to the USPAP violations found. This letter was most likely a fraudulent attempt to collect monies from vulnerable appraisers.

Fast forward three years, appraisers are once again the target of a scam. The email below is an example received by appraisers, and unlike the 2014 letter, this email has been received by at least one Nebraska credentialed appraiser. Merriam-Webster defines phishing as "a scam by which an email user is duped into revealing personal or confidential information which the scammer can use illicitly." The email below is a classic example of phishing. Phishing attacks often utilize email or malicious websites (by encouraging you to select a link) to collect personal and financial information or infect your computer with malware and viruses.

How do you avoid being a victim of phishing? First and foremost, the Board will always notify an appraiser of a grievance by certified mail. If you do receive an email or letter that is suspect, either by the name or reference used, please contact the Board's office immediately. Other tips include:

- Don't reveal personal or financial information in an email.
- Before sending sensitive information over the Internet, ensure that the website is secure ("https" means the website is secure using an SSL Certificate. If a green bar and a lock icon appear in the address line, the website has the highest level of security)
- Be sure the web address is correct. For example www.appraiser.ne.gov looks very similar to www.apraiser.ne.gov. Only the first is an actual web address. Cyber attackers often mirror an actual website at a fake web address.
- Ensure your computer has up-to-date anti-virus protection.

This problem is not going away, so always use your best judgment, ask questions if needed, and take proper safety precautions to avoid being a victim of phishing. Once again, if you receive an email or letter that is suspect, please contact the Board's office immediately for clarification.

From: Department of Consumer Affairs [<mailto:compl.dep.notif@outlook.com>]
Sent: Monday, January 30, 2017 11:05 AM
To: Gary Valentine
Subject: The Department of Consumers Affairs

Dear Appraiser:

A complaint has been filed against your practice.

Enclosed is a copy of the complaint which requires your immediate response. You have 7 days to file a rebuttal if you so desire. You may view a copy of the complaint at the link below.

[complaint98947.pdf](#)

You are required to investigate the alleged complaint and notify this office in writing (by facsimile, e-mail or written letter) no later than seven (7) calendar days after receipt of this letter whether the alleged complaint exist. If so, specify the corrective action you have taken and the estimated date when the correction will be completed.

The Department of Consumers Affairs cannot render legal advice nor can The Department of Consumers Affairs represent individuals or intervene on their behalf in any civil or criminal matter.

Please review the enclosed complaint. If filing a rebuttal please do so during the specified time frame.

If you do not respond, an inspection of your workplace may be conducted which may result in citations and monetary penalties

Sincerely,
The Department of Consumers Affairs

Carbon Monoxide Safety Act

By Tyler N. Kohtz, Director

At its February 15, 2017 regular meeting the Board discussed the Carbon Monoxide Safety Act, and its effect on the appraisal industry. LB34 was signed into law by Governor Ricketts on March 18, 2015, and many of the provisions of this act became effective on January 1, 2017.

According to the Competency Rule in the 2016-2017 edition of the Uniform Standards of Professional Appraisal Practice, "The appraiser must determine, prior to accepting an assignment, that he or she can perform the assignment competently. Competency requires: 1. the ability to properly identify the problem to be addressed; 2. the knowledge and experience to complete the assignment competently; and 3. recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment." The Board did not make a determination as to if, or when, information concerning carbon monoxide alarms should be included in a report, but that the details of the Carbon Monoxide Safety Act should be provided to the appraiser community to ensure that the community is competent to complete assignments in compliance with the laws and regulations that apply to the appraiser or to the assignment.

The Board would like you to be aware of the following information contained in the Carbon Monoxide Safety Act:

- A carbon monoxide alarm is a device that detects carbon monoxide, and that produces a distinct, audible alarm.
- A carbon monoxide alarm can be plugged into a dwelling's electrical outlet (with battery back-up), wired into a dwelling's electrical system (with battery backup), or be connected to the electrical system via an electrical panel.
- A carbon monoxide alarm may be combined with a smoke detecting device if the combined device complies with applicable law regarding both smoke detecting devices and carbon monoxide alarms if the carbon monoxide alarm is distinct and descriptively annunciated from a smoke detecting alarm.
- Any multifamily dwelling or single-family dwelling constructed on or after January 1, 2017, that has a fuel-fired heater or appliance, a fireplace, or an attached garage, shall have a carbon monoxide alarm installed on each habitable floor or in a location specified in any building code adopted by the state or by a political subdivision in which the dwelling is located.
- The seller of a multifamily or single-family dwelling that is offered for sale or transfer on or after January 1, 2017, that has a fuel-fired heater or appliance, a fireplace, or an attached garage, shall ensure that an operational carbon monoxide alarm is installed on each habitable floor or in a location specified in any building code adopted by the state or by a political subdivision in which the dwelling is located.
- The owner of a multifamily or single-family dwelling or unit that has a fuel-fired heater or appliance, a fireplace, or an attached garage that makes any interior alteration, repair, fuel-fired appliance replacement, or addition, on or after January 1, 2017, where a permit is required, shall ensure that an operational carbon monoxide alarm is installed on each habitable floor or in a location specified in any building code adopted by the state or by a political subdivision in which the dwelling is located.
- The number of, or lack of, carbon monoxide alarms is required to be disclosed on statements for sales of real estates.

Please contact the Board's office at 402-471-9015, or by email at: nrpab.questions@nebraska.gov, for any questions concerning the Carbon Monoxide Safety Act.

NRPAB Quick Hits

- ◆ LB17 was introduced by Senator Craighead on January 5, 2017 to update the Nebraska Appraisal Management Company Registration Act ("Act") for compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("Title XI"), the AMC Final Rule, and the requirements of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. The hearing before the Banking, Commerce and Insurance Committee took place on January 24, 2017, and the bill was placed on General File with an 8-0 committee vote. LB17 is currently under debate in the full Legislature.

The Final Rule was adopted on June 9, 2015, with an effective date of August 10, 2015, which added a new Section 1124 to Title XI to be applied by participating States in the registration and supervision of appraisal management companies ("AMC"). Participating states have until August 10, 2018 to implement these changes.

- ◆ The Board would like to thank the University of Nebraska at Omaha chapter of Rho Epsilon for the opportunity to discuss the real property appraiser profession and the appraiser qualifications criteria with the future of the industry. Director Kohtz gave a presentation to approximately thirty students on February 21, 2017. The students were engaged in the presentation and asked very well thought out and detailed questions at the conclusion of Director Kohtz's presentation.

NRPAB Staff

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[Visit NRPAB on Facebook](#)

Have questions? We have answers!

Questions related to appraisal management company registration and renewal: nrpab.amc@nebraska.gov

Questions related to real property appraiser credentialing: nrpab.credentialing@nebraska.gov

Questions related to real property appraiser credential renewal: nrpab.renewals@nebraska.gov

Questions related to real property appraiser education (QE & CE): nrpab.education@nebraska.gov

Questions related to investigations, or how to file a grievance: nrpab.compliance@nebraska.gov

General Questions: nrpab.questions@nebraska.gov

Coming and Going:

The Nebraska Real Property Appraiser Board would like to offer congratulations to the following individuals who received real property appraiser credentials, and the organizations newly registered as appraisal management companies, between October and December of 2016.

Trainee Real Property Appraisers

Thomas McGregor, Norfolk, NE – T2016014

Brent Van Slyke, Lincoln, NE – T2016015

Licensed Real Property Appraisers

Kenneth Stewart, Bellevue, NE – L2016005R

Certified General Real Property Appraisers

Andrew Kopek, Kansas City, MO –
CG2016017R

Morgan Peeler, Houston, TX – CG2016018R

Gerald Maier, Lenexa, KS – CG2016019R

Appraisal Management Companies

Palm Beach Appraisal Management Co. LLC
– NE2016004

Kairos Appraisal Services LLC – NE2016009

Heartland Valuation Service LLC –
NE2016012

Free Voluntary Guidance for Appraisers

Looking for guidance on recognized valuation methods and techniques? The Appraisal Foundation's Appraisal Practices Board (APB) has issued *Valuation Advisories*, which are available for free on the Foundation's web site. The following *Valuation Advisories* are currently available:

APB VFR Valuation Advisory #1:

[Identification of Contributory Assets and Calculation of Economic Rents](#)

APB VFR Valuation Advisory #1 (Toolkit):

[Identification of Contributory Assets and Calculation of Economic Rents](#)

APB VFR Valuation Advisory #2:

[The Valuation of Customer-Related Assets](#)

APB Valuation Advisory #2:

[Adjusting Comparable Sales for Seller Concessions](#)

APB Valuation Advisory #3:

[Residential Appraising in a Declining Market](#)

APB Valuation Advisory #4:

[Identifying Comparable Properties - Revised](#)

APB Valuation Advisory #5:

[Identifying Comparable Properties in Automated Valuation Models for Mass Appraisal](#)

APB Valuation Advisory #6:

[Valuation of Green and High Performance Property: Background and Core Competency](#)

APB Valuation Advisory #7:

[Valuation of Green and High Performance Property: One- to Four-Unit Residential](#)

APB Valuation Advisory #8:

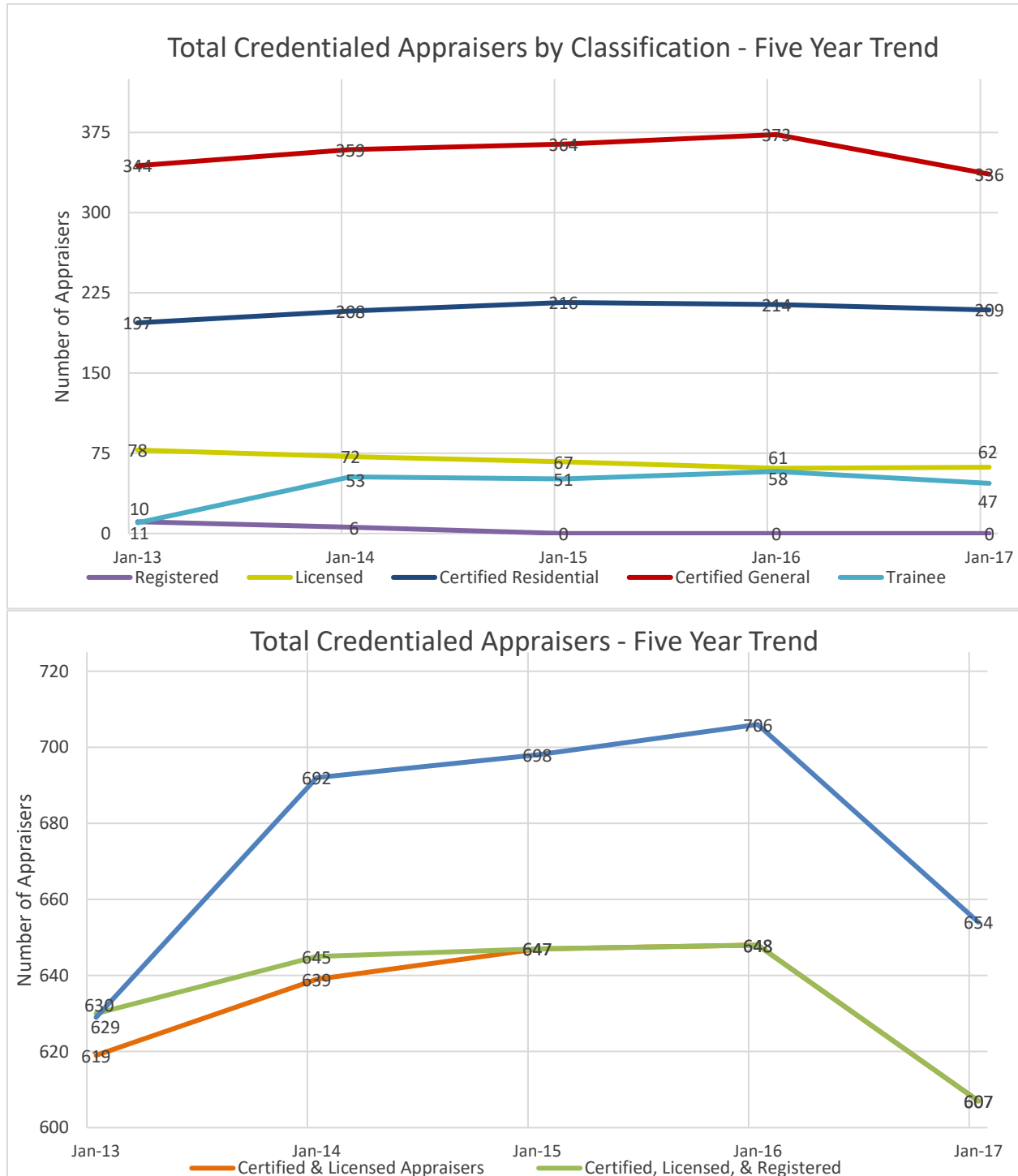
[Collection and Verification of Residential Data in the Sales Comparison Approach](#)

To learn more about the APB's *Valuation Advisories* and what advisories are under development, click [here](#).

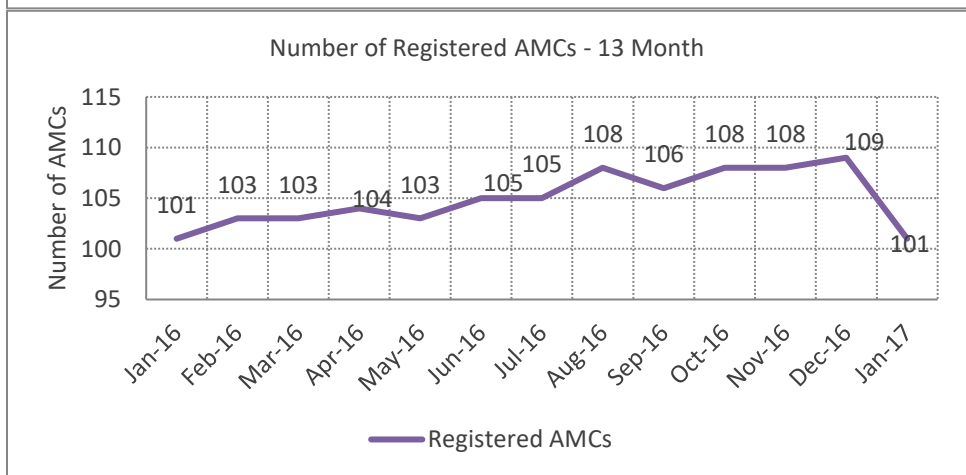
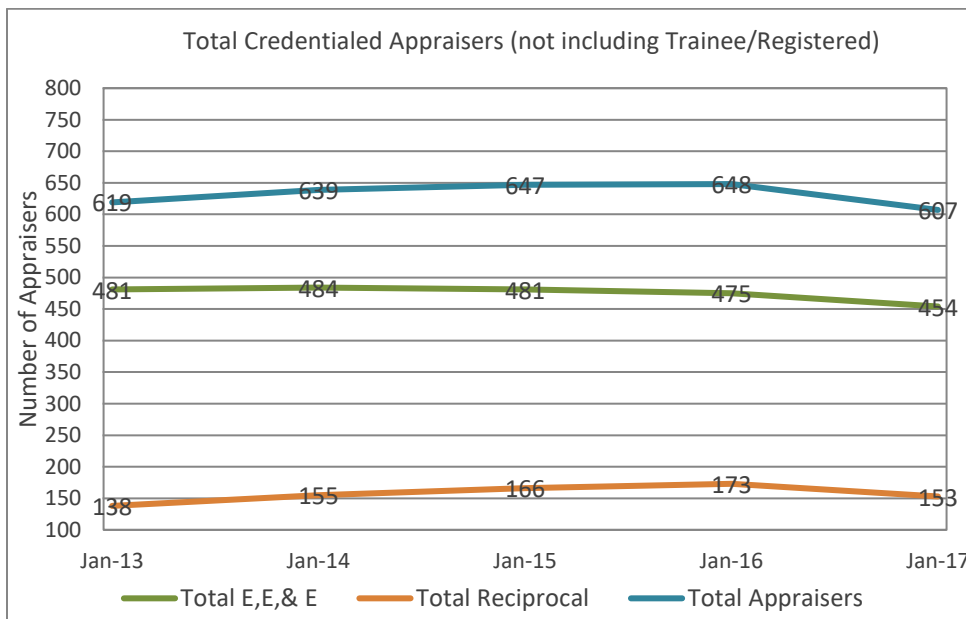
The APB utilizes teams of Subject Matter Experts (SMEs) to help develop this guidance. To learn more about becoming an SME to help develop this guidance, click [here](#).

Real Property Appraiser and AMC Numbers and Trends as of January 1, 2017

The charts below outline the five year trend for the number of Nebraska credentialed real property appraisers and Nebraska registered appraisal management companies up to January 1, 2017. There are currently 691 licensed residential, certified residential, and certified general real property appraisers in Nebraska, and 68 credentialed trainee real property appraisers. In addition, there are currently 108 appraisal management companies registered in Nebraska.



Real Property Appraiser and AMC Numbers and Trends as of January 1, 2017 (Continued)



Nebraska Real Property Appraiser Board Members

Chairperson of the Board
Christopher R. Langemeier, Schuyler
 Certified General Appraiser
 Licensed Real Estate Broker Rep
 Term Expires: January 1, 2018

Vice-Chairperson of the Board
Benjamin J. Hynek, Lincoln
 Certified Residential Appraiser
 1st District Representative
 Term Expires: January 1, 2021

Board Member
David P. Bloxham, Nebraska City
 Certified Residential Appraiser
 Financial Institutions Rep
 Term Expires: January 1, 2019

Board Member
Marc V. Woodle, Omaha
 Certified General Appraiser
 2nd District Representative
 Term Expires: January 1, 2017



THE APPRAISAL FOUNDATION

*Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications*



New!
**The Appraisal Foundation
Q&A Forum**



Do you have a question for the Appraiser Qualifications Board or Appraisal Standards Board that is not addressed in the existing Q&As?

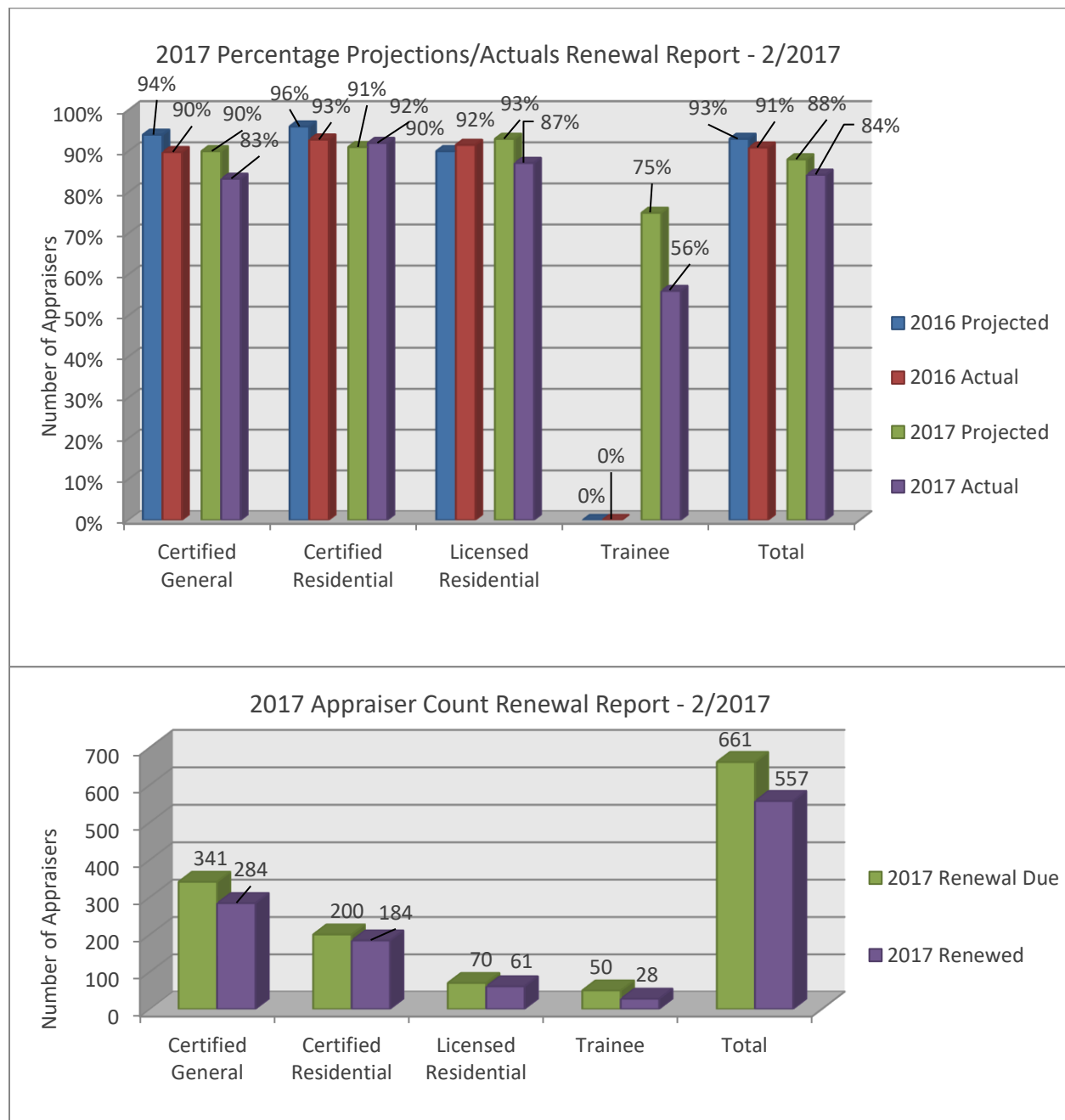
The Appraisal Foundation is pleased to announce a new Q&A Forum that is now available. You can post your questions on appraisal standards or appraiser qualifications and receive a timely answer from Foundation staff.

For more information on the Forum and how to register, please visit our Q&A webpage located at https://www.appraisalfoundation.org/imis/TAF/Standards/Q_As/TAF/QAs.aspx.

To access the Forum directly, visit <http://www.appraisal.answerbase.com/>.

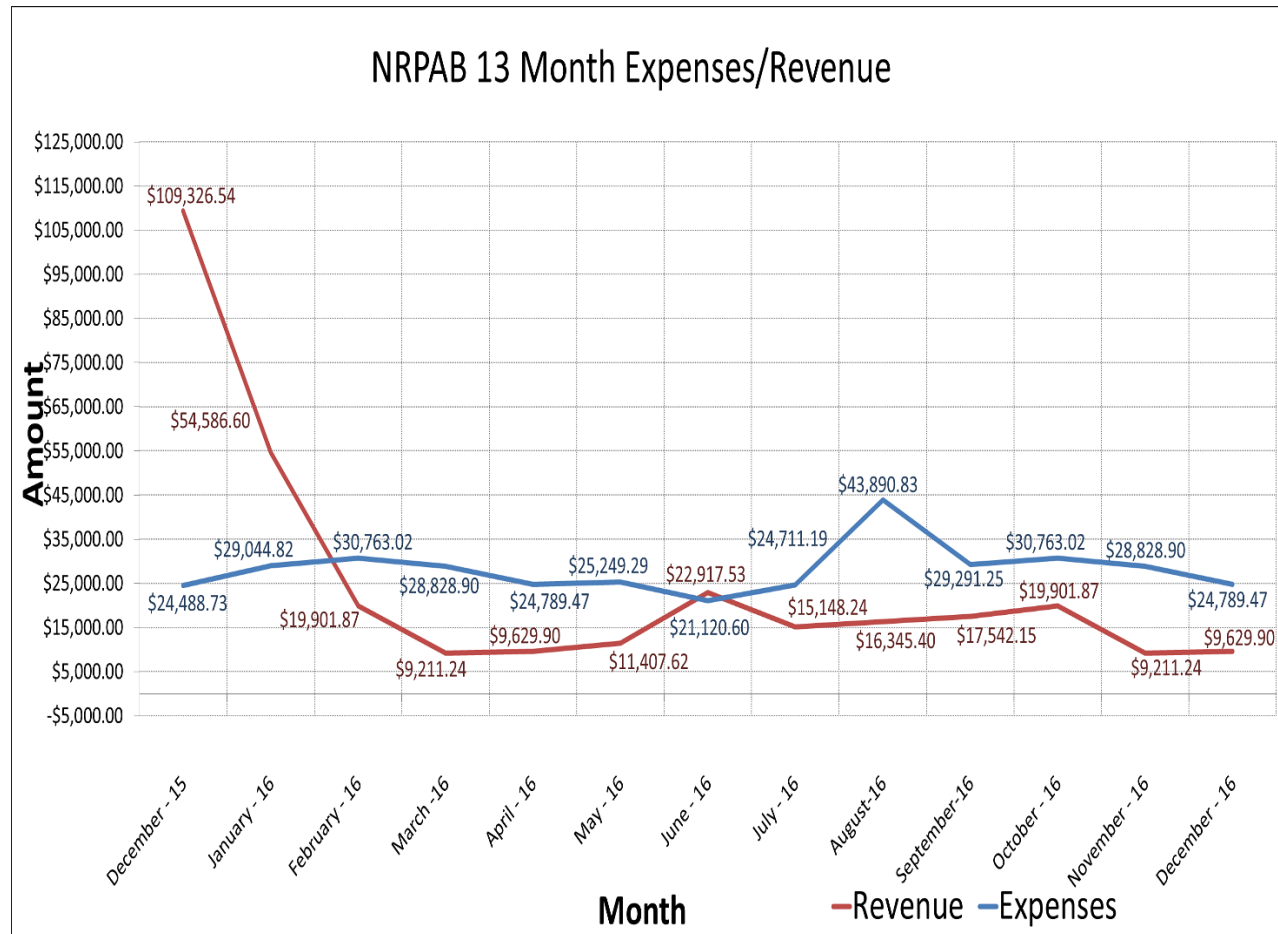
Real Property Appraiser Renewal Report as of February 2017

The charts below outline the real property appraiser renewal counts and percentages as of February 2017. There were 661 trainee, licensed residential, certified residential, and certified general real property appraiser renewals due, and 557 credentials have been renewed. 2017 is the first year that the trainee real property appraiser two year renew requirements have been in effect. 75% were projected to renew, but as of the date of this report 56% have renewed. The Board anticipates that the trainee renewal counts will be much higher after the first cycle with the two year renewal requirements is complete. So far for the 2017 renewal period, the certified general and licensed residential credential renewal rates have not met projections. The Board is monitoring the current renewal rates and trends.



NRPAB Financial Snapshot as of December 31, 2016

For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$179,703.94 in expenditures and \$273,305.41 in revenues were recorded as of December 31, 2016. Actual expenses registered at 36.34 percent of the budgeted expenditures for the fiscal year; 50.41 percent of the fiscal year has passed. Real property appraiser credential renewal applications drove revenues during the last quarter.



Your credentialing card, continuing education requirements, education history, and USPAP download are all found in the Appraiser Login on the Board's website.

Nebraska Real Property Appraiser Board

Official Nebraska Government Website

Nebraska Real Property Appraiser Board

Home Board Members and Staff Appraiser Login Contact Appraiser Listing AMC Listing

Appraiser login button

Mission:
The Mission of the Nebraska Real Property Appraiser Board is to administer and enforce the Nebraska Real Property Appraiser Act and Nebraska Appraisal Management Company Registration Act with efficiency, equity, and integrity to ensure that the citizens of Nebraska are protected and served, and that the appraisal services community is highly qualified through education, experience, and examination.

Vision:
The Nebraska Real Property Appraiser Board's vision is to provide leadership for the appraisal industry in the State of Nebraska. The Board will generate interest by promoting the appraiser profession, building positive public awareness of the industry throughout the State, and identifying and resolving issues faced by the public and appraisal services community. The Nebraska Real Property Appraiser Board will also establish and maintain standards for appraisers and appraisal management companies that lays the foundation for a highly qualified, motivated, dependable, and ethical appraisal services community in Nebraska.

- AMC Registration
- Appraiser Credentialing
- Board Meetings
- Education
- Enforcement
- Laws and Regulations
- Public Information
- Request Forms
- Standard 3 Review Forms

Compliance Corner:

The Compliance Corner is where the latest disciplinary actions taken by the Board will be found. Between the months of October and December, the Board took no disciplinary action against any appraiser. There have been eight grievances filed against appraisers or AMC's and the Board has dismissed sixteen Grievances during this time period.



The Board took disciplinary action against one AMC in the time period. A Grievance was filed against Independent Settlement Services, LLC ("Independent") for allegedly performing procurement of a registration for itself by fraud, misrepresentation, or deceit by failing to disclose previous disciplinary action taken by another jurisdiction on an application for renewal of a registration as an appraisal management company. Independent entered into a Consent Agreement with the Nebraska Real Property Board ("Board") on October 18, 2016 for the alleged violation of Neb. Rev. Stat. § 76-3216, which states, (1) "To the extent permitted by any applicable federal legislation or regulation, the board may censure an appraisal management company, conditionally or unconditionally suspend or revoke the registration issued to the appraisal management company under the Nebraska Appraisal Management Company Registration Act, or levy fines or impose civil penalties not to exceed five thousand dollars for a first offense and not to exceed ten thousand dollars for a second or subsequent offense, if the board determines that an appraisal management company is attempting to perform, has performed, or has attempted to perform any of the following: (c) Procurement of a registration for itself or any other person by fraud, misrepresentation, or deceit." Independent was ordered by the Board to pay \$1,200.00 for costs associated with the investigation, and pay a civil penalty in the amount of \$1,500.00, within fifteen days of execution of the Consent Agreement. Independent was also ordered to probation for a period of one year from the date of execution of the Consent Agreement, and agreed to report any and all active investigations and any dispositions of investigations to the Board within thirty days.

The Meeting

