

**REAL PROPERTY APPRAISER BOARD  
DEPT. EDUCATION BOARD ROOM, 6<sup>TH</sup> FLOOR  
NEBRASKA STATE OFFICE BUILDING  
301 CENTENNIAL MALL SOUTH, LINCOLN, NE  
Thursday, May 15, 2008**

**OPENING**

Chairman Joe Wilson called to order the May 15, 2008, meeting of the Nebraska Real Property Appraiser Board at 9:06 a.m., in the Dept. of Education Board Room, 6<sup>th</sup> Floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

**NOTICE OF MEETING**

Vice Chair Wilson 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 e-mail. The agenda was kept current in the Nebraska Real Property Appraiser Board Office and on the Board's website. Materials generally used by the Board for this meeting were available in the public folder for inspection by the public and in accordance with the Open Meetings Act. A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members, Mathew 'Joe' Wilson, Timothy Kalkowski, Gregg Mitchell, and Bradford Moore were present. Director Kitty Policky was also present. Board Member James Bain was not present.

**ADOPTION OF THE AGENDA**

Chair Wilson 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. Vice Chair Mitchell moved to adopt the Agenda as printed. Board Member Moore seconded. The motion carried with Kalkowski, Mitchell, Moore, and Wilson voting aye. Motion carried.

**WELCOME GUESTS**

Wilson welcomed the guests to the meeting and asked them to please sign the guest log.

**APPROVAL OF THE MINUTES FROM APRIL 17, 2008**

Chair Wilson asked for any additions or corrections to the April 17, 2008 minutes. With no corrections or additions, Chair Wilson called for a vote to approve the minutes. Vice Chairman Mitchell moved to adopt the minutes as presented and Board Member Moore seconded the motion. The motion carried with Moore, Kalkowski, Mitchell, and Wilson voting aye.

**CHAIR REPORT**

Chairman Wilson had no topics for discussion or presentation.

**DIRECTOR'S REPORT**

Director Policky reported on the number of credentials to date with a total of 896 for May 2008 or an increase of 8 credentials from the April 2008 report. The increase in the credentials issued is linked entirely to the sequential application process. No new credentials have been processed under the 2008 criteria to date.

Board Member Kalkowski asked for the date a registered credential could be issued. A new credential for the registered will be issued until December 31, 2011. On or after January 1, 2011, no new registered credential will be issued but for those issued prior, the individual credential holders have three years to upgrade to another credential. The registered credential will exist until December 31, 2014.

### **RECEIPTS AND EXPENDITURES REPORT – APRIL 2008**

The receipts and expenditures for April were reviewed by the Director by line item with the Board. A copy of the Budget Status Report is considered part of these minutes and is attached. Board Member Kalkowski commented that we were at 66% of the budget amount and probably should be higher at this date. Director Policky commented that the additional funds appropriated by the Legislature for contractual services drove the percentage somewhat down but that this was the second half of a biennium budget and funds would be carried over to the 08-09 fiscal year and that this office would need every cent it had to finish processing the sequential application demonstration reports.

Vice Chairman Mitchell moved to accept and file the April 2008 Receipts and Expenditures report for audit. Board Member Kalkowski seconded. The motion carried with Kalkowski, Mitchell, Moore, and Wilson voting aye.

### **UNFINISHED BUSINESS**

#### **1. Mitchell correspondence / Cuomo:**

Vice Chair Mitchell reported on the development of the response to the agreements with OFHEO, New York State Attorney General Andrew Cuomo, Fannie Mae and Freddie Mac to strengthen the independence of the appraisal process. The position of the Appraiser Board, as well as the Appraisal Foundation to the agreements was reviewed. Mitchell requested that the correspondence developed as a response to the agreements be posted on the website as a means of informing Nebraska appraisers of the environment of the profession. Chair Wilson thanked Gregg for his efforts and agreed that the response should be available on the website. The agreement was made without motion.

### **NEW BUSINESS**

#### **1. Qualifications for certification page:**

Board Member Moore wanted to bring to the attention of the Board questions, particularly asked by students, concerning who signs a report. Who can sign an appraisal report? Anybody can sign the report as long as they assume the responsibilities of the certification. Individuals must apply the same rule of competency when signing a report. If the individual cannot meet the qualifications of competency, they should be referenced in the acknowledgement or the body of the report as to what responsibilities they performed and not sign the report. Professional assistance does not supercede the certification page. They should not sign the certification page simply because they cannot certify all aspects of the report. Even if they provided the cost approach, they are not responsible for the income and should therefore not sign the certification.

Demonstration reports do not require the signature of a supervisor. The Board wants to know that the candidate can perform all aspects of an assignment. Moore continued by explaining that the certification page was there to protect the user. That anyone who signs the certification page is responsible for the complete report and not just parts of it. USPAP says you must take the responsibilities of the whole report if you sign the certification page.

Board Member Moore offered to write an article to outline the qualifications of signing a report. Board Member Kalkowski requested that a copy of the article be forwarded to the Nebraska Bankers Association and again attach the Scope of Practice for clarification value.

## **2. AQB Guide Note 6 (GN-6)**

Director Policky brought to the attention of the Board the AQB Guide Note 6 (GN-6) as it applies to the verification of experience credit as specified in the “Real Property Appraiser Qualifications Criteria” that became effective on January 1, 2008.

Under the “Criteria Applicable to All Appraiser Classifications” in the 2008 Criteria, Section V.G. (Generic Experience Criteria) reads as follows:

- G. The verification for experience for experience credit claimed by an applicant shall be on forms prescribed by the state certification/licensing agency, which shall include:
1. Type of property;
  2. Date of report;
  3. Address of appraised property;
  4. Description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser;
  5. Number of actual work hours by the trainee/applicant on the assignment; and
  6. The signature and state certification number of the supervising appraiser if applicable. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.

Under GN-6, the intent of the AQB that the verification of experience clearly identifies three things under #4: A description of the work performed by the trainee or applicant; the scope of review performed by the supervising appraiser; and the level of supervision performed by the supervising appraiser.

Director Policky emphasized the experience logs or forms prescribed by a state appraiser regulatory agency to verify experience, *must*, at a minimum, include the items listed.

Board Chair Wilson called for a motion to adopt the experience log to include the minimum items listed under Section V.G., Generic Experience Criteria, as specified in the 2008 Property Appraiser Qualification Criteria. Vice Chair Mitchell proposed a motion for applicants applying under the 2008 criteria, log submissions must be submitted under the format of the AQB guidelines of AQB Guide Note 6 adopted May 2, 2008. Board Member Moore seconded the motion. Motion carried with Mitchell, Moore, Kalkowski and Wilson voting aye.

Board took a break at 10:00 a.m.

Board meeting reconvened at 10:10 a.m.

## **3. Consideration of an update requirement for Report Writing.**

Board Member Moore explained that beginning in January 2008, Iowa appraisers are required to take a seven-hour report writing update whether residential or general. Moore continued noting that Nebraska has always required report writing in some form for credentialing where as Iowa

has not. Although the update seminar has been beneficial, it is important that it be remembered that Nebraska's requirements have always been more stringent than Iowa requirements for credentialing.

Director Policky reviewed the breakdown of the 28 hours of continuing education in a two-year period by reminding the Board seven hours are dedicated to a USPAP Update and 14 hours were permitted on-line leaving only seven hours for classroom participation. The seven hour report writing update would consume the last seven hours available. Although it was an idea that would benefit some and not others as many requirements do – there are considerations for the mere 28 hours of education in a continuing education period.

Vice Chair Mitchell suggested that perhaps it could be a requirement in a four-year cycle. Chair Wilson agreed that perhaps making it a requirement every four years would perhaps be beneficial to more individuals. Although members liked the idea, the decision as to how to apply the requirement was open for discussion. Chair Wilson requested the topic be put back on the agenda for the June meeting and requested members bring ideas about consideration for the report writing update seminar requirement.

#### **4. Teri Selberg / us-papcomplaint.com**

Vice Chair Mitchell reported on the development of a software program by Teri Selberg of Iowa that would allow regulatory boards and users to view reports and runs down through the elements of compliance or non-compliance with USPAP. The program may add consistency with the manner in which reviews are reported. Board members discussed the prospects of the application of the program. Chair Wilson requested that Director Policky invite Teri to the May 19<sup>th</sup> meeting for a presentation of the program.

#### **GENERAL PUBLIC COMMENTS**

Chair Wilson asked for any public comments.

Cay Lacey, certified general with Great Plains Appraisal asked the Board if there were plans to make comments concerning the change to the statute addressing non-compliant reports by credentialed appraisers who are considered exempt and signing with a credentialing number.

Director Policky responded by explaining that comments concerning the changes that were implemented by the adoption of LB1011 would be e-mailed to all appraisers along with a copy of the revised statutes to include the changes. The changes to the law will become effective July 16, 2008.

With no further comments, the Chair proceeded to education.

#### **EDUCATION**

Vice Chair Mitchell moved to approve the following continuing education seminars for both new and renewal and respective instructors as listed:

*Continuing Education:*

Property Assessment Division/Dept. of Revenue:

“IAAO 300 – Fundamentals of Mass Appraisal” – 30 hours – C9367

Instructor: Rick Stuart

DME Enterprises, Inc./Appraisal Mastery Center, Colorado:  
“422 – *Perfecting the URAR (FNMA Form 1004)*” – 8 hours – C2811  
Instructor: David M. Ehrnstein

“421 – *Residential Appraisal Mastery*” – ~~16~~ hour – C2812 / Approved 8 hours  
Instructor David M. Ehrnstein

American Society of Farm Managers and Rural Appraisers, Colorado:  
“*Requirements of UASFLA – The ‘Yellow Book’*” - 24 hours – C2808  
Instructor: John Widdoss

“*Advanced URAR Topics*” – 8 hours – C2807  
Instructor: Mark Elder

“*Valuation of Conservation Easements*” – 33 hours – C2826  
Instructor: Not selected at this time.

The Appraisal Institute:  
ONLINE “*Residential Report Writing & Case Studies*” – 15 hours – C2754-I  
Instructor: Sandra K. Adomatis

“*Business Practice & Ethics 420*” – 7 hours – C2306  
Instructor: Stephanie Coleman

ONLINE “*Marshall & Swift Residential Cost Training*” 10 hours – C2837-I  
Instructor Edward T. Molinari

ONLINE “*Residential Site Valuation & Cost Approach*” – 14 hrs. – C2838-I  
Instructor: Arlen Mills

McKissock, LP:  
ONLINE “*REO & Foreclosure Properties*” – 5 hours – C2817-I  
Instructors: Andrew Leirer

IRWA & Nebraska Dept. of Roads:  
“409/Integrating Appraisal Standards” – 8 hours – C2852 – Approved 7 hours

*Core Curriculum Courses:*

Larabee School of Real Estate & Insurance, Inc.:  
“*Basic Appraisal Principles*”- 30 hours – Q001  
Instructor: Cay Lacey

“*Basic Appraisal Procedures*”- 30 hours – Q002  
Instructor: Cay Lacey

“*Residential Market Analysis and Highest & Best Use*”- 15 hours – L/CR004  
Instructor: No submission.

*“Residential Site Valuation & Cost Approach”*- 15 hours – L/CR005  
Instructor: No submission.

*“Residential Sales Comparison & Cost Approach”*- 15 hours – L/CR006  
Instructor: No submission.

*“Residential Report Writing & Case Studies”*- 15 hours – L/CR007  
Instructor: No submission.

*“General Site Valuation and Cost Approach”*- 15 hours – CG005  
Instructor: Cay Lacey

*“Statistics, Modeling, and Finance”*- 30 hours – CR/CG009  
Instructor: No submission

*Instructor Only:*

Randall School of Real Estate:

*“Real Estate Principles & Practices”* – 30 hours C0040  
Instructor: David R. Matney

IRWA/Dept. of Roads:

*“409/Integrating Appraisal Standards”* (C2852) & *“410/Reviewing Appraisals in Eminent Domain”* (C2636)  
Instructor: David E. Burgoyne

Board Member Moore seconded the motion. Motion carried with Moore, Kalkowski, Mitchell, and Wilson voting aye.

### **APPLICANTS & ENFORCEMENT**

Vice Chair Mitchell moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and consideration of written complaints and disciplinary action. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of qualifying applicants and relating to the alleged violations of performance in real property appraisal practice. The time on the meeting clock was 11:02. Moore seconded the motion. The motion carried with Kalkowski, Mitchell, Moore, and Wilson voting aye.

Vice Chair Mitchell moved to come out of executive session at 1:50 p.m. Board Member Moore seconded the motion. The motion carried with Mitchell, Moore, Kalkowski and Wilson voting aye.

Vice Chair Mitchell moved to take the following actions for the applicants for the certified residential credential:

CR332 – Approve applicant and select verification report(s).

CR209 – Approve applicant and select verification report(s).

CR169 – Approve applicant and select verification report(s).

Vice Chair Mitchell moved to take the following actions for the applicants for the certified general credential:

- CG417 – Approve / Hold until application complete.
- CG424 – Approve applicant and select verification report(s).
- CG445 – Approve applicant and select verification report(s).
- CG446 – Approve applicant and select verification report(s).
- CG418 – Approve applicant and select verification report(s).

Vice Chair Mitchell moved to take the following actions for the submission of verification reports:

- L552 – Approve for credential.
- CR175 – Approve for credential.
- CR226 – Approve for credential.
- CG428 – Approve for credential.
- CG435 – Approve for credential.

Board Member Moore seconded the motion. Motion carried with Moore, Kalkowski, Mitchell, and Wilson voting aye.

Vice Chair Mitchell moved to take the following enforcement actions:

- 06-22 – Board Chair sign Consent Agreement and forward copy.
- 07-08 – Advisory letter concerning record keeping and file maintenance.
- 07-14 – Board refuses terms of counter Consent Agreement.
  - Send copy original Consent Agreement to legal counsel.
  - Accept completed course and due date by December 31, 2008.
- 07-24 – Hold. Hearing May 16<sup>th</sup> 10:00 a.m., NSOB.
- 08-03 – Dismiss. Reviewer accepted report. Forward copy reviewer's comments.
- 08-04 – Consent Agreement to education and Board-approved mentor for one year with mentor reporting to Board at 6-month interval and at conclusion.
- 08-07 – Hold – Review not returned.
- 08-09 – Dismiss. Reviewer found report USPAP compliant. Forward complaint to Real Estate Commission.
- 08-11 – Request true copy report and workfile.

Board Member Moore seconded the Motion. Motion carried with Kalkowski, Mitchell, Moore, and Wilson voting aye.

Board Member Moore moved to take the following enforcement action:

- 08-08 – Hold – Review not returned

Board Member Kalkowski seconded the Motion. Motion carried with Moore, Kalkowski, and Wilson voting aye and Mitchell Abstaining.

Board Member Mitchell moved to take the following enforcement action:

- 07-22 – Hold/Appraiser to surrender credential.

08-10 – Hold – No response. Connected to decision for 07-22 / Surrender credential.

Board Member Moore seconded the Motion. Motion carried with Kalkowski, Mitchell, and Moore voting aye and Wilson Abstaining.

Tentative meeting dates were approved as follows:

July 17, 2008

August 21, 2008

September 18, 2008

**ADJOURNMENT**

At 2:00 Chair Wilson adjourned the May 15, 2008, meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on May 25, 2008, in compliance with Nebraska Statute §84-1413(5).