

**REAL PROPERTY APPRAISER BOARD
LOWER LEVEL, ROOM "B"
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

July 16, 2009

OPENING

Chairman Gregg Mitchell called to order the July 16, 2009, meeting of the Nebraska Real Property Appraiser Board at 9:02 a.m., in Lower Level, Room "B" of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

NOTICE OF MEETING

Chairman Mitchell 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 R. Gregg Mitchell, Bradford Moore, Matthew 'Joe' Wilson, and James Bain, and David Hartman were present. Director Kitty Policky was also present.

Immediately following the call to order, the Appraiser Board went into recess and members as well as guests participated in a Task Force meeting to collectively structure and develop statutes regarding Appraisal Management Companies. Task Force Chairman John Bredemeyer distributed data from states that had formulated regulations to date and the Appraisal Management Company Registration and Regulation Model Act as developed by the Appraisal Institute. The model act from the Appraisal Institute addresses general elements but does not make specific regulations. A packet of information was distributed that contained an overview of what has been done to date by states designing legislation and regulation.

Chairman Bredemeyer suggested to the Board and guests that the goal should be to address all the issues and concerns with the sincere hope that the basics can be accomplished. As regulation evolves, of course the legislation will continue to need changes but the goal should be to develop a comprehensive attempt at developing regulatory legislation concerning Appraisal Management Companies. To attempt to develop a set of standards to render accountability and transparency is imperative. The attempt to regulate the AMC is not to be punitive but to render accountability for public trust and due diligence. The group discussed and edited the Appraisal Management model regulation in an attempt to meet Nebraska's expectations of accountability. Chairman Bredemeyer asked Director Policky to distribute the edited guidelines to each member and guest for further consideration electronically to be finalized at an August 11th meeting.

Chairman Mitchell suggested that the target date to have the proposed regulation draft ready should be the month of September. Senator Langemeier, a certified general himself, has offered to assist the Appraiser Board by sponsoring the legislation. The goal was unanimous is to make the final draft from the bill writers ready by December 1st and give the Senator a complete, organized set of regulations to present in the coming Legislative session.

The Appraiser Board returned to the regular meeting agenda at 1:20 p.m.

ADOPTION OF THE AGENDA

Chairman Mitchell 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 Moore moved to adopt the Agenda as printed. Board Member Bain seconded the motion. With no further discussion, the motion carried with Bain, Wilson, Hartman, Moore, and Mitchell voting aye.

WELCOME GUESTS

Chair Mitchell welcomed the guests to the meeting and asked that they please sign the guest log.

APPROVAL OF THE MINUTES FROM JUNE 24, 2009

Chair Mitchell asked for any additions or corrections to the June 24, 2009 minutes. With no corrections or additions Board Member Bain moved to adopt the minutes as presented and Vice Chair Moore seconded the motion. With no further discussion the motion carried with Wilson, Hartman, Moore, Bain, and Mitchell voting aye.

CHAIRMAN'S REPORT

Considering the length of the Task Force meeting concerning the structure of proposed statutes, Chairman Mitchell withheld the Chairman's Report as the information was not timely and he would include the information at the August meeting. Chairman Mitchell emphasized focusing our attention on the AMC issue and to make thorough and calculated decisions in preparation for the upcoming legislative session as the next opportunity would not arise until the following year.

DIRECTOR'S REPORT

The number of appraisers for July stands as follows: 129 Registered/ Conversion; 128 Licensed; 198 Certified Residential; and 389 Certified General for a total of 844 appraisers. The accounting includes the totals for July of 2008 with a total of 902 appraisers. The decrease of 58 credentials is mainly in the registered and conversion credentials either not renewing or upgrading to a new credential. The numbers of license credentials for Nebraska has decreased by 12 credentials and the certified residential credentials for Nebraska has increased by 18 appraisers and the number of certified general credentials for Nebraska has increased by 20 appraisers. A significant number of appraisers have achieved an upgraded credential. There will be no further changes for the 2009 credential totals from renewal as the final renewal period ended June 30th. All credentialed appraisers that did not renew on or prior to this date will be required to begin the application process over under the new 2008 criteria for credentialing.

Director Policky distributed to each member the AARO tentative agenda as well as the application for the fall meeting in Washington, DC to be held October 10-13th 2009. The meeting is an important part of federal regulation and guidelines for the appraisal profession and understanding the changes from federal oversight as well as implementation. Chairman Mitchell, Vice Chairman Moore, Board Member Wilson and Director Policky will be attending the meeting. The registration fee for the meeting is \$350.00 each for members of AARO and must be submitted prior to September 11, 2009. Vice Chairman Moore proposed a motion to approve the payment of the registration fee for each member who will be attending. Board Member Bain seconded the motion. With no further discussion the motion carried with Hartman, Moore, Bain, Wilson, and Mitchell voting aye.

Director Policky requested that in addition to the registration fees that expenses under the Travel Policy guidelines be reimbursed for those attending the meeting. The reimbursements would adhere to the GSA guidelines for expenses. Vice Chairman Moore proposed a motion to approve reimbursement of expenses according to the adopted Travel Policy for each member who will be attending. Board Member Bain seconded the motion. With no further discussion the motion carried with Moore, Bain, Wilson, Hartman, and Mitchell voting aye.

Director Policky distributed to each member a notice from Administrative Services Accounting Division stating that payroll warrants will cease beginning with the pay period starting September 14, 2009. By that date, the warrant recipient must either enroll in direct deposit or can have their pay directly deposited to a payroll card. Director Policky requested that each member please submit their account number for direct deposit in writing.

In closing, Director Policky distributed to each member an article which had been forwarded by the financial representative, David Hartman. The article certainly reflects the stress by home owners in the decrease in value of their homes. The Appraiser Board receives at least a couple calls each week and can attribute many of the enforcement filings to the homeowners who are having a difficult time understanding the decrease in value. The article stressed the role the appraiser has in cautiously gathering data and applying data when developing a report in . . . “acting now to establish proper regulatory guidelines for those who use distressed or foreclosed properties as comps when determining home values will help to stabilize home prices and home sales . . .”

Director Policky closed the report by thanking the Board for their efforts and concerns.

RECEIPTS AND EXPENDITURES REPORT – JUNE 2009

The receipts and expenditures for June were reviewed by the Director by line item with the Board. A copy of the Budget Status Report for the final month of the fiscal year is attached and considered part of these minutes. There were no significant expense items.

Board Member Wilson moved to accept and file the June 2009 Receipts and Expenditures report for audit. Board Member Bain seconded the motion. With no further discussion the motion carried with Moore, Bain, Wilson, Hartman, and Mitchell voting aye.

Unfinished Business

1. AMC / John Bredemeyer

This item will be carried over on each agenda until the proposed statutes are ready to send to Senator Langemeier. The AMC task force committee has a target date of July 31st as the date for the final edit and a the next meeting will be August 11th at 9:00 a.m. Each participant will be notified as to the location.

Chair Mitchell thanked Mr. Bredemeyer for his efforts in assisting the Board in setting a path for success concerning the AMC issues.

2. Ed Tour / Bradford Moore & Joe Wilson

Director Policky presented to the Board the final itinerary and registration form confirming the times and dates for the presentation and Board meetings. The registration form will be available on the website as well as being distributed electronically to appraisers.

Although speaker expenses are minimal from the Appraisal Foundation, the Board would be responsible for lodging and meal expenses for the speaker. Board expenses are minimal reimbursing mileage and lodging expenses. Considering minor changes had been made to the Ed Tour itinerary and registration form at the June meeting, Board Chair Mitchell requested a motion to approve the speaker expenses, Board member expenses, itinerary and registration format changes and the electronic distribution to the appraisers. Board Member Bain proposed approval of the expenses, changes and electronic distribution for Ed Tour 2009. Board Member Wilson seconded the motion. With no further discussion, the motion carried with Bain, Wilson, Hartman, Moore, and Mitchell voting aye.

Ed Tour will be returned to the August meeting agenda for further planning.

3. Rules & Regulations Committee

The combined changes to Title 298, Nebraska Rules and Regulations were sent to the Attorney General's office for review prior to formal submission. The changes made by the Attorney General's office virtually rendered the process of changing the rules and regulations as this time fruitless as Attorney Natalee Hart eliminated many of the changes by such edits as eliminating Chapter 10, which addressed the AMC issue. Because the changes are not addressed at this time in the statutes the changes are therefore not permitting to the rules and regulations. The Board determined that it would be feasible to wait until the changes to the statutes are finalized before proceeding with the changes to the rules and regulations. The current edits will be tabled and held over until such time as the changes to the statutes are effective.

4. Update Form / Certified General elective presentation

Director Policky distributed the form for upgrading a credential. The Board adopted the requirement for the registered credential applicant to complete the Residential Report Writing and Case Studies to complete the 90 hours of AQB/CAP approved education. In making such a change, the form needed to be upgraded which in effect subtracted 15 hours of education from the licensed credential applicant and the certified residential credential applicant. The question remained as to how to present the certified general elective. An upgrade from a certified residential would leave only ten hours of elective credit needed but an upgrade from the license credential would require meeting the complete 30 hours of elective credit. The form does not state an elective requirement when in fact the requirement exists.

The Board determined that although the 30 hours of elective credit it necessary to upgrade, the candidate for an upgrade could use the AQB/CAP approved core curriculum education to meet the 30 hours of elective credit and that the upgrade form would show zero hours required for an upgrade. The original form reflects the accurate number of hours of elective credit and requires no motion at this time.

5. Nebraska Application form.

Changes were proposed to the resident application form. As with any form, the use of the form has given us insight into what changes should be made to make the application form more efficient and effective. With such a goal, changes were proposed, mainly to include a short version of the application process and requirements as well as changes to the information required by this Board and the repetitive nature of reporting the appraiser education completion information. Changes will be ongoing under the new criteria with a goal of making the application process more productive as well as streamlined.

Review of the proposed changes to the form were considered and approved. Board Member Bain proposed a motion for approval and Vice Chairman Moore seconded the motion. With no further discussion, the motion carried with Wilson, Hartman, Moore, Bain, and Mitchell voting aye.

6. Advisory / Client.

The proposed advisory to address who is the client has been held over until the August meeting. The members had little time to review the proposed position paper presented by Chairman Mitchell and return the edits as requested at the June meeting. It is the opinion of the Board to proceed with caution when rendering advice and will take the time to prepare an accurate and applicable advisory for the appraiser community.

NEW BUSINESS

1. 2010 Renewal and New Fees.

The proposed fees for 2010 were presented for consideration. The Board determined that Renewal and New Credentialing fees would stay at the current rate. That rate is as follows: Renewal fee of \$175 for Licensed, Certified Residential and Certified General and in addition the \$25.00 fee payable to the Appraisal Subcommittee as required by law. The Registered and Conversion renewal rate would remain at \$200.00. The new credential rate would remain at \$275.00 for Licensed, Certified Residential and Certified General and in addition the \$25.00 fee payable to the Appraisal Subcommittee as required by law. The Registered rate would remain at \$300.00. Calculated by the current credentials issued, the total collected would generate approximately \$150,025.00 in revenue to the Real Property Appraiser Board.

Board Member Wilson proposed the renewal and new credential rate remain at the 2009 value. Board Member Bain seconded the motion. With no further discussion, the motion carried with Hartman, Moore, Bain, Wilson, and Mitchell voting aye.

GENERAL PUBLIC COMMENTS

Chair Mitchell asked for any public comments. With no comments, the Chair proceeded to education.

EDUCATION

Board Member Wilson moved to approve the following new continuing education seminars and respective instructors as listed well as the requested text change:

Continuing Education New:

1. R.F. Morrissey:

- A. "Nebraska Residential Report Writing Update" – 7-hrs. – C2902
Instructor: Roger Morrissey

2. McKissock, Warren, PA:

- A. "ONLINE / Fannie Mae Form 1004MC, HVCC, & More" – 7 hours – C2946-I
Instructors: Lore DeAstra

Textbook Submission Request

1. The Moore Group:

A. New text / Request approval for “Residential Sales Comparison & Income Approaches” (L/CR006). Core curriculum / AQB/CAP approved from Hondros Board Member Bain seconded the motion. With no further discussion, the motion carried with, Bain, Wilson, Hartman, and Mitchell voting aye. Vice Chairman Moore abstained.

Chairman Mitchell thanked those in attendance for their input and interest as the Board prepared to go into closed session.

APPLICANTS & ENFORCEMENT

Vice Chair Moore moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and consideration of written complaints and disciplinary action for individuals who have not requested a public meeting. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of credentials or qualified applicants and relating to the alleged violations of performance in real property appraisal practice and also to discuss pending litigation or litigation which is imminent with our attorney from the Nebraska Attorney General’s Office, who has received a threat of litigation against the Appraiser Board. The time on the meeting clock was 2:17 p.m. Board Member Wilson seconded the motion. The motion carried with Wilson, Hartman, Moore, Bain, and Mitchell voting aye.

Vice Chair Moore moved to come out of executive session at 3:25 p.m. Board Member Wilson seconded the motion. The motion carried with Hartman, Moore, Bain, Wilson, and Mitchell voting aye.

Vice Chair Moore moved to take the following action for the Registered applicant:
R866 / Approve. Submit for examination.

Vice Chair Moore moved to take the following action for the License applicant:
L584 / Hold. Application reports approved but candidate has not passed examination. Board requests advisory letter sent in regard to application reports submitted.

Vice Chair Moore moved to take the following action for the Certified Residential applicant:
CR350 / Applicant successfully passed examination and submitted document. Board accepts application appraisal reports. Approve for credentialing.
CR352 / Approve for credentialing.

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

Vice Chair Moore moved to take the following enforcement actions:

- 06-22 Send notice that education must be completed by Nov. 30th and report submission completed by Dec. 31st. Hold
- 08-11 Hold / Board granted extension for education until September 30, 2009.
- 08-15 Approve quarterly report submission w/advisory letter.
- 08-22 Hold. Litigation. Filing by Attorney General’s office.
- 09-10 Advisory Letter. CLOSE.
- 09-13 Informal conference.
- 09-15 Hold. Standard 3 Review is not complete.

09-16 Standard 3 Review / Report meets minimum standards of USPAP. Dismiss.
CLOSE.

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

Vice Chair Moore moved to take the following enforcement action:

09-07 File Formal. Notify Hearing Officer and legal counsel to proceed to Hearing.

09-09 File Formal. Notify Hearing Officer and legal counsel to proceed to Hearing.

Board Member Bain seconded the motion. The motion carried with Hartman, Moore, and Bain voting aye. Board Member Wilson and Chairman Mitchell abstained.

Tentative meeting dates were approved as follows: August 20, 2009
September 17, 2009
October 15, 2009
November 19, 2009
December 17, 2009

ADJOURNMENT

Vice Chair Moore moved to adjourn the July 16, 2009 meeting. Board Member Bain seconded the motion. Motion carried unanimously.

At 3:30 p.m. Chairman Mitchell adjourned the July 16, 2009 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on July 20, 2009, in compliance with Nebraska Statute §84-1413(5).