



REAL ESTATE APPRAISERS BOARD
Room 121C, 1400 East Washington Avenue, Madison
Contact: Tom Ryan (608) 266-2112
August 3, 2015

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

9:30 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A) Welcome New Members
- B) **Adoption of Agenda (1-3)**
- C) **Approval of Minutes of May 6, 2015 (4-7)**
- D) **Confirmation of Thomas Kneesel (8)**
- E) **Administrative Updates**
 - 1) Department and Staff Updates
 - 2) Appointments/Reappointments/Confirmations
 - 3) Other Items
- F) Nominations, Elections, and Appointments
- G) **ASC Audit (9)**
- H) **Appraisal Management Companies (10-14)**
- I) **AQB Concept Paper – Alternative Experience (15-19)**
- J) Legislative/Administrative Rule Matters
 - 1) Status of Statute and Administrative Rule Matters
 - 2) Mandatory Appraiser Licensing Legislation
 - 3) Appraisal Management Company (AMC) Legislation
- K) Speaking Engagement(s), Travel, or Public Relation Request(s)
- L) **Informational Items**
 - 1) TX Contingent Dismissal Process **(20-24)**

- M) Items Added After Preparation of Agenda:
- 1) Introductions, Announcements and Recognition
 - 2) Nominations, Elections, and Appointments
 - 3) Administrative Updates
 - 4) Education and Examination Matters
 - 5) Credentialing Matters
 - 6) Practice Matters
 - 7) Legislation/Administrative Rule Matters
 - 8) Liaison Report(s)
 - 9) Informational Item(s)
 - 10) Disciplinary Matters
 - 11) Presentations of Petition(s) for Summary Suspension
 - 12) Presentation of Proposed Stipulation(s), Final Decision(s) and Order(s)
 - 13) Presentation of Proposed Decisions
 - 14) Presentation of Interim Order(s)
 - 15) Petitions for Re-Hearing
 - 16) Petitions for Assessments
 - 17) Petitions to Vacate Order(s)
 - 18) Petitions for Designation of Hearing Examiner
 - 19) Requests for Disciplinary Proceeding Presentations
 - 20) Motions
 - 21) Petitions
 - 22) Appearances from Requests Received or Renewed
 - 23) Speaking Engagement(s), Travel, or Public Relation Request(s), and Reports
- N) Public Comments
- O) **APPEARANCE - Al Rohmeyer, Administrator, Division of Legal Services and Compliance (DLSC) and Sarah Norberg, Supervising Attorney, DLSC - Introduction and Q & A (25)**

CONVENE TO CLOSED SESSION to deliberate on cases following hearing (§ 19.85 (1) (a), Stats.); to consider licensure or certification of individuals (§ 19.85 (1) (b), Stats.); to consider closing disciplinary investigations with administrative warnings (§ 19.85 (1) (b), Stats. and § 440.205, Stats.); to consider individual histories or disciplinary data (§ 19.85 (1) (f), Stats.); and to confer with legal counsel (§ 19.85 (1) (g), Stats.).

- P) **Presentation and/or Deliberation on Proposed Stipulations, Final Decisions and Orders by the Division of Legal Services and Compliance (DLSC)**
- 1) 13 APP 015, 13 APP 043, and 15 APP 032 – David R. Masterjohn **(26-37)**
 - 2) 13 APP 048 and 14 APP 031 – Steve F. Reich **(38-46)**
 - 3) 13 APP 056 and 13 APP 058 – Elizabeth E. Kauffman **(47-55)**
 - 4) 13 APP 061 and 13 APP 062 – Scott P. Reiske **(56-62)**
 - 5) 13 APP 065 – Adeline D. Bernard **(63-69)**
 - 6) 13 APP 066 – Peter J. Didier **(70-77)**
 - 7) 13 APP 069 – Cara E. Barton **(78-85)**
 - 8) 13 APP 077 – Craig W. Konowalski **(86-92)**
 - 9) 13 APP 080 – Richard N. Atkinson **(93-100)**
 - 10) 13 APP 103 – Michael E. Elkins **(101-108)**

Q) Presentation and Deliberation on Administrative Warning(s)

- 1) 13 APP 082 – M.A.E. **(109-110)**
- 2) 13 APP 093 – K.J.S. **(111-112)**
- 3) 13 APP 093 – L.A.D. **(113-114)**
- 4) 13 APP 096 – K.K.S. **(115-116)**

R) Monitoring Matters

- 1) Patrick Collins – Requesting Modification and Extension **(117-132)**

S) Case Closing(s)

- 1) 13 APP 071 – R.H. **(133-136)**

T) Deliberation of Items Added After Preparation of the Agenda:

- 1) Education and Examination Matters
- 2) Credentialing Matters
- 3) Disciplinary Matters
- 4) Monitoring Matters
- 5) Professional Assistance Procedure (PAP) Matters
- 6) Petition(s) for Summary Suspensions
- 7) Proposed Stipulations, Final Decisions and Orders
- 8) Administrative Warnings
- 9) Proposed Decisions
- 10) Matters Relating to Costs
- 11) Complaints
- 12) Case Closings
- 13) Case Status Report
- 14) Petition(s) for Extension of Time
- 15) Proposed Interim Orders
- 16) Petitions for Assessments and Evaluations
- 17) Petitions to Vacate Orders
- 18) Remedial Education Cases
- 19) Motions
- 20) Petitions for Re-Hearing
- 21) Appearances from Requests Received or Renewed

U) Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

V) Open Session Items Noticed Above not Completed in the Initial Open Session

W) Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

ADJOURNMENT

**REAL ESTATE APPRAISERS BOARD
TELECONFERENCE/VIRUTAL MEETING
MEETING MINUTES
May 6, 2015**

PRESENT: Scott Brunner, Marla Britton (*via GoToMeeting*), Carl Clementi (*via GoToMeeting*), Thomas Kneesel, Lawrence Nicholson

ABSENT: Jose Perez, Henry Simon

STAFF: Tom Ryan - Executive Director; Nilajah Madison-Head - Bureau Assistant

CALL TO ORDER

Lawrence Nicholson, Chair, called the meeting to order at 9:38 a.m. A quorum of five (5) members was confirmed.

ADOPTION OF AGENDA

Amendments to the Agenda:

- *Under Item O) Presentation and/or Deliberation on Proposed Stipulations, Final Decisions and Orders by the Division of Legal Services and Compliance (DLSC) Add Items:*
 - 3) *Robert A. Greenwood – 13 APP 050*
 - 4) *Donn. L. Warner – 13 APP 014*
 - 5) *Donald G. Gallenberger – 13 APP 024*
 - 6) *Michael D. Denis – 13 APP 003*
 - 7) *Alvin L. Counard – 13 APP 021*
 - 8) *Don N. Forss – 13 APP 026*

MOTION: Marla Britton moved, seconded by Thomas Kneesel, to adopt the agenda as amended. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: Scott Brunner moved, seconded by Thomas Kneesel, to approve the minutes of April 8, 2015 as published. Motion carried unanimously.

SPEAKING ENGAGEMENT(S), TRAVEL OR PUBLIC RELATION REQUEST(S)

Appraisal Management Company (AMC) Symposium Invitation

MOTION: Marla Britton moved, seconded by Scott Brunner, to affirm the authority of the highest ranking or longest serving member of the Board to appoint a member of the Board or the Board's Executive Director or designee to attend the AMC Symposium on June 11, 2015 in Chicago, IL and to authorize travel. Motion carried unanimously.

Association of Appraiser Regulatory Officials (AARO) 2015 Fall Conference

MOTION: Marla Britton moved, seconded by Scott Brunner, to affirm the authority of the highest ranking or longest serving member of the Board to appoint a member of the Board or the Board's Executive Director or designee to attend the AARO 2015 Fall Conference on October 17-20, 2015 in Washington, D.C. and to authorize travel. Motion carried unanimously.

CLOSED SESSION

MOTION: Scott Brunner moved, seconded by Thomas Kneesel, to convene to Closed Session to deliberate on cases following hearing (§ 19.85(1) (a), Stats.); to consider licensure or certification of individuals (§ 19.85 (1) (b), Stats.); to consider closing disciplinary investigations with administrative warnings (§ 19.85 (1) (b), Stats. and § 440.205, Stats.); to consider individual histories or disciplinary data (§ 19.85 (1) (f), Stats.); and to confer with legal counsel (§ 19.85 (1) (g), Stats.). The Chair read the language of the motion aloud for the record. The vote of each member was ascertained by voice vote. Roll Call Vote: Scott Brunner - yes; Marla Britton – yes, Carl Clementi - yes; Thomas Kneesel - yes; Lawrence Nicholson - yes. Motion carried unanimously.

The Board convened into Closed Session at 10:39 a.m.

RECONVENE TO OPEN SESSION

MOTION: Marla Britton moved, seconded by Scott Brunner, to reconvene in Open Session at 12:05 p.m. Motion carried unanimously.

**VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION,
IF VOTING IS APPROPRIATE**

MOTION: Carl Clementi moved, seconded by Scott Brunner, to affirm all Motions made and Votes taken in Closed Session. Motion carried unanimously.

PROPOSED STIPULATIONS, FINAL DECISIONS AND ORDERS

Joann B. Mau – 12 APP 058 and 12 APP 073

MOTION: Thomas Kneesel moved, seconded by Carl Clementi, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Joann B. Mau (DLSC case numbers 12 APP 058 and 12 APP 073). Motion carried unanimously.

Jacob D Hoaglund – 12 APP 092 and 14 APP 044

MOTION: Scott Brunner moved, seconded by Thomas Kneesel, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Jacob D. Hoaglund (DLSC case numbers 12 APP 092 and 14 APP 044). Motion carried unanimously.

Robert A Greenwood – 13 APP 050

MOTION: Marla Britton moved, seconded by Scott Brunner, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Robert A. Greenwood (DLSC case number 13 APP 050). Motion carried unanimously.

Donn L. Warner – 13 APP 014

MOTION: Marla Britton moved, seconded by Scott Brunner, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Donn L. Warner (DLSC case numbers 13 APP 014). Motion carried unanimously.

Donald G. Gallenberger – 13 APP 024

MOTION: Scott Brunner moved, seconded by Thomas Kneesel, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Donald G. Gallenberger (DLSC case number 13 APP 024). Motion carried unanimously.

Michael D. Denis - 13 APP 003

MOTION: Marla Britton moved, seconded by Scott Brunner, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Michael D. Denis (DLSC case number 13 APP 003). Motion carried unanimously.

Alvin L. Counard – 13 APP 021

MOTION: Marla Britton moved, seconded by Scott Brunner, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Alvin L Counard (DLSC case number 13 APP 021). Motion carried unanimously.

Don N. Forss - 13 APP 026

MOTION: Marla Britton moved, seconded by Thomas Kneesel, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Don. N. Forss (DLSC case number 13 APP 026). Motion carried unanimously.

ADMINISTRATIVE WARNINGS

12 APP 091 – J.M.H.

MOTION: Scott Brunner moved, seconded by Thomas Kneesel, to issue the Administrative Warning as amended in the matter of DLSC case number 12 APP 091 – J.M.H. Motion carried unanimously.

12 APP 091 and 13 APP 010 – M.A.P.

MOTION: Scott Brunner moved, seconded by Carl Clementi, to issue the Administrative Warning as amended in the matter of DLSC case numbers 12 APP 091 and 13 APP 010 – M.A.P. Motion carried unanimously.

13 APP 055 – D.M.M.

MOTION: Scott Brunner moved, seconded by Carl Clementi, to issue the Administrative Warning as amended in the matter of DLSC case number 13 APP 055 – D.M.M. Motion carried unanimously.

CASE CLOSINGS

13 APP 072

MOTION: Marla Britton moved, seconded by Carl Clementi, to close case 13 APP 072, against Terrence R. Christ, for Prosecutorial Discretion (P7). Motion carried unanimously.

ADJOURNMENT

MOTION: Scott Brunner moved, seconded by Thomas Kneesel, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 12:11 p.m.

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request:		2) Date When Request Submitted: 6/9/2015	
		Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Board			
4) Meeting Date: 8/3/2015	5) Attachments: Yes x No	6) How should the item be titled on the agenda page? Confirmation of Thomas Kneesel	
7) Place Item in: x Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? If yes, who is appearing? No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: <i>Thomas Kneesel, of Pleasant Prairie, as a Certified Residential Appraiser on the Real Estate Appraisers Board, was confirmed on June 9 to serve for the term ending May 1, 2018. Succeeds Linda Steinke.</i>			
11) Authorization			
Signature of person making this request			Date
Supervisor (if required)			Date
Bureau Director signature (indicates approval to add post agenda deadline item to agenda)			Date

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request:		2) Date When Request Submitted:	
		Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Board			
4) Meeting Date:	5) Attachments: <input type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? ASC Audit	
7) Place Item in: x Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) xNo	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: Status report on the 2015 ASC audit.			
11) Authorization			
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Larry Nicholson		2) Date When Request Submitted: 6/17/2015	
		Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Examining Board			
4) Meeting Date: 8/3/2015	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Appraisal Management Companies	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? If yes, who is appearing? No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: Board discussion of appraisal management companies (AMC), including the ASC Bulletin regarding state registration and supervision of AMCs.			
11) Authorization			
Signature of person making this request		Date	
Supervisor (if required)		Date	
Bureau Director signature (indicates approval to add post agenda deadline item to agenda)		Date	

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Appraisal Subcommittee

Federal Financial Institutions Examination Council

Bulletin No. 2015-01

Issue Date: June 17, 2015

To: State Appraiser Regulatory Officials

Subject: State Registration and Supervision of
Appraisal Management Companies (AMCs)

Purpose

The Appraisal Subcommittee (ASC) is issuing this Bulletin to provide information regarding registration and supervision of AMCs (State AMC Programs). This Bulletin addresses the following:

- ASC Oversight of State AMC Programs
- State Registration and Supervision of AMCs
- The National Registry of AMCs (AMC Registry)
- Federally regulated AMCs¹
- Statutory Implementation Period

Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act)² added section 1124, *Appraisal Management Company Minimum Requirements*, to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989³ (Title XI). Section 1124 required the Office of the Comptroller of the Currency (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); National Credit Union Administration (NCUA); Bureau of Consumer Financial Protection (Bureau); and Federal Housing Finance Agency (FHFA) (collectively, the agencies) to establish, by rule, minimum requirements for State registration and supervision of AMCs.⁴ In accordance with the statute, the agencies recently issued a final rule (referred to as the AMC Rule) which was published on June 9, 2015, at 80 *Federal Register* 32658 (June 9, 2015) with an effective date of August 10, 2015.

¹ This refers to AMCs that are subsidiaries owned and controlled by an insured depository institution and regulated by a Federal financial institutions regulatory agency.

² Pub. L. 111-203, 124 Stat. 1376.

³ Pub. L. 101-73, 103 Stat. 183; 12 U.S.C. 3353.

⁴ 12 U.S.C. 3353(a). The statute also directed those agencies to issue regulations concerning the reporting of information to the ASC for purposes of maintaining the AMC Registry.

ASC Oversight of State AMC Programs

States are not required to establish an AMC registration and supervision program. For those States electing to participate in the registration and supervision of AMCs, the ASC staff will informally monitor the State's progress to implement the requirements of the AMC Rule.

Formal ASC oversight of State AMC Programs will begin at the next regularly scheduled Compliance Review of a State after the following occurs:

- (1) the AMC Registry is operational; and
- (2) a participating State establishes a registration and supervisory program with appropriate AMC oversight authority and begins registering AMCs on the AMC Registry.

Upon expiration of the statutory implementation period (*see below* Statutory Implementation Period), Compliance Reviews will include ASC oversight of AMC Programs for any State with an AMC Program.

Participating States may establish requirements in addition to those in the AMC Rule. Participating States may also have a more expansive definition of AMC. However, if a participating State has a more expansive definition of AMCs than in the AMC Rule (thereby encompassing State regulation of AMCs that are not within the definition of AMC in the AMC Rule), the State must ensure such non-Federally recognized AMCs are identified as such in the State database.

State Registration and Supervision of AMCs

If a State chooses to participate in the registration and supervision of AMCs (participating State), the State will be required to comply with the AMC Rule. This Bulletin summarizes the provisions of the AMC Rule that participating States will need to implement as part of their AMC programs. States should refer to the AMC Rule for compliance requirements.

Minimum Requirements

In summary, the AMC Rule includes requirements for participating States to:

- (a) Establish and maintain a program with the legal authority and mechanisms to:
 - (1) Review and approve or deny AMC applications and/or renewals for registration;
 - (2) Examine records of AMCs and require AMCs to submit information;
 - (3) Verify that appraisers on AMCs' panels hold valid State credentials;
 - (4) Conduct investigations of AMCs for potential violations of appraisal-related laws, regulations, or orders;
 - (5) Discipline AMCs that violate appraisal-related laws, regulations, or orders; and

(6) Report appraisal-related violations of AMCs, as well as discipline or enforcement actions to the ASC.

(b) Impose requirements on AMCs to:

- (1) Register with and be subject to supervision by the participating State (except for Federally regulated AMCs);
- (2) Engage only State certified or State licensed appraisers for Federally related transactions;
- (3) Establish and comply with processes and controls to ensure AMCs engage competent and independent appraisers;
- (4) Require USPAP compliance; and
- (5) Require compliance with the requirements of section 129E(a) through (i) of the Truth in Lending Act, 15 U.S.C. 1639e(a) through (i), and regulations thereunder.

Ownership limitations

Participating States will also be required to comply with the ownership limitations set forth in the AMC Rule. In summary, the AMC Rule includes ownership limitations that could result in a prohibition for an AMC from being registered by a State or included on the AMC Registry under certain circumstances, and also sets forth exceptions to the prohibition. Other statutory ownership limitations are also addressed in the AMC Rule.

AMC Registry

In the future to aid the States in implementing the AMC Rule, the ASC will provide additional guidance by issuing supplements to this Bulletin to address the following:

- (1) When the AMC Registry will be open for participating States;
- (2) Reporting requirements (information required to be submitted by States in order to register AMCs on the AMC Registry); and
- (3) AMC registry fees after Notice and Request for Comment in the *Federal Register*.

Federally Regulated AMCs

Federally regulated AMCs must comply with the minimum requirements for providing appraisal management services no later than 12 months from the effective date of the AMC Rule. Compliance for providing and remitting information and AMC registry fees is subject to notification regarding the availability of the AMC Registry and the procedures for doing so. Participating States are not required to identify Federally regulated AMCs operating in their States, but rather the Federal financial institution regulatory agencies are responsible for requiring such AMCs to identify themselves to participating States and report required information.

Statutory Implementation Period

The AMC Rule sets forth the statutory implementation period. In summary, beginning 36 months after the effective date of the AMC Rule, an AMC may not provide services for a Federally related transaction in a non-participating State unless the AMC is a Federally regulated AMC. The ASC, with the approval of the Federal Financial Institutions Examination Council (FFIEC), may extend this period for an additional 12 months if the ASC makes a finding that the State has made substantial progress toward implementing a registration and supervision program for AMCs that meets the standards of Title XI.⁵

For further information, contact James R. Park, Executive Director, at (202) 595-7575 or Jim@ASC.gov, or Alice M. Ritter, General Counsel, at (202) 595-7577 or Alice@ASC.gov.

Sincerely,

\s\ Arthur Lindo

Arthur Lindo
ASC Chairman

⁵ 12 U.S.C. 3353(f)(2).

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Larry Nicholson		2) Date When Request Submitted: 7/9/2015 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>	
3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Board			
4) Meeting Date: 8/3/2015	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? AQB Concept Paper – Alternative Experience	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: Board Review.			
11) Authorization			
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			



TO: All Interested Parties

FROM: Wayne Miller, Chair
Appraiser Qualifications Board

RE: Concept Paper – Alternative Track to the Experience Requirements in the *Real Property Appraiser Qualification Criteria*

DATE: July 9, 2015

Issue

The *Real Property Appraiser Qualification Criteria (Criteria)* has been updated over the past decade with changes to the education and examination requirements for licensure or certification. However, the appraisal experience requirement has gone virtually unchanged during these updates to the *Criteria*.

It is recognized that appraisal experience is important to becoming a minimally competent appraiser on whom the public can rely; however, there is much discussion as to whether there should be alternatives to fulfilling the appraisal experience component of the *Criteria* in lieu of the traditional supervisor/trainee model currently in place. The following issues are well-known and recognized by the Appraiser Qualifications Board:

1. Many recent college graduates are unwilling to invest the required 3+ years in an internship-type role before having the opportunity to sit for the Certified General/Residential certification exam. As a result, the appraisal profession may not be considered an attractive career option when compared to higher-paying positions in the corporate world.
2. For existing certified appraisers wishing to supervise new appraisers, it is a substantial commitment of time to invest in a trainee often foregoing other revenue generating opportunities. There is the very real risk a supervisor will invest 2 to 5 years in a trainee only to have the trainee leave and potentially become a direct competitor after obtaining his or her certification. As a result, the AQB has heard reports of trainees having to pay supervisors for training.
3. As part of its annual update to the *National Uniform Licensing and Certification Examinations*, in 2014 the AQB conducted a national "Practice Analysis Survey." The results showed, in part, that 70% (1,456) of the 2,066 respondents were 51 years old or older and of those respondents, nearly 30% (424) were in excess of 66 years old. Only 13% (265) of the 2,066 respondents were 40 years old or younger. The "graying of the profession" has long been discussed; however, the reality is, with the entrance-level requirements increasing, the likelihood these demographics will become more favorable in the future is slim, barring a shift in economics which significantly raises residential appraisal fees and thus entry-level appraiser salaries.

In view of the above issues, the AQB is exploring whether there is: 1) a need for an alternative track for obtaining appraisal experience or an alternate track to fulfilling the appraisal experience requirement altogether; and 2) if there is a need, is there a verifiable solution which can be effectively implemented by the applicable jurisdictions?

Based on this background, the AQB offers the following general concepts and requests input from the concerned stakeholders.

General Discussion Items

In the current “traditional” path, appraisal experience has been acquired, for the most part, in an apprentice model where the appraiser trainee is affiliated with an experienced appraiser and points or hours are earned for each assignment. The following are topics to focus the discussion.

Is there a need for an alternative track to gain the required experience?

- Is there really a lack of certified appraisers that can be addressed by altering the requirements?
- If so, could alternatives to the appraisal experience requirements to allow additional non-traditional experience be developed that would still provide for protection of the public trust?

If the answer is “no” to either of these questions, then there is no need for further discussion.

Given the trends in the profession, is this necessary for all classifications, or is this predominantly an issue for the residential classifications?

- As with many of the issues that face the AQB, there are different market dynamics that impact the residential segment of the profession versus the commercial or non-residential segment(s). Is there a need to alter the appraisal experience path for all classifications or just the residential classification(s)?

Are there practical alternatives for some (or all) of the appraisal experience requirements to include non-appraisal experience? If so, what are they?

- What are some parallel professions?
 - Real estate agent/broker
 - Assessor
 - Financial services
 - Forester
 - Building contractor
 - Other (what)?
- Are practicum courses (currently allowable for up to 50% of experience) viable?
 - Length of course
 - Potential providers
 - Required subject matter
 - Other (what)?

What controls would have to be in place to make sure the non-appraisal experience is verifiable and relevant?

- How would a jurisdiction review the experience of an applicant utilizing an alternative track?
- Is there a practical way to verify actual parallel professional non-appraisal experience?

Assuming parallel professional non-appraisal experience can be granted, how much credit should be given in lieu of the traditional apprentice model currently in place?

- For instance, “*parallel professional non-appraisal experience may be granted for xx% of the required hours of experience.*”
- Should the percentage of non-appraisal experience allowed be the same for all classifications?

Should the minimum timeframes during which appraisal experience may be gained be shortened for the Certified Residential and Certified General Classifications?

- Certified Residential is 2,500 hours in not less than 24 months. Should this minimum time frame be shortened, and if so, to what level?
- Certified General is 3,000 hours in not less than 30 months. Should this minimum time frame be shortened, and if so, to what level?

Outside the Box Questions

Is there room for a paradigm shift in the real property appraiser credentialing system where applicants for a credential would complete education, pass an examination and receive a credential, then be required to obtain post-credentialing appraisal experience?

- Should the AQB require applicants in such a track to obtain a college degree specifically in real estate or finance?
- What are the implications of this from a client perspective in terms of competency, public trust, allowable signatures on reports, etc?
- What are the implications from a state appraiser regulatory perspective in terms of competency, complaint issues, monitoring, etc?
- Could such a system exist in parallel with the current system or should it be an all-or-nothing change?

Could a multi-day, multi-part “super-exam” be implemented as a substitute for experience?

- Would there need to be a subjective grading component (where reasoning and analysis would be reviewed)?
- Is this practical to develop and implement?

Should the Licensed Residential Classification be restructured such that it becomes the entry-level classification?

- Under this concept, there would be two Licensed Residential Tracks – An Appraisal Experience Track, which is what currently exists; and a Non-Appraisal Experience Track.
 - Under the Appraisal Experience Track, a Licensed Residential applicant would have to complete all the current requirements in the Criteria, which generally includes:
 - 150 hours of education,
 - 2,000 hours of experience,
 - Associate degree or in lieu of education, and,
 - Pass the Licensed Residential Exam

- Under the Non-Appraisal Experience Track, a Licensed Residential applicant would be required to complete the following:
 - 200 hours of education (identical to what is required for Certified Residential credential),
 - Bachelor's degree, and,
 - Pass the Certified Residential Exam
- If the Non-Appraisal Experience Track is employed, the Licensed Residential Appraiser could appraise property under the constraints which currently exist for the Licensed Residential classification and when 2,500 hours of appraisal experience can be verified, the applicant would be eligible to receive a Certified Residential credential.

What other options exist to address appraisal and/or non-appraisal experience concerns and ensure the health of the appraisal profession without compromising the Public Trust?

Written comments on this concept paper can be submitted by mail, email or facsimile.

Concept Paper – Alternative Track to Experience Requirements

Mail: Appraiser Qualifications Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005
Email: AQBcomments@appraisalfoundation.org
Facsimile: (202) 347-7727

The AQB plans to hold a hearing and panel discussion at the October 16, 2015, public meeting in Washington, DC to discuss these matters. Your input is needed. The following panels are tentatively planned: State Appraiser Regulators; Appraiser Organizations; Users of Appraisal Services; and Appraisal Educators. For more information, or to volunteer to serve on a panel please contact Magdalene Vasquez via e-mail at magdalene@appraisalfoundation.org or by calling (202) 624-3074.

**State of Wisconsin
Department of Safety and Professional Services**

AGENDA REQUEST FORM

Name and Title of Person Submitting the Request: Teresa Crump, on behalf of Attorney Sarah E. Norberg Division of Legal Services and Compliance	Date When Request Submitted: June 25, 2015
Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 8 work days before the meeting for Medical Board ▪ 8 work days before the meeting for all other boards 	

Name of Board, Committee, Council:

Real Estate Appraisers Board

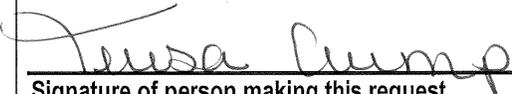
Board Meeting Date: August 3, 2015	Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	How should the item be titled on the agenda page? TX Contingent Dismissal Process
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Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	Is an appearance before the Board being scheduled? If yes, by whom? <input type="checkbox"/> Yes by _____ (name) <input checked="" type="checkbox"/> No	Name of Case Advisor(s), if required: N/A
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Describe the issue and action the Board should address:

Overview for informational purposes only.

Authorization:

	
Signature of person making this request	Date
Supervisor signature (if required)	Date
Executive Director signature (indicates approval to add late items to agenda)	Date

Directions for including supporting documents:

1. This form should be attached to any documents submitted to the agenda.
2. Post Agenda Deadline items must be authorized by a Supervisor and the Board's Executive Director.
3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.

DISCLAIMER:

This overview is provided for informational purposes only, with the intent to provide better transparency of the appraiser Complaint process and support a more efficient and amicable resolution. This overview of the complaint process and resolution does not constitute legal advice or instructions on how to respond to your Complaint.



Standards and Enforcement Services Division
(512) 936-3001

TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD (TALCB or the "BOARD")
APPRAISER COMPLAINT PROCESS AND RESOLUTION OVERVIEW

- I. **Overview:** This overview is provided for informational purposes only, with the intent to provide better transparency of the appraiser Complaint process and support a more efficient and amicable resolution. This overview of the complaint process and resolution does not constitute legal advice or instructions on how to respond to your Complaint.
- II. **Applicable Law:** The following law may be applicable to your Complaint: (1) Texas Occupation Code Chapter 1103 (the "Act"); (2) 22 Texas Administrative Code Chapters 153, 155, and 157 (the "Board Rules"); (3) the Uniform Standards of Professional Appraisal Practice (USPAP) and (4) applicable law under the Texas Residential Mortgage Fraud Taskforce (TEX. GOV'T. CODE §§ 402.032 and 402.033(b)).
- III. **Complaint Process Overview:** The following is the standard Complaint process:
- A. **Complaint Initiation:** A Complaint Intake Form (CIF) may be filed by a consumer, a lending institution, a government agency, a review appraiser/industry professional, or may be initiated by staff of TALCB ("Staff").
 - B. **Complaint Intake:** Staff will screen the CIF for jurisdiction. If TALCB does not have jurisdiction, the Complaint will not be opened.
 - C. **Notice of Complaint:** A Notice of Complaint (NOC) is sent to the appraiser being investigated (the "Respondent"), along with the CIF and a *Questionnaire that must be completed* by the Respondent within twenty (20) calendar days *after the day the NOC was received* (22 TEX. ADMIN. CODE § 153.24). If the Respondent does not respond within that time frame, a final Complaint notice letter is sent, requesting a response within seven (7) calendar days. If the Respondent does not respond with-in the required time, TALCB will seek a default judgment against the Respondent for the sanctions requested in a *Notice of Alleged Violation* or Notice of Hearing that will be sent to the Respondent.
 - D. **Complaint Assignment:** Upon receipt of the response from the Respondent, the Complaint is assigned to a Staff Investigator and investigated. Staff will evaluate the Complaint within three (3) months of receipt of the response from Respondent to determine whether sufficient evidence of a potential violation of the Act, Board Rules, or USPAP exists to pursue investigation and possible formal disciplinary action. If the staff determines that there is no jurisdiction, no violation exists, or there is insufficient evidence to prove a violation, or the Complaint warrants dismissal, including contingent dismissal, the Complaint shall be dismissed with no further processing. If the Complaint is not dismissed, a formal Complaint will be opened and it will be investigated by a Staff Investigator or the Peer Investigative Committee (PIC), as appropriate. Staff may also open a formal Complaint on its own motion. A written notice that a formal Complaint has been opened will be sent to the Complainant and Respondent
 - E. **Investigative Report:** The Staff Investigator will draft an investigative summary or report and deliver it to a Staff Attorney. Investigative reports prepared by the PIC will be reviewed by a Staff Investigator and delivered to a Staff Attorney, as required by law. It is at this stage that Staff will begin to consider options to resolve the Complaint. Respondents may request a copy of the draft investigative summary or report, which details the PIC or Staff Investigator's preliminary findings.
 - F. **Investigative Conference:** An investigative conference may be scheduled with the Respondent, and their legal counsel or advocate, if applicable, if Staff determines an investigative conference will be beneficial to resolving the Complaint. The investigative conference may be held in person at TALCB headquarters or via teleconference.

- G. **Negotiated Settlement.** Staff and the Respondent may enter into a settlement agreement to resolve the complaint, following negotiations at any time, without first engaging in an investigative conference. Negotiations may be conducted in person, by telephone, or through any form of written communication.

IV. **Complaint Resolution Overview:** Complaints are resolved in one of the following ways:

- A. **Dismissal:** Dismissal of the Complaint occurs when there are either minor violations or no violations of the Act, Board Rules, USPAP, and other applicable law. If dismissal is appropriate, a dismissal letter will be mailed to the Respondent after completion of the investigation and approval of the dismissal by the Board's Commissioner. The dismissal may include the issuance of a non-disciplinary warning letter when there are minor violations that do not impact the credibility of the appraisal assignment results, the assignment results themselves and do not impact the appraiser's honesty, trustworthiness or integrity to the board, the appraiser's clients or intended users of the appraisal service provided.
- B. **Contingent Dismissal:** Resolution of the Complaint by contingent dismissal occurs when all parties agree to resolve the Complaint without formal discipline, yet the Respondent is required to complete remedial requirements prior to dismissal of the Complaint with a non-disciplinary warning letter. After the remedial requirements are completed, within the time allotted, the Complaint will be dismissed with a non-disciplinary warning letter. Resolution by contingent dismissal is conducted as follows:
1. All parties, and legal counsel if applicable, make an agreement that the Respondent will complete certain requirements (remedial education, mentorship, re-examination, etc.) within a certain period of time. The terms of the contingent dismissal will be detailed in writing and agreed to by all parties. In addition, the parties may execute an *Agreed Final Order*, as described below, which may be filed, at Staff's discretion, in the event the Respondent fails to comply with the terms of the contingent dismissal.
 2. After the completion of the requirements, within the time allotted, the Complaint will be dismissed with a non-disciplinary warning letter.
 3. If the agreed upon conditions for dismissal are not completed, within the time allotted, the Complaint will be resolved by agreed discipline or a contested disciplinary hearing.
- C. **Agreed Discipline:** Resolution of the Complaint by agreed discipline occurs when there are violations of applicable law which need to be remedied and/or disciplined and the parties are in agreement on the best course of action to resolve the Complaint. Resolution by agreed discipline is conducted as follows:
1. All parties, and legal counsel if applicable, review and sign an Agreed Final Order (AFO), which details the terms of the agreed discipline.
 2. The AFO will outline the factual findings, legal conclusions, and disciplinary sanction(s) agreed upon.
 3. The AFO needs to be approved by the Board, which will likely occur at the next Board meeting following execution of the AFO.
 4. Upon Board approval of the AFO, the Respondent will be obligated to comply with all terms of the Board approved AFO.
 5. A synopsis of the AFO will be published on the Board's website and reported to the Appraisal Subcommittee's National Registry.
 6. Disciplinary actions are outlined in the Act and 22 TEX. ADMIN. CODE § 153.24, and may include: (1) public reprimand, (2) administrative penalties, (3) remedial education (including mentorship), (4) reexamination, (5) adoption of preventative policies and procedures, (6) suspension, (7) probation, (8) voluntary surrender, (9) revocation, (with or without terms of reinstatement), and/or (10) any combination of these sanctions.
- D. **Notice of Alleged Violation or Default Judgment:** Resolution of the Complaint by notice of alleged violation (NOAV) or default judgment occurs when a Respondent fails to respond to the Board.
1. Resolution by NOAV, which is outlined in TEX. OCC. CODE §§ 1103.5011 and 1103.5012, is conducted as follows:
 - a. Enforcement Division Staff will send the Respondent a notice of violation with: (1) a summary of the alleged violation, (2) the recommended sanction, including the administrative penalty sought, and (3) a conspicuous notice that the Respondent has the right to a hearing to contest the alleged violation, the recommended sanction, or both.

- b. The Respondent has twenty (20) calendar days from receipt of the notice of violation either to: (1) accept this determination, including the recommended sanction; or (2) request a hearing in writing.
 - c. If the Respondent does not reply within twenty (20) calendar days after he/she receives the notice of alleged violation, the Board will enter a Final Order approving the determination and order payment of the recommended penalty, impose the recommended sanction, or both.
2. Resolution by default judgment occurs when the NOAV procedure is not available to resolve a Complaint for failure to respond. A default judgment proceeding is an administrative legal proceeding held at the State Office of Administrative Hearings (SOAH).
- E. **Contested Disciplinary Hearing:** Resolution of the Complaint through a contested disciplinary hearing occurs when the parties cannot agree to resolve the Complaint by an AFO. Resolution by a contested disciplinary hearing is conducted as follows:
1. An administrative law judge (ALJ) with SOAH hears all Complaint cases that are not resolved, website – www.soah.state.tx.us.
 2. Staff will file with SOAH and serve upon the Respondent a Statement of Charges (SOC), which outlines the legal and factual allegations TALCB is making against the Respondent.
 3. After filing the SOC, Staff will file with SOAH and serve upon the Respondent a Notice of Hearing (NOH), which outlines the time, place and location of the hearing, the legal authority for it.
 4. After being served with the NOH, the Respondent must file an *Answer* to the charges, which is due twenty (20) calendar days after receipt of the NOH. (22 TEX. ADMIN. CODE § 157.11).
 5. After being served with the NOH, there is a discovery process which occurs. Discovery may include depositions, written discovery and/or subpoenaing of documents and/or witnesses.
 6. Informal (out-side-of SOAH) settlement discussions can occur during the course of litigation, as well as mediation conducted through SOAH.
 7. The procedural rules of the Administrative Procedures Act (TEX. GOV'T. CODE CH. 2001) and SOAH (1 TEX. ADMIN. CODE CH. 155) apply, as do the Texas Rules of Evidence and portions of the Texas Rules of Civil Procedure.
 8. After a hearing, the ALJ has sixty (60) calendar days from the date of hearing to make a written Proposal for Decision (PFD). The PFD will be submitted to the Board for consideration at the Board's next meeting.
 9. After issuance of a PFD, but prior to Board consideration of the PFD, the parties to a contested case hearing have a limited timeframe to request the SOAH ALJ to change the PFD by filing exceptions and replies with SOAH. After considering any exceptions or replies, the SOAH ALJ will either notify the parties that no change in the PFD is warranted, or make any changes in the PFD the ALJ determines appropriate.
- F. **Final Order Following Contested Disciplinary Hearing and Appeal Process:** Board review and approval of PFDs is conducted as follows:
1. The Board will consider the entire evidentiary record made at SOAH (including any testimony, documents admitted into evidence, and any exceptions and replies filed). Respondent and Staff can make oral presentations to the Board arguing for or against the Board adoption of the ALJ's PFD and recommended sanctions. This is not an opportunity to retry the evidence presented at the SOAH hearing.
 2. The Board will enter a Final Order based on the ALJ's PFD and any oral arguments by Staff and the Respondent.
 3. The Final Order will take effect unless the Respondent appeals the Final Order through the proper process. (22 TEX. ADMIN. CODE §§ 157.17–157.19).
 4. After exhaustion of Board remedies, if Respondent wants to seek judicial review of the Board's Final Order, Respondent must file a lawsuit in Travis County District Court within the timeframe prescribed by law. (Tex. Gov't. Code § 2001.176; 22 TEX. ADMIN. CODE § 157.20).

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Al Rohmeyer, Administrator, Division of Enforcement		2) Date When Request Submitted: 6/18/2015 Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Real Estate Appraisers Board			
4) Meeting Date: 8/3/2015	5) Attachments: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6) How should the item be titled on the agenda page? Introduction and Q & A – Al Rohmeyer, Administrator, Division of Legal Services and Compliance (DLSC) and Sarah Norberg, Supervising Attorney, DLSC	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? If yes, who is appearing? Yes, Al Rohmeyer and Sarah Norberg	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: Al Rohmeyer, Administrator of DLSC, will introduce himself to the Board and respond to questions.			
11) Authorization			
Signature of person making this request		Date	
Supervisor (if required)		Date	
Bureau Director signature (indicates approval to add post agenda deadline item to agenda)		Date	