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**REAL ESTATE APPRAISERS BOARD**  
**Room 121B, 1400 East Washington Avenue, Madison**  
**Contact: Tom Ryan (608) 266-2112**  
**November 11, 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 August 26, 2015 (4-6)**
- D) Administrative Updates**
  - 1) Department and Staff Updates
  - 2) Appointments/Reappointments/Confirmations
  - 3) Other Items
- E) Nominations, Elections, and Appointments**
  - 1) Liaison Appointments (7-8)
- F) Appraisal Subcommittee Compliance Report (9-19)**
- G) Report From Fall Conference of the Association of Appraiser Regulatory Officials (AARO) (20-30)**
- H) Legislative/Administrative Rule Matters**
  - 1) Status of Statute and Administrative Rule Matters
  - 2) Mandatory Appraiser Licensing Legislation
  - 3) Appraisal Management Company (AMC) Legislation (31)
- I) Informational Items
- J) 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

K) Public Comments

**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.).**

L) **Presentation and Deliberation on Administrative Warning(s)**

- 1) 15 APP 027 – R.J.F. **(32-33)**

M) **Presentation and/or Deliberation on Proposed Stipulations, Final Decisions and Orders by the Division of Legal Services and Compliance (DLSC)**

- 1) 13 APP 076 and 13 APP 084 – Willard C. Parr **(34-43)**
- 2) 13 APP 085 and 15 APP 024 – Anne M. Fogle **(44-52)**
- 3) 13 APP 100 – Lyle M. Pomplun **(53-60)**
- 4) 13 APP 102 – Jeffrey D. White **(61-67)**
- 5) 14 APP 001 – Paul D. Grossmeier **(68-74)**
- 6) 14 APP 005 – Kenneth D. Jones **(75-82)**
- 7) 14 APP 007 – George A. Thorne **(83-87)**
- 8) 14 APP 029 – John R. Mau **(88-96)**
- 9) 14 APP 047 – Randy J. Schmitt **(97-104)**
- 10) 14 APP 048 – Donald R. Holt **(105-109)**
- 11) 14 APP 049 – Tammi Kay McKee **(110-115)**
- 12) 14 APP 050 – Lynn M. Beck **(116-120)**
- 13) 14 APP 059 – James G. Bares **(121-126)**

**N) Case Closing(s)**

- 1) 13 APP 005 – T.P. **(127-140)**
- 2) 13 APP 098 – R.P.F. **(141-151)**
- 3) 14 APP 043 – B.A.S. **(152-165)**

**O) 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

**P) Consulting with Legal Counsel**

**RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION**

**Q) Open Session Items Noticed Above not Completed in the Initial Open Session**

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

**ADJOURNMENT**

**REAL ESTATE APPRAISERS BOARD  
TELECONFERENCE/VIRUTAL MEETING  
MEETING MINUTES  
August 26, 2015**

**PRESENT:** Scott Brunner (*via GoToMeeting*), Carl Clementi (*via GoToMeeting*), Thomas Kneesel (*via GoToMeeting, joined the meeting at 9:40 a.m.*), Lawrence Nicholson (*via GoToMeeting*), Henry Simon

**EXCUSED:** Jose Perez

**STAFF:** Tom Ryan - Executive Director; Nilajah Madison-Head - Bureau Assistant and other DSPS Staff

**CALL TO ORDER**

Lawrence Nicholson, Chair, called the meeting to order at 9:35 a.m. A quorum of four (4) members was confirmed.

**ADOPTION OF AGENDA**

**Amendments to the Agenda:**

- *Under Item L) Presentation and Deliberation on Administrative Warning(s) Add: "4) 14 APP 053 – K.R.C."*

**MOTION:** Henry Simon moved, seconded by Scott Brunner, to adopt the agenda as amended. Motion carried unanimously.

**APPROVAL OF MINUTES**

*Thomas Kneesel joined the meeting at 9:40 a.m.*

**MOTION:** Scott Brunner moved, seconded by Carl Clementi, to approve the minutes of August 3, 2015 as published. Motion carried.

**NOMINATIONS, ELECTIONS AND APPOINTMENTS**

<b>2015 LIAISON APPOINTMENTS</b>	
<b>REA Application Advisory Committee Chair</b>	<b>Thomas Kneesel; Alternate: Carl Clementi</b>

**MOTION:** Carl Clementi moved, seconded by Scott Brunner, to affirm the Chair's appointment of Thomas Kneesel as the REA Application Advisory Committee Chair. Motion carried unanimously.

## **CLOSED SESSION**

**MOTION:** Thomas Kneesel moved, seconded by Scott Brunner, 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; Carl Clementi - yes; Thomas Kneesel - yes; Lawrence Nicholson – yes; Henry Simon - yes. Motion carried unanimously.

The Board convened into Closed Session at 9:46 a.m.

## **RECONVENE TO OPEN SESSION**

**MOTION:** Henry Simon moved, seconded by Carl Clementi, to reconvene in Open Session at 10:21 a.m. Motion carried unanimously.

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

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

## **PROPOSED STIPULATIONS, FINAL DECISIONS AND ORDERS**

### **13 APP 007 – Craig S. Liesener**

**MOTION:** Henry Simon moved, seconded by Thomas Kneesel, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Craig S. Liesener (DLSC case number 13 APP 007). Motion carried unanimously.

### **13 APP 065 – Adeline D. Bernard**

**MOTION:** Scott Brunner moved, seconded by Carl Clementi, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Adeline D. Bernard (DLSC case number 13 APP 065). Motion carried unanimously.

### **13 APP 069 – Cara E. Barton**

**MOTION:** Scott Brunner moved, seconded by Thomas Kneesel, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Cara E. Barton (DLSC case number 13 APP 069). Motion carried unanimously.

### **13 APP 074 and 15 APP 002 – Jennifer A. Jacobson**

**MOTION:** Henry Simon moved, seconded by Carl Clementi, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Jennifer A. Jacobson (DLSC case numbers 13 APP 074 and 15 APP 002). Motion carried unanimously.

**13 APP 099 – Carol A. Leygraaf**

**MOTION:** Thomas Kneesel moved, seconded by Carl Clementi, to adopt the Findings of Fact, Conclusions of Law, Stipulation and Order, in the matter of Carol A. Leygraaf (DLSC case number 13 APP 099). Motion carried unanimously.

**ADMINISTRATIVE WARNINGS**

**13 APP 063 – J.E.B.**

**MOTION:** Thomas Kneesel moved, seconded by Scott Brunner, to issue an Administrative Warning in the matter of DLSC case number 13 APP 063 – J.E.B. Motion carried unanimously.

**13 APP 067 – K.J.E.**

**MOTION:** Henry Simon moved, seconded by Thomas Kneesel, to issue an Administrative Warning in the matter of DLSC case number 13 APP 067 – K.J.E. Motion carried unanimously.

**13 APP 097 – J.J.H.**

**MOTION:** Henry Simon moved, seconded by Thomas Kneesel, to issue an Administrative Warning in the matter of DLSC case number 13 APP 097 – J.J.H. Motion carried unanimously.

**14 APP 053 – K.R.C.**

**MOTION:** Scott Brunner moved, seconded by Carl Clementi, to issue an Administrative Warning in the matter of DLSC case number 14 APP 053 – K.R.C. Motion carried unanimously.

**CASE CLOSINGS**

**13 APP 071 – R.H.**

**MOTION:** Carl Clementi moved, seconded by Scott Brunner, to close case 13 APP 071, against Robert Hasselkus, for Prosecutorial Discretion (P7). Motion carried. Recused: Thomas Kneesel

*(Thomas Kneesel recused himself from deliberation and voting in the matter of 13 APP 071 – R.H.)*

**13 APP 105 – P.W.**

**MOTION:** Carl Clementi moved, seconded by Henry Simon, to close case 13 APP 105, against Peter Walls, for Prosecutorial Discretion (P7). Motion carried unanimously.

**ADJOURNMENT**

**MOTION:** Scott Brunner moved, seconded by Henry Simon, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 10:22 a.m.

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

**AGENDA REQUEST FORM**

1) Name and Title of Person Submitting the Request:  <b>Nilajah Madison-Head, Bureau Assistant</b>		2) Date When Request Submitted:  <b>August 26, 2015</b>	
		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:  <b>Real Estate Appraisers Board</b>			
4) Meeting Date:  11/11/15	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page?  <b>Nominations, Elections, and Appointments Liaison Appointments</b>	
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 ( <a href="#">Fill out Board Appearance Request</a> ) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:  N/A	
10) Describe the issue and action that should be addressed:  <b>Marla Britton has resigned from the Board. The Chair should appoint new liaisons for the Board as needed.</b>			
11) Authorization			
<i>Nilajah Madison-Head</i>		<i>08/26/15</i>	
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.			

**REAL ESTATE APPRAISERS BOARD**

<b>2015 LIAISON APPOINTMENTS</b>	
<b>Monitoring Liaison</b>	<b>Carl Clementi</b> <i>Alternate: Marla Britton</i>
<b>Continuing Education Liaison</b>	<b>Lawrence Nicholson;</b> <i>Alternate: Marla Britton</i>
<b>Credentialing Liaison</b>	<b>Carl Clementi;</b> <i>Alternate: Marla Britton</i>
<b>DLSC Liaison</b>	NONE
<b>Education and Exams Liaison</b>	<b>Lawrence Nicholson;</b> <i>Alternate: Carl Clementi</i>
<b>Legislative Liaison</b>	<b>Lawrence Nicholson;</b> <i>Alternate: Carl Clementi</i>
<b>Travel Liaison</b>	<b>Lawrence Nicholson;</b> <i>Alternate: Carl Clementi</i>
<b>Website Liaison</b>	<b>Scott Brunner;</b> <i>Alternate: Henry Simon</i>
<b>Rules Liaison</b>	<b>Carl Clementi;</b> <i>Alternate: Marla Britton</i>
<b>Professional Assistance Procedure Liaison</b>	<b>Henry Simon;</b> <i>Alternate: Scott Brunner</i>
<b>ASC and AQB Liaison</b>	<b>Carl Clementi;</b> <i>Alternate: Lawrence Nicholson</i>
<b>REA Application Advisory Committee Chair</b>	<b>Thomas Kneesel;</b> <i>Alternate: Carl Clementi</i>
<b>Screening Panel</b>	NONE

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

**AGENDA REQUEST FORM**

1) Name and Title of Person Submitting the Request:  Katie Vieira on behalf of Tom Ryan		2) Date When Request Submitted:  9/23/2015	
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:  11/11/2015	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page?  Appraisal Subcommittee Compliance Report	
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 ( <a href="#">Fill out Board Appearance Request</a> ) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:  N/A	
10) Describe the issue and action that should be addressed:  The Board will review the Preliminary Compliance Review, DSPS's response to the Preliminary Compliance Review, and Final Compliance Review from the Appraisal Subcommittee.			
11) Authorization			
<b>Katie Vieira</b>		<b>9/23/2015</b>	
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.			

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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

June 30, 2015

Secretary Dave Ross  
Department of Safety and Professional Services  
P O Box 8935  
Madison, WI 53708-8935

RE: ASC Preliminary Compliance Review of Wisconsin's Appraiser Regulatory Program

Dear Secretary Ross:

Thank you for your cooperation and your staff's assistance in the June 15-17, 2015, Appraisal Subcommittee (ASC) Compliance Review (Review) of the Wisconsin appraiser regulatory program. Enclosed are the ASC Staff Preliminary Compliance Review Findings. Deficiencies requiring your immediate attention were identified during the Review and closing conference. The Preliminary Compliance Review Findings are based on the Policy Statements in effect at the time of the Review.

In order to conclude our Review and investigation, please provide a written response within 60 days from the date of this letter. Your response should set forth steps taken, or steps you will take, to address each identified area of non-compliance. Your response should also include any additional information you would like the ASC to consider.

After receiving your response, or once the 60-day response period has passed, whichever occurs first, all correspondence and staff recommendations will be forwarded to the ASC for final consideration. You will receive a final ASC Compliance Review Report (Report) with the ASC's findings and required actions. The final Report will be posted to the public section of the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,



Denise Graves  
Deputy Executive Director

Enclosure

cc: Mr. Thomas Ryan, Executive Director, Real Estate Appraisers Board,  
Ms. Katie Paff, Administrative Rules Coordinator, Real Estate Appraisers Board

## ASC Compliance Categories:

Below are descriptions of the categories for the ASC Staff Assessment column of “yes”, “no” and “Area of Concern (AC)” on the ASC Preliminary Compliance Review Report.

- **No** – A **No** applies when the identified area is not in compliance with Title XI, ASC Policy Statements or AQB Criteria. **No** applies when the State has not completely resolved the concern. A **No** may be changed to a **yes** from the Preliminary Compliance Review Report to the Final Compliance Review Report if the State completely resolves the concern and ASC staff has validated the change. A **No** may be changed to an **AC** from the Preliminary Compliance Review Report to the Final Compliance Review Report if the State reports they resolved the concern, however, ASC staff has not validated the action(s).
- **Area of Concern (AC)** – An **AC** applies when an area is identified as technically in compliance, however ASC staff identified something that if continued could cause the Program to become out of compliance.

As an example, the State’s regulations do not require AQB Criteria for continuing education. The State, however, is in compliance by practice. The concern is that if the State is challenged legally, they could lose and be required to allow an appraiser to be renewed under the erroneous regulation.

An **AC** also applies when ASC staff has identified best practice suggestions that could strengthen the Program.

An **AC** may be changed to a **yes** from the Preliminary Compliance Review Report to the Final Compliance Review Report if the State’s action resolves the concern and ASC staff has validated the action(s).

As an example, the State amended and adopted the regulation to meet AQB Criteria and provided documentation showing the adoption was finalized.

An **AC** will remain if ASC staff is unable to verify the State’s reported remedy.

As an example, if the State reports that a remedy is in place and provides documents showing the new process, but ASC staff cannot validate that the State is actually using the new process, it will remain an **AC** until the next Review.

- **Yes** – A **Yes** applies when the State is in compliance in the area and ASC staff has not recommended State actions.

ASC Staff Compliance Review Preliminary Findings

**Wisconsin Appraiser Regulatory Program (State)**

<b>Real Estate Appraisers Board (Board) / Decision Making</b>	<b>ASC Compliance Review Date: June 15-17, 2015</b>	<b>PM: N. Fenochietti</b>
<b>Umbrella Agency: Department of Safety and Professional Services</b>	<b>Review Period: September 2013 to June 2015</b>	<b>Report Issue Date: June 30, 2015</b>
<b>Number of State Credentialed Appraisers on National Registry: 2,162</b>	<b>Complaints Outstanding: 91</b>	
<b>Complaints Received During Review Period: 134</b>	<b>Complaints Exempted: None (Special Documented Circumstances)</b>	<b>Complaints Outstanding Including Exemptions &gt;1 yr: 51</b>

Applicable Federal Citations	ASC Staff Assessment Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	ASC Staff Comments
	YES	NO	AC		
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	None
<b>National Registry:</b>	X			No compliance issues noted.	None
<b>Application Process:</b>		X			
States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3347 (a); Policy Statement 4 B.)				Of 27 application files reviewed 2 did not contain documentation to support that the applicant's education was consistent with AQB Criteria.	None
<b>Reciprocity:</b>	X			No compliance issues noted.	None
<b>Education:</b>	X			No compliance issues noted.	None
<b>Enforcement:</b>		X			
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				Wisconsin had 91 outstanding complaints of which 51 were unresolved for more than 1 year. Of the complaints outstanding for more than one year, none fall under the exception for special documented circumstances.	None



August 28, 2015

Email: [dsps@wi.gov](mailto:dsps@wi.gov)  
Phone: 608-261-2112  
Fax: 608-266-2264

Claire Brooks  
Neal Fenochietti  
Appraisal Subcommittee  
Federal Financial Institutions Examination Council  
1401 H Street, NW Suite 760  
Washington, DC 20005

Dear Ms. Brooks and Mr. Fenochietti,

Please accept this letter as the Wisconsin Department of Safety and Professional Services' response to the Appraisal Subcommittee Compliance Report from June 30, 2015. The ASC report identified two areas of noncompliance in Wisconsin's regulatory program. The specific ASC findings followed by the Department's response to each of those findings can be found below.

## **Application Process**

### Applicable Federal Citation

States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3347 (a); Policy Statement 4 B.)

### ASC Staff Observations

Of 27 application files reviewed, 2 did not contain documentation to support that the applicant's education was consistent with AQB Criteria.

### Department of Safety and Professional Services Response

The Division of Professional Credential Processing (DPCP) contacted and notified both candidates of the deficiencies in their files. DPCP sent Candidate 1 a letter requesting that he provide evidence of his degree. He subsequently provided adequate documentation that he complied with the AQB criteria that applied at the time his license was issued. Candidate 2 did not meet AQB criteria after further review. DPCP deleted Candidate 2 from the ASC registry on July 7, 2015, and his status at the Department of Safety and Professional Services was changed to "issued in error."

The Division has taken steps to determine whether there were any additional candidates who did not meet AQB criteria. DPCP conducted an audit of the permanent credentials issued and applications initiated during a period in which DPCP experienced staff turnover – between November 1<sup>st</sup>, 2013 and January 31<sup>st</sup>, 2015. DPCP identified 17 files to audit for AQB and Department criteria after eliminating any files that the ASC had already selected and reviewed. All audited files were found to be in compliance with the necessary criteria.

To avoid the circumstances that led to the improper approval of Candidate 2, DPCP conducted a review of all pending applications and closed any files submitted prior to January 1<sup>st</sup>, 2015 that could not be considered under the previous criteria and did not show evidence of meeting the current criteria. All applicants were invited to reapply under the new criteria. Future staff will be made aware that applications must be reviewed in accordance with the criteria in effect at the time of application.

## **Enforcement**

### Applicable Federal Citation

States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)

### ASC Staff Observations

Wisconsin had 91 outstanding complaints of which 51 were unresolved for more than 1 year. Of the complaints outstanding for more than one year, none fall under the exception for special documented circumstances.

### Department of Safety and Professional Services Response

At the time of the review, the Division of Legal Services and Compliance (DLSC) had 91 outstanding complaints of which 51 were unresolved for more than 1 year. DLSC currently has 60 outstanding complaints of which 25 have been unresolved for more than 1 year. Of the 25 that have been unresolved for more than 1 year, 2 are in hearing and subject to scheduling deadlines imposed by the Department of Administration's Division of Hearings and Appeals. We respectfully request that these 2 cases be considered to have Special Documented Circumstances.

In 2013, we had an unprecedented set of circumstances occur that impacted our appraiser program.

In May 2013, the two DLSC staff attorneys who handled appraiser cases left the office (Attorney Sarah Norberg resigned and Attorney Laura Varriale went on maternity leave).

In June 2013, the part-time limited term staff appraiser (Linda Verbecken) resigned.

In September 2013, Attorney Laura Varriale resigned.

Since April 2014, DLSC has prioritized complaints and devoted significant legal and investigative resources to our appraiser program.

In October 2013, Attorney Sarah Norberg was rehired.

In April 2014, Ken Baranowski (a full-time permanent staff appraiser) and Attorney Andrea Brauer (staff attorney) were hired.

In September 2014, Pam Stach (staff attorney) joined the team.

In February 2015, DLSC added an Attorney Supervisor position which has resulted in more direct oversight of our appraiser program.

In July 2015, Linda Verbecken was rehired as a part-time limited term staff appraiser.

DLSC, as it pertains to Wisconsin's appraiser program, is now at full staff. Additionally, DLSC has several certified appraisers on contract to assist if our permanent staff appraiser becomes unavailable, we are actively cross-training staff attorneys in an effort to minimize the impact of staff turnover should it occur in the future, and furthermore, we recently obtained the ability to hire a second permanent staff appraiser. Finally, we are looking into other states' best practices for resolving cases in a more timely fashion (e.g., Texas' contingent dismissal process) to determine whether such processes can be implemented in Wisconsin.

In summary, 1) DLSC has reduced its outstanding complaints by 50% since the on-site review; 2) Wisconsin endured an unprecedented set of circumstances in 2013 which impacted its appraiser program; 3) DLSC is now at full staff and has safeguards in place to prevent a situation similar to what occurred in 2013; and 4) DLSC is exploring best practices for future implementation.

Wisconsin continues to actively pursue resolution of the remaining cases that have been open more than one year. We are confident that our continued prioritization of open complaints against appraisers will further reduce the backlog of cases to bring Wisconsin's appraiser regulatory program back into compliance with ASC Policy Statement 7B.

The Wisconsin Department of Safety and Professional Services appreciates the time and careful consideration that ASC staff took in reviewing Wisconsin's regulatory program. We are confident that we have fully addressed each of the compliance areas. The Wisconsin Department of Safety and Professional Services remains committed to ensuring that the Wisconsin appraiser regulatory program continues to meet all ASC requirements.

Sincerely,



Katie Vieira, Administrative Rule Coordinator  
Real Estate Appraisers Board  
Wisconsin Department of Safety and Professional Services

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## Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

September 21, 2015

Secretary Dave Ross  
Department of Safety and Professional Services  
1400 East Washington Avenue, Room 112  
Madison, WI 53703

RE: ASC Compliance Review of Wisconsin's Appraiser Regulatory Program

Dear Secretary Ross:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Wisconsin appraiser regulatory program (Program) on June 15-17, 2015, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

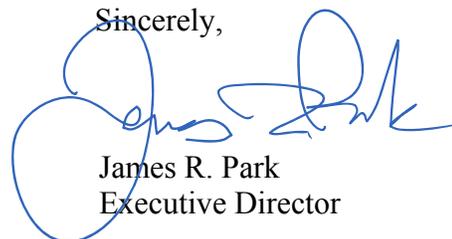
The ASC identified the following area of non-compliance:

- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.<sup>1</sup>

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Wisconsin will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park  
Executive Director

#### Attachment

cc: Mr. Thomas Ryan, Executive Director  
Ms. Katie Paff, Administrative Rules Coordinator

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<sup>1</sup> 12 U.S.C. § 3347; Policy Statement 7 B.

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor <sup>2</sup>	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	Continuous monitoring

\*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

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<sup>2</sup> An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

ASC Compliance Review Report

ASC Finding: Good

Final Report Issue Date: September 21, 2015

**Wisconsin Appraiser Regulatory Program (State)**

Real Estate Appraisers Board (Board) / Decision Making	PM: N. Fenochietti	ASC Compliance Review Date: June 15-17, 2015	Review Period: September 2013 to June 2015
Umbrella Agency: Department of Safety and Professional Services		Number of State Credentialed Appraisers on National Registry: 2,162	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Statutes, Regulations, Policies and Procedures:</b>	X			No compliance issues noted.	N/A	None	None
<b>Temporary Practice:</b>	X			No compliance issues noted.	N/A	None	None
<b>National Registry:</b>	X			No compliance issues noted.	N/A	None	None
<b>Application Process:</b>			X	Of 27 application files reviewed 2 did not contain documentation to support that the applicant's education was consistent with AQB Criteria.	On August 28, 2015, the State reported documentation was received from 1 applicant to support meeting the 2015 AQB Criteria. The second applicant did not meet AQB Criteria and was removed from the ASC National Registry.  The State also conducted a review of all pending applications and closed any files that did not show evidence of meeting applicable AQB Criteria.	The State should implement an effective policy and procedure to ensure Program staff are aware of and enforce AQB Criteria minimum education requirements.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 4 B.
<b>Reciprocity:</b>	X			No compliance issues noted.	N/A	None	None

ASC Compliance Review Report

ASC Finding: Good

Final Report Issue Date: September 21, 2015

**Wisconsin Appraiser Regulatory Program (State)**

Real Estate Appraisers Board (Board) / Decision Making

PM: N. Fenchietti

ASC Compliance Review Date: June 15-17, 2015

Review Period: September 2013 to June 2015

Umbrella Agency: Department of Safety and Professional Services

Number of State Credentialed Appraisers on National Registry: 2,162

Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
<b>Education:</b>	X			No compliance issues noted.	N/A	None	None
<b>Enforcement:</b>		X		Wisconsin had 91 outstanding complaints of which 51 were unresolved for more than 1 year. Of the complaints outstanding for more than one year, none fall under the exception for special documented circumstances.	On August 28, 2015, the State reported that in 2013, an unprecedented set of circumstances impacted the appraiser program including the resignation of 3 staff attorneys. The State is now at full staff and has implemented safeguards to prevent a similar situation in the future. The State reduced its outstanding complaints by 50% since the Compliance Review was conducted.	The State must monitor its processes to ensure timely processing of complaints, to reduce the backlog of aged complaints, and to ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 7.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7 B.
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)							

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

**AGENDA REQUEST FORM**

<b>Name and Title of Person Submitting the Request:</b>  Terri Rees, Paralegal on behalf of Attorney Andrea Brauer Division of Legal Services and Compliance		<b>Date When Request Submitted:</b>  October 30, 2015 Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> <li>▪ 8 work days before the meeting for Medical Board</li> <li>▪ 8 work days before meeting for all other boards</li> </ul>	
<b>Name of Board, Committee, Council:</b>  Real Estate Appraisers Board			
<b>Board Meeting Date:</b>  November 11, 2015	<b>Attachments:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>How should the item be titled on the agenda page?</b> Fall Conference of the Association of Appraiser Regulatory Officials (AARO) materials	
<b>Place item in:</b> <input type="checkbox"/> Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/> Both	<b>Is an appearance before the Board being scheduled? If yes, by whom?</b>  <input type="checkbox"/> Yes by _____ (name)  <input checked="" type="checkbox"/> No	<b>Name of Case Advisor(s), if required:</b>	
<b>Describe the issue and action the Board should address:</b>  Attorney Andrea Brauer attended the Fall Conference of the Association of Appraiser Regulatory Officials (AARO), which took place October 16 through 19, 2015. Attached are her notes from the conference for your review. She is available to answer any questions you might have about the topics discussed at the conference.			
<b>Authorization:</b>			
		10-30-15	
Signature of person making this request		Date	
Supervisor signature (if required)		Date	
Executive Director signature (indicates approval to add late items to agenda)		Date	
<b>Directions for including supporting documents:</b>  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.			



**AARO – COMMITMENT TO SUCCESS AND  
ADVANCEMENT OF APPRAISER AND AMC  
REGULATORY PROGRAMS THROUGH  
LEADERSHIP, COOPERATION,  
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OCTOBER 16-19, 2015**

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**FUTURE AARO CONFERENCE SITES**

**Phoenix, AZ                      April 8—10, 2016  
Washington, DC                October 21-24, 2016**

## FRIDAY, OCTOBER 16, 2015

12:00p – 4:00p REGISTRATION National Foyer

1:15p – 3:00p OPENING SESSION National A,B,C

Welcome: Nikole Avers— AARO President  
Tamora Papas—Board Member, Washington, D.C.

### "A View From the Top"

Art Lindo—ASC Chair, Federal Reserve Bank

### TAF & ASC Updates:

Jim Park - Executive Director, Appraisal Subcommittee  
Kelly Davids— Vice President, Appraisal Foundation

3:00p – 3:15p BREAK National Foyer

3:15p – 4:30p APPRAISAL FOUNDATION HOT TOPICS

Wayne Miller—AQB Moderator: Bruce Unangst, LA  
Barry Shea —ASB  
Rick Baumgardner —APB

## SATURDAY, OCTOBER 17, 2015

8:00a – 4:00p REGISTRATION National Foyer

7:45a – 8:30a CONT'L BREAKFAST National Foyer

8:30a – 9:30a Breakout Session #1

*Investigators—"Decoding Deception"* National A  
Hal Humphreys - FIND Investigations  
Moderator: B.J. Jibben, Wyoming

*Board Members/Legal — "Ethics, Ex Parte & Emails" Part I*  
Roberta Ouellette—Counsel, N. Carolina Board  
Kim Wells— Counsel, Ohio Board National B

*Administrators "Multiple Regression Analysis for Regulators"*  
Larry Clark - IAAO National C  
Moderator: Gae Lynn Cooper, OR

9:30a – 10:30a Breakout Session #2

*Investigators—"Interviewing the Unwilling"* National A  
Hal Humphreys  
Moderator: B.J. Jibben

*Board Members/Legal — "Ethics, Ex Parte & Emails" Part II*  
Roberta Ouellette and Kim Wells National B

*Administrators "Little Fish/Big Pond or Big Fish/Little Pond:  
Regulatory Mergers & Acquisitions"* National C  
Debbie Rudd; Nikole Avers

10:30a – 10:45a BREAK National Foyer

10:45a – 12:15p Breakout Session #3- Best Practices

### Roundtables

Investigators National A

Moderator: Danielle Morales, MS

Administrators National B  
Moderator: Lee Gordon, AR; Juana Watkins, FL

Board Members National C  
Moderators: Joe Ibach, ND; Fran Oreto, FL

12:15p – 1:15p LUNCH On your Own

12:15p - 1:15p BOARD OF DIRECTORS MEETING Monticello BR  
Board Meeting Open to All AARO Members

1:30p - 3:00p NAC & Young Appraisers Professional Network  
Greg Stephens—MetroWest Appraisal National A,B,C  
Ernie Durbin— Valuation Vision  
Frank O'Neill, Jr. — Stewart Valuation Services  
Jordan Petkovski—Title Source  
Tony Pistilli  
Moderator: Jim Martin, CA

3:00p – 3:15p BREAK National Foyer

3:15p - 4:30p Experience- The Changing Landscape National A,B,C  
Jim Martin— Director, California Office of Real Estate Appraisers  
Brian Sholly— EVP, RE & IT, OnCourse Learning  
Moderator: Larry Disney, KY

6:00p – 10:00p PRESIDENT'S RECEPTION Monticello BR  
& SILENT AUCTION

## SUNDAY, OCTOBER 18, 2015

7:45a – 8:30a CONT'L BREAKFAST National Foyer

All sessions of AARO are open to any paid attendee, except those specific sessions that are announced as being closed or restricted

8:30a - 9:30a COMMITTEE MEETINGS

Policy & Planning - Debbie Rudd Ashlawn North  
Nominating - Larry Disney \*Closed\* Sherwood  
Budget and Finance - Dave Campbell Woodlawn  
Program - Anne Petit Ashlawn South

9:45a—10:45a ADVISORY COUNCIL MEETINGS

ASC Advisory—Amy McClellan Sherwood  
Qualifications Advisory—Sherry Bren Woodlawn  
USPAP Advisory—Larry Disney Ashlawn South  
AMC Advisory Council—Fran Oreto Ashlawn North  
Appraiser Profession Organizations West Room  
Advisory Council – Joe Ibach

10:45a –11:00a BREAK National Foyer

11:00a – 11:45a National Registry Unique Identification Numbers National A,B,C  
Brian Kelly – ASC  
Moderator: Dee Sharp, WA

**SUNDAY, OCTOBER 18, 2015-- Continued**

**12:00p – 1:00p LUNCH** Monticello BR

**1:15p—2:30p Weird Science! Experience** National A, B, C  
**Evaluation Tool**

Peter Fontana— Montana Appraiser Board  
Tom Stevens— Montana Appraiser Board  
**Moderator: Craig Steinley, SD**

**2:30p— 2:45p BREAK** National Foyer

**2:45p - 3:30p ANNUAL BUSINESS MEETING** National A,B,C

Committee & Advisory Council Reports  
Nominating Committee Recommendations  
Award Presentations & Installation of Officers  
Comments by Outgoing President & New President

**3:30p - 4:30p BOARD OF DIRECTORS MEETING** Monticello BR

**\* D.C. After Dark Walking Tour \***

**7:15p SHARP! Bus to National Mall leaves the Westin**

**7:30p—9:30p National Park Ranger Guided Walking Tour!**  
*(Shuttle Bus fee \$12, and please consider a gratuity for our guide at the conclusion of the tour)*

**MONDAY, OCTOBER 19, 2015**

**7:45a – 8:30a CONT'L BREAKFAST** National Foyer

**8:30a – 10:00a FTC v. NC Dental Board: What It Means for Regulators** National A,B  
Dale Atkinson, Executive Director  
Federation of Associations of Regulatory Boards  
**Moderator: Toni Bright, IA**

**10:00a-10:15a BREAK** National Foyer

**10:15a—11:45a Guidance on AMC Final Rules** National A,B  
ASC Staff Moderator: Allison McDonald, FL

**12:00p – 1:00p LUNCH** Monticello BR

**1:15p - 2:45p "What is Your Body Language Saying About You?"**  
Christopher Ulrich—CU In The Moment National A,B  
**Moderator: Nikole Avers**

**2:45p—3:30p Future Education Forum** National A,B  
TAF, ASC & AARO Steering Committee  
**Moderator: Anne Petit**

**3:30p - 4:00p CLOSING REMARKS** National A,B  
2015-2016 AARO President

# General Session Speakers

These are some of the speakers scheduled to appear.



**Jim Park**, Executive Director, ASC since March 2009. Park has served as the executive director of the Appraisal Subcommittee. He is the senior staff person responsible for the day-to-day ASC operations of the Agency. Under direction of the ASC, the executive director is responsible for implementing ASC policies, overseeing its programs and budget, and developing recommendations for the ASC members. The Executive Director also represents the ASC before state and

federal regulatory and legislative officials, and various appraisal industry groups.

**Wayne Miller**, Chair Appraisal Qualifications Board, 2nd Term. The AQB has a federal mandate to set qualification criteria for real property appraisers in the 55 jurisdictions in the United States which are subject to oversight by the Appraisal Subcommittee. Miller has been a member of the Board since 2008. Prior to his service on the AQB, he served as a Subject Matter Expert, assisting the AQB with the development of the Certified General National Appraisal Examination. In his position as Chair of the AQB, he regularly attends meetings of and serves as a resource to the Association of Appraiser Regulatory Officials (AARO), the Appraisal Standards Board (ASB), and the Appraisal Practices Board (APB).



**Barry J. Shea**, Chair Appraisal Standards Board. Shea has a Bachelor of Science Degree in Business Administration from Southern New Hampshire University and a Master of Science Degree in Business Education from the same institution. He has been involved in real estate in NH for over 30 years and has been appraising since 1987. He has authored articles, and qualifying and continuing education programs

and has been an adjunct instructor at the Lakes Region CC and at Southern New Hampshire University.

Following 18 years in marketing and executive management in Procter and Gamble, BTE and his own company, **Brian Sholly** has spent the last 12 years in the learning industry. In 2003, he joined Kaplan focusing on the adult learner. As President of Kaplan Learning Technologies, Brian led Kaplan's global efforts to enable enterprise e-learning development by providing state of the art online authoring software. In 2013, Brian joined OnCourse Learning as Executive Vice President of Real Estate. At OnCourse he is responsible for online and live training courses for Real Estate agents, brokers, appraisers and home inspectors. For the past two years, Brian has been a member of the Appraisal Foundation Industry Advisory Council (IAC).



**Rick Baumgardner** Chair, Appraisal Practices Board, is President of Baumgardner & Associates, PSC, a real estate economics company located in Elizabethtown, KY. He has been a full time real estate analyst since 1978. Rick holds a degree from the University of Kentucky in real estate and has successfully completed all courses required for designation with the Appraisal Institute.



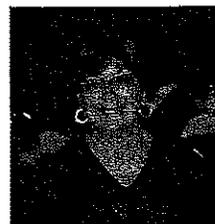
**Hal Humphreys** is founder/lead investigator of (FIND) Investigations, a PI agency in Nashville, TN. Mr. Humphreys is a Certified General Real Estate Appraiser, A Certified Fraud Examiner, and a licensed private investigator. He serves as a hearing officer for the Davidson County Board of Equalization

and is a contract investigator for the State of Tennessee Department of Commerce and Insurance. When he's not interviewing witnesses or locating people, he's also a writer, radio producer, hiker, and fly fisherman. Connect with Hal e-mail: hal@storyboardemp.com Twitter: @FINDPI Website: <http://www.findinvestigations.com/>



**Alice Ritter** currently serves as General Counsel to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. Additionally, she has a wide range of experience in the legal profession, including Senior Staff Attorney to the Armed Services Board of Contract Appeals, Chief Legal Counsel and Municipal Attorney to Cedar City, Utah, and Partner in a private practice located in Cedar City, Utah. Ritter graduated from the California

Western School of Law in San Diego, where she was Editor in Chief of the California Western International Law Journal. For foreign legal study, Ms. Ritter attended McGeorge School of Law in Cambridge, UK and Salzburg University in Vienna, Austria. Ms. Ritter gained further experience with an Internship with United Nations International Trade Law Branch in Vienna, Austria.



**Fran Oreto** is a member of the Florida Real Estate Appraisal Board and has been serving the State of Florida in a Board Member capacity since May 2009. Fran has served as Board Chair for two terms and is currently one of the two AMC Representatives. As an active staff appraiser for the last 10 years for a large company, Fran has seen and been professionally impacted by many changes in

the appraisal industry. Oreto has been appraising since the mid 1980's and holds a Florida Real Estate Broker's license as well. She continues to support the professionalism of the industry with a current and past history of serving as an officer or director for appraisal organizations and continues to participate on committees as well.

James Martin of Sacramento, was appointed Director of the Office of Real Estate Appraisers in July of 2012. Martin was reappointed Bureau Chief in July, 2013 with the reorganization of the Bureau of Real Estate Appraisers within the Department of Consumer Affairs. Martin served in multiple positions at the Department of General Services from 2002 to 2012, including Chief of the Real Property Services Section. Prior to that, he worked in Land Management at the California State Lands Commission from 1996 to 2002, and began his State career as an investigator for the Office of Real Estate Appraisers from 1995 to 1996. Martin spent 17 years in the private sector, including serving as president and chief appraiser at California Property Research Inc. from 1981 to 1994.



[www.aaro.net](http://www.aaro.net)



**Greg Stephens** is a recognized expert in appraisal regulations and standards, whose 35 plus year career in the industry includes owning and managing a five office regional appraisal firm in Northern California for 24 years prior to spending 10 years in financial institution valuation DC and governance managing pre and post-closing review teams, monitoring state and federal appraisal-related legislation and USPAP subject matter

expert. He is a frequent speaker at national conferences for professional organizations around the country and voted the Collateral Risk Network 2013 Valuation Visionary for life-long contributions to the industry. In 2011, he joined Metro-West Appraisal Co. LLC as Senior Vice President, Appraisal Operations and Compliance and in 2013 was promoted to Chief Appraiser, SVP Compliance.

**Brian Kelly**, Project Manager -- Information Systems, The Appraisal Subcommittee. Kelly assumed stewardship of the ASC's information systems in February of 2014 and has spearheaded several initiatives. Kelly joined the ASC in the summer of 2012, coming from the Department of Defense. He holds Bachelor of Arts Degrees in both Economics and Political Science from East Carolina University and has completed the Six Sigma Black Belt level course work from Villanova University. Currently, he is enrolled in the Masters of Science in Administration of Information Systems from Central Michigan University.



**Peter Fontana** -- Owner of Cornerstone Appraisal Services located in Great Falls, MT. He holds a degree in Finance from the University of Montana and is a Certified Residential Appraiser. Prior to opening his own appraisal firm, Peter was the Elected County Assessor for Cascade County and Statewide Appraisal Supervisor/Specialist for the State of Montana, Department of Revenue. Fontana is a board member of the Montana Board of Real Estate Appraisers since 2005 and a Subject Matter Expert for the AQB since 2006. Fontana is also a board member of the City of Great Falls Planning Board, the Cascade County Tax Appeal Board and the State Board of Optometry.



**Thomas G. Stevens**, is the owner and principal appraiser of Stevens Co., a full service appraisal firm in Missoula, MT., appraising commercial properties throughout Montana and Northern Idaho. Tom is a graduate of the University of Montana with a degree in Business and a minor in Economics. Prior to returning to Missoula in 1978, Stevens was the Chief Appraiser for state chartered Savings and Loan in central Oklahoma.

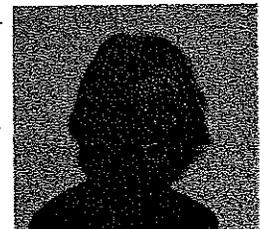
He Stevens was appointed to the Montana Board of Real Estate Appraisers in 2011, and re-appointed in 2014, and has been the Chair of the Board since 2011. Stevens has been qualified as an expert witness in both State and Federal Courts as well as Federal Bankruptcy court on matters of valuation for typical and special purpose properties.

**Dale J. Atkinson** received his law degree from Northwestern School of Law, Portland, OR, and is the sole, managing member of the law firm of Atkinson & Atkinson, LLC, representing various associations of regulatory boards in all matters relating to their operations, including regulatory activities, education and accreditation, disciplinary actions, and all phases of the development and administration of licensure examination programs, licensure transfer programs, licensure credentials verification, and storage. Atkinson also serves as Executive Director of FARB, a not-for-profit association whose governing members consist of associations of regulatory boards.



**Vicki Metcalf** has been a Policy Manager with the Appraisal Subcommittee for 24 years. During the 5 years prior to her joining the ASC staff, she was an Appraiser for the General Services Administration. While at GSA, she appraised commercial and industrial properties in preparation for their disposition by the Federal Government. Metcalf holds a Bachelor's Degree in Finance from Hampton University in Hampton Virginia and a Master's Degree in Business Administration from the University of Maryland system.

**Tamora Papas** is a Certified Residential Appraiser specializing in the District of Columbia with an Appraisal Institute SRA designation, Worldwide ERC - CRP designation. She is your AARO Ambassador to D.C.



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**AARO Conference Notes  
October 16–20, 2015  
Washington, DC  
Andrea Brauer**

**Presentations Friday, October 16**

**AQB Public Hearing on Alternative Experience Requirements**

- The AQB sought input for potential revisions to experience requirements due to a rising concern about the perceived shortage of new appraisers
- In particular, public comments raised the following concerns:
  - o The required practical experience is prohibitively time consuming and expensive, especially because applicants must also have a college degree
  - o Trainees often struggle to find a supervisor appraiser because potential supervisors have insufficient financial incentive to take on a trainee
  - o Clients are a barrier as well because many do not want trainees performing the work
- The AQB was receptive to alternative suggestions, which included:
  - o Building a portion of the experience requirements into the college degree in the form of an internship or practicum (which might also allow for payment from the school to the supervisor)
  - o Applying college credit to fulfill licensing requirements
  - o Potentially allowing states flexibility in determining experience requirements, in particular to address rural needs (e.g., South Dakota has one appraiser for every 222 miles and the average appraiser is over 51 years old)

**“A View From the Top” – Art Lindo – ASC Chair, Federal Reserve Bank**

- The ASC hopes to address the following issues this year:
  - o The need to coordinate with standards in non-federally related transactions
  - o Revising regulations where necessary
  - o Addressing the impact of regulation in rural areas
  - o Redrawing threshold standards for federally related transactions
- Art Lindo made the following comments on Title XI Compliance Monitoring:
  - o The ASC is exploring new options for enforcement actions against states beyond either working with a state one-on-one to obtain compliance or derecognizing the state’s credentials
  - o In the ASC’s review of state programs, it is looking at timeliness and consistency. The ASC is not reviewing the quality of appraisal reviews.

**TAF and ASC Updates**

- Jim Park – Executive Director ASC
  - o Comments on Title XI Compliance Monitoring
    - Most recent state ratings
      - Excellent – 1 state

- Good – 11 states
  - Needs Improvement – 23 states
  - Not Satisfactory – 1 state
  - Poor – 0 states
- Most common issues noted in Compliance Review
  - Statutes and regulations were not in compliance
  - 4 year degree requirement was not being enforced
- The ASC is also concerned that we are seeing an appraiser shortage
  - The National Registry shows a significant decline in appraisers
    - In 2007-08, the number of appraisers peaked at more than 121,000 (including licensed and certified)
    - Currently there are only 99,000 appraisers identified on the National Registry; in particular the number of licensed appraisers has declined significantly
  - It is not clear what is happening but some potential reasons are:
    - AMC issues, lender restrictions, collateral underwriters, approved / do not use lists, qualifications criteria (in particular the 4 year degree requirement)
- Comments on upcoming ASC Rules
  - AMC Registry Fee rulemaking is currently underway
  - Other potential rulemaking topics include
    - Enforcement / sanctions against states for violating ASC requirements
    - Rules for temporary practice
    - Rules requiring states to create a unique identification number for use by the National Registry
- Kelly Davids, VP Appraisal Foundation
  - The Appraisal Foundation has been working with the International Valuation Standards Council to create global harmonization of appraisal standards
  - Upcoming Appraisal Foundation events
    - November 19, 2015 – an overview of the 2016-17 USPAP changes will be streaming on the Appraisal Foundation website
    - The Appraisal Foundation is planning to offer courses that are intended to be used as disciplinary education and will have a testing component (no start date yet for these courses)

### **Appraisal Foundation Hot Topics**

- Wayne Miller – AQB
  - Discussed the concern about an appraiser shortage as a follow up to the AQB public meeting yesterday
  - The AQB is considering creating a Model Practicum course which would count towards experience requirements and could be implemented by state programs and universities, and is also considering crediting trainee appraisers with experience hours for experience on appraisals that have not been completed

- Barry Shea – ASB
  - Previous and upcoming USPAP revisions
    - 2014-15 edition: the major change was to eliminate the distinction between the self-contained and summary appraisal report (SR 2-2)
    - 2016-17 edition: all Statements will be expired; the requirements will be incorporated into the USPAP Rules and/or SR and the additional explanation will be placed in the Advisory Statements
  - Potential topics for future revisions
    - Standard 6 mass appraisals
    - Standard 3 appraisal reviews – the ASC may expand the requirements for appraisal reviews to include a development section (Standard 3) and a reporting section (Standard 4)
- Rick Baumgardner – APB
  - Appraisal Practices Board is the newest Board of the Appraisal Foundation. It provides voluntary guidance on recognized methods and techniques and purports to offer a forum for appraisers with no other affiliation with professional organizations.
  - Upcoming project topics:
    - Discounted cash flow
    - Retrospective and prospective values
    - Standard 6 revisions
    - Green projects

### **Presentations Saturday, October 17**

#### **Best Practices Roundtable – Board Members**

- This section of the conference was an open-ended small group discussion in which Board members could raise any topic of concern
- Discussion topics included:
  - Whether to allow anonymous complaints – some states do not
  - How to label consumer complaints – some states call the initial consumer complaint an “allegation” and only refer to it as a “complaint” once probable cause is established and an investigation is opened
  - The potential effect of discipline on an appraiser’s ability to obtain work
  - Whether to perform random audits of appraisers’ files – individuals from three states in attendance stated they do perform random audits
  - Whether to allow or require trainees to submit reports part way through the experience requirement and whether to consider such submissions for disciplinary action
  - Requests for reciprocity are increasing in other states; these states are seeing that large commercial appraisal firms are licensing one person in the firm in each surrounding state

**Residential Appraisers: A Dying Breed?** Presentation by the National Appraisal Congress

- The National Appraisal Congress concludes the recent reduction in licensed and certified appraisers is a result of more than the reduction in market demand and believes there will not be enough appraisers to meet future market demands
- As a result, the National Appraisal Congress recommends changing the experience requirements to do the following:
  - o Impose competency-based requirements rather than requiring a specific number of training hours
  - o Allow trainees to do inspections once the supervisor believes the trainee is competent to do so
  - o Allow trainees to perform other parts of the appraisal independently if the supervisor feels he can do so competently
  - o Allow apprenticeship concurrent with Bachelor's degree
- Other recommended changes:
  - o Provide an organized program for supervisors to follow
  - o Establish certificates trainees can receive part way through (to address client's confidence in the trainee's competence, we should consider relabeling the term "trainee")

**Presentations Sunday, October 18**

**National Registry – Unique ID Numbers**

- The National Registry is requesting states modify the data submitted so that it identifies a unique identification number rather than transmitting social security numbers
- Currently the National Registry is seeking voluntary participation by all states within the next two years; if all states do not participate, rulemaking will be initiated

**Experience Valuation Tool**

- Members of the Montana board presented a new form the board has developed for use by appraisal reviewers
- The form consists of 31 questions
  - o These questions address the 31 items the board has determined are relevant to deciding what board action is appropriate
  - o To each question, the reviewer will answer Yes, No or N/A; and each question also has a space for additional comment
- This form is utilized for all reviews, including reviews performed in the context of license applications and disciplinary cases
- The board has found using the new form provides consistency but flexibility and also informs contract reviewers about what the board wants to know

**Presentations Monday, October 19**

**New AMC Rule** – ASC speakers Alice Ritter and Vicki Metcalf

- The Dodd-Frank Act added a new section to Title XI of FIRREA which establishes minimum requirements for state registration and supervision of AMCs
- The Final AMC Rule was effective August 10, 2015
  - o Defines AMCs to include any company that within a year oversees
    - More than 15 appraisers within a state or
    - 25 or more appraisers nationally
    - (Note: appraisal firms that *employ* this many appraisers are not considered AMCs but appraisal firms that have this many *independent contract* appraisers are considered AMCs)
  - o Requires legislation establishing authority to
    - Issue registrations for AMCs
    - Examine AMCs and investigate AMCs violating state laws and regulations
      - Note: a one-year requirement for complaint disposition has not yet been imposed for AMC issues but likely will be
  - o States which choose to register AMCs must also
    - Establish a process for enforcement
    - Mandate that AMCs use state certified and/or licensed appraisers
    - Require appraisals comply with USPAP
    - Require AMCs have sufficient processes and controls designed to (1) ensure selection of an appraiser who is independent and has the requisite education and experience and (2) ensure appraisals comply with appraisal independence requirements
  - o AMC ownership requirements
    - 10% or more of the owners of AMCs must be of good moral character as determined by the state
    - No owner may have a revoked or surrendered credential
    - Owners do not have to be appraisers
  - o Note: federally regulated AMCs are not required to register with the state
- Restriction
  - o States are not required to establish an AMC registration and supervision program
  - o But states which have not established such a program within 36 months of the effective date of the new rule (August 10, 2015) will be subject to the following restriction:
    - Non-federally regulated AMCs would be barred from providing appraisal management services for federally related transactions in those states
  - o A 12-month extension can be granted if the state shows “substantial progress” has been made towards establishing the program
- AMC registry fees will eventually be required but the rulemaking is still underway

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

**AGENDA REQUEST FORM**

1) Name and Title of Person Submitting the Request:  <b>Nilajah Hardin, Bureau Assistant on behalf of Tom Ryan, Executive Director</b>		2) Date When Request Submitted:  <b>11/05/15</b>  <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:  <b>Real Estate Appraisers Board</b>			
4) Meeting Date:  <b>11/11/15</b>	5) Attachments: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6) How should the item be titled on the agenda page?  <b>Legislative/Administrative Rule Matters</b> 1) Appraisal Management Company (AMC) Legislation	
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 ( <a href="#">Fill out Board Appearance Request</a> ) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:  <b>N/A</b>	
10) Describe the issue and action that should be addressed:  <b>Please review the following links:</b>  Federal Registry: <a href="http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&amp;SID=31872b317ea2ee18bf845cb52e6d58f0&amp;ty=HTML&amp;h=L&amp;mc=true&amp;r=PART&amp;n=pt12.1.34">http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&amp;SID=31872b317ea2ee18bf845cb52e6d58f0&amp;ty=HTML&amp;h=L&amp;mc=true&amp;r=PART&amp;n=pt12.1.34</a>  AMC Final Rule: <a href="https://www.fdic.gov/news/board/2015/2015-04-21_notice_sum_d_fr.pdf">https://www.fdic.gov/news/board/2015/2015-04-21_notice_sum_d_fr.pdf</a>  Appraisal Institute's summary of the rule's requirements: <a href="http://www.appraisalinstitute.org/final-rule-released-on-minimum-amc-requirements/">http://www.appraisalinstitute.org/final-rule-released-on-minimum-amc-requirements/</a> .  FDIC's summary: <a href="https://www.fdic.gov/news/news/financial/2015/fil15019.html">https://www.fdic.gov/news/news/financial/2015/fil15019.html</a> .			
11) <p style="text-align: center;">Authorization</p> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"><i>Nilajah D. Hardin</i></div> <div style="width: 35%; text-align: right;"><b>11/05/15</b></div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Signature of person making this request</div> <div style="width: 35%; text-align: right;">Date</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Supervisor (if required)</div> <div style="width: 35%; text-align: right;">Date</div> </div> <hr/> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Executive Director signature (indicates approval to add post agenda deadline item to agenda)</div> <div style="width: 35%; text-align: right;">Date</div> </div>			
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.			