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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

F I N A L M I N U T E S

MEETING OF:

**STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS**

TIME: 10:30 A.M.

Held at

PENNSYLVANIA DEPARTMENT OF STATE

2601 North Third Street

One Penn Center, Board Room C

Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

Thursday, January 19, 2023

State Board of Certified
Real Estate Appraisers
January 19, 2023

BOARD MEMBERS:

Joseph D. Pasquarella, Chairman, Professional Member
Mark V. Smeltzer Sr., Vice Chairman, Professional Member
John D. Ausherman, Secretary, Professional Member
William T. Stoerrle Jr., Professional Member
Michael McFarlane, Professional Member
Randy L. Waggoner, Professional Member
Martha H. Brown, Esquire, Secretary of the Commonwealth designee
Paul D. Edger, Esquire, Senior Deputy Attorney General, Office of Attorney General designee
Paul H. Wentzel Jr., Senior Legislative Director, Department of Banking and Securities designee

BUREAU PERSONNEL:

Dean F. Picarella, Esquire, Senior Counsel, Counsel Division
Ronald K. Rouse, Esquire, Board Counsel
Carolyn DeLaurentis, Deputy Chief Counsel, Prosecution Division
Ray Michalowski, Esquire, Senior Board Prosecution Liaison
Caroline A. Bailey, Esquire, Board Prosecutor
Timothy A. Fritsch, Esquire, Board Prosecutor
Kristel Hennessy Hemler, Board Administrator
Marc Farrell, Esquire, Regulatory Counsel, Department of State, Office of Chief Counsel
Andrew LaFratte, MPA, Executive Policy Specialist, Department of State
Joel Roland, Paralegal, Professional Compliance Office
Jessica Zukoski, Senior Legal Analyst

State Board of Certified
Real Estate Appraisers
January 19, 2023

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ALSO PRESENT:

- David Trautman, Esquire, Trautman & Associates, LLC
- Scott DiBiasio, Manager, State and Industry Affairs, Appraisal Institute
- Emme Reiser, Political Programs Manager, Pennsylvania Association of Realtors
- Mark Kellerman, President, Assessors' Association of Pennsylvania
- Deena Parmelee, Legal Office Administrator 1, Department of State
- R. Scott Hartman, SRA, Appraisal Institute
- Craig Steinley, MAI, SRA, AI-GRS, AI-RRS, President, Appraisal Institute
- Dan Bradley, Appraisal Curriculum and Content Director, McKissock
- Joshua Garretson, MAI, AI-GRS, AI-RRS, Appraisal Institute
- Michelle Czekalski Bradley, Chair, Appraisal Standards Board, CGA, Appraiser Qualifications Board-Certified USPAP Instructor

1 ***

2 State Board of Certified
3 Real Estate Appraisers
4 January 19, 2023

5 ***

6 [Pursuant to Section 708(a)(5) of the Sunshine Act,
7 at 9:00 a.m. the Board entered into Executive Session
8 with Ronald K. Rouse, Esquire, Board Counsel, to have
9 attorney-client consultations and for the purpose of
10 conducting quasi-judicial deliberations. The Board
11 returned to open session at 10:30 a.m.]

12 ***

13 [Ronald K. Rouse, Esquire, Board Counsel, informed
14 everyone that the meeting of the State Board of
15 Certified Real Estate Appraisers was being held in a
16 hybrid format in person and by livestreaming
17 teleconference pursuant to Act 100 of 2021, which
18 requires boards to use a virtual platform to conduct
19 business when a public meeting is held.

20 Mr. Rouse also noted that the Board entered into
21 Executive Session with Board Counsel to have
22 attorney-client consultations and for the purpose of
23 conducting quasi-judicial deliberations.]

24 ***

25 The regularly scheduled meeting of the State

1 Board of Certified Real Estate Appraisers was held on
2 Thursday, January 19, 2023. Joseph D. Pasquarella,
3 Chairman, Professional Member, officially called the
4 meeting to order at 10:30 a.m.

5 ***

6 Roll Call/Introduction of Attendees

7 [Joseph D. Pasquarella, Chairman, Professional
8 Member, requested a roll call of Board members and
9 introduction of attendees.]

10 ***

11 Approval of minutes of the December 22, 2022 meeting

12 CHAIRMAN PASQUARELLA:

13 Do I have a motion to approve the
14 December 22, 2022 Board minutes?

15 MR. STOERRLE:

16 I make a motion to approve the minutes.

17 MR. SMELTZER:

18 I'll second the motion.

19 CHAIRMAN PASQUARELLA:

20 Is there any discussion on the minutes?
21 Hearing none.

22 We'll do a roll call.

23

24 Joseph Pasquarella, aye; Mark Smeltzer,
25 aye; John Ausherman, aye; William

1 Stoerrle, aye; Michael McFarlane, aye;
2 Randy Waggoner, aye; Martha Brown, aye;
3 Paul Edger, aye; Paul Wentzel, aye.

4 [The motion carried unanimously.]

5 ***

6 Report of Prosecutorial Division

7 [Caroline A. Bailey, Esquire, Board Prosecutor,
8 presented the Consent Agreement for Case No. 20-70-
9 014229.]

10 MR. ROUSE:

11 Regarding the Consent Agreement at item
12 2 on the agenda at Case No. 20-70-
13 014229, based on the discussion in
14 Executive Session, I believe the Chair
15 would entertain a motion to adopt the
16 Consent Agreement.

17 MR. AUSERMAN:

18 I so move.

19 MR. STOERRLE:

20 Second.

21 MS. HENNESSY HEMLER:

22 Roll call voting.

23

24 Joseph Pasquarella, aye; Mark Smeltzer,
25 aye; John Ausherman, aye; William

1 Stoerrle, aye; Michael McFarlane, aye;
2 Randy Waggoner, aye; Martha Brown, aye;
3 Paul Edger, aye; Paul Wentzel, aye.

4 [The motion carried unanimously. This is the matter
5 of BPOA v. Carol L. Barton, Case No. 20-70-014229.]

6 ***

7 [Timothy A. Fritsch, Esquire, Board Prosecutor,
8 informed Board members that the Consent Agreement for
9 Case Nos. 21-70-019979 & 22-70-013528 has been
10 withdrawn.]

11 Mr. Fritsch presented the Consent Agreement for
12 Case No. 21-70-015963.]

13 ***

14 MR. ROUSE:

15 Regarding the Consent Agreement at item
16 4 on the agenda at Case No. 21-70-
17 015963, I believe the Chair would
18 entertain a motion to adopt the Consent
19 Agreement.

20 MS. BROWN:

21 I make that motion.

22 MR. WAGGONER:

23 I'll second the motion.

24 MS. HENNESSY HEMLER:

25 Roll call voting.

1

2

Joseph Pasquarella, aye; Mark Smeltzer,

3

aye; John Ausherman, aye; William

4

Stoerrle, aye; Michael McFarlane, aye;

5

Randy Waggoner, aye; Martha Brown, aye;

6

Paul Edger, aye; Paul Wentzel, aye.

7

[The motion carried unanimously. This is the matter

8

of BPOA v. Jolene M. Oldham, Case No. 21-70-015963.]

9

10

[Mark V. Smeltzer Sr., Vice Chairman, Professional

11

Member, exited the meeting at 10:44 a.m. for recusal

12

purposes.]

13

14

[Timothy A. Fritsch, Esquire, Board Prosecutor, Mr.

15

Fritsch presented the Consent Agreement for Case No.

16

22-70-006873.

17

David Trautman, Esquire, Trautman & Associates,

18

LLC, counsel for respondent, was present.]

19

MR. ROUSE:

20

Regarding the Consent Agreement at item

21

5 on the agenda at Case No. 22-70-

22

006873, I believe the Chair would

23

entertain a motion to adopt the Consent

24

Agreement.

25

MR. AUSHERMAN:

1 I so move.

2 MR. STOERRLE:

3 Second.

4 MR. ROUSE:

5 Is there any discussion?

6 MS. HENNESSY HEMLER:

7 Roll call voting.

8

9 Joseph Pasquarella, aye; John
10 Ausherman, aye; William Stoerrle, aye;
11 Michael McFarlane, aye; Randy Waggoner,
12 aye; Martha Brown, aye; Paul Edger,
13 aye; Paul Wentzel, aye.

14 [The motion carried unanimously. Mark Smelter
15 recused himself from deliberations and voting on the
16 motion. This is the matter of Gino T. Pusateri, Case
17 No. 22-70-006873.]

18

19 [Mark V. Smeltzer Sr., Vice Chairman, Professional
20 Member, reentered the meeting at 10:51 a.m.]

21

22 Appointment - Prosecution Division Annual Report
23 Presentation

24 Carolyn A. DeLaurentis, Esquire, Deputy Chief
25 Counsel, Prosecution Division, informed Board members

1 that she would be serving as executive deputy chief
2 counsel for the department in the future but would be
3 presenting her final annual report to the Board at
4 this meeting.

5 Chairman Pasquarella thanked Ms. DeLaurentis for
6 the great job over the years presenting the reports
7 and wished her luck in her new role.

8 Ms. DeLaurentis presented to the Board to provide
9 a summary of the prosecution division's role and
10 present annual numbers for 2022. She informed Board
11 members that the Bureau of Professional and
12 Occupational Affairs provides administrative and
13 legal support to all 29 licensing boards and
14 commissions under the legal support of the
15 prosecution division, counsel division, and hearing
16 examiners. She noted the mission is to protect the
17 health and safety of the public and the integrity of
18 the profession.

19 Ms. DeLaurentis explained that the Office of
20 Chief Counsel is under the Governor's Office of
21 General Counsel, noting the prosecution division is
22 one division under the Office of Chief Counsel. She
23 noted the prosecution division works with the Bureau
24 of Enforcement and Investigation (BEI), along with
25 the Professional Compliance Office (PCO).

1 Ms. DeLaurentis stated BEI, PCO, and prosecution
2 are all tasked with receiving complaints,
3 investigating allegations, ensuring public safety,
4 and enforcing compliance with the acts and
5 regulations for all 29 boards and commissions. She
6 explained that Professional Compliance Office
7 consists of the administrative assistants who open
8 the cases, 12 or 13 paralegals, and the Bureau of
9 Enforcement and Investigation (BEI) consists of
10 investigators and inspectors.

11 Ms. DeLaurentis stated the prosecution division
12 has five senior prosecuting attorneys, noting Ray
13 Michalowski is a senior prosecutor, along with Karl
14 Geschwindt as an acting senior prosecutor, Paul
15 Jarabeck, Heather McCarthy, and William Newport. She
16 mentioned there are currently 32 prosecuting
17 attorneys, including Board liaisons.

18 Ms. DeLaurentis addressed the complaint process,
19 noting complaints are received from any source but
20 prefer complaints be submitted through the
21 Pennsylvania Licensing System (PALS) at pals.pa.gov.

22 She noted prosecution accepts complaints from other
23 agencies, law enforcement, and sometimes through
24 media reports.

25 Ms. DeLaurentis discussed levels of review,

1 including jurisdiction checks, noting administrative
2 assistants review every complaint to see if it falls
3 under one of the 29 boards and commissions. She
4 mentioned complaints are referred to sister agencies
5 and federal agencies if prosecution does not have
6 jurisdiction. She noted cases are sent for
7 investigation through the Bureau of Enforcement and
8 Investigation to conduct interviews, inspect
9 locations, and get records after a complaint is
10 received.

11 Ms. DeLaurentis addressed the various levels of
12 review and whether there was a violation. She
13 explained that matters could be closed if there is
14 not a violation of the act or regulation and will
15 direct attention to other cases.

16 Ms. DeLaurentis discussed the post-investigation
17 process, where attorneys may need to make charging
18 decisions based on evidence by filing an order to
19 show cause or a citation. She noted there is a
20 hearing process that is similar to a regular trial,
21 where both sides are able to present evidence and
22 present arguments.

23 Ms. DeLaurentis noted that if it goes to a
24 hearing examiner, the hearing examiner usually issues
25 a proposed adjudication and then it goes to the

1 boards and commissions for their final decision
2 because they have the ultimate authority for
3 discipline. She addressed consent agreements, where
4 both sides are conducting negotiations and trying to
5 reach a resolution and presenting that to the Board,
6 where the Board could accept or reject the agreement.

7 Ms. DeLaurentis addressed the prosecution
8 division's role at Board meetings, including
9 presenting consent agreements and listening to
10 concerns of the board. She pointed out that
11 prosecution has a confidentiality statute that
12 applies to their files, where everything contained in
13 their files not presented publicly is confidential
14 and is why prosecution cannot speak on some matters.

15 Ms. DeLaurentis stated an investigation can be
16 requested through the case management system and then
17 goes to BEI to conduct interviews and conduct
18 inspections when appropriate to collect evidence.

19 She noted the role of the investigators is fact
20 gathering and serving subpoenas, orders, and letters.

21 She mentioned that prosecution has subpoena
22 authority, but BEI does not have search warrant
23 authority and is limited. She noted BEI also
24 testifies to the results of their investigations and
25 inspections.

1 Ms. DeLaurentis addressed documents upon request,
2 where some boards and commissions have regulations
3 that require cooperation but not everyone complies,
4 and charges may be filed. She stated all of the
5 evidence gathered is presented to the teams and
6 reviewed by prosecuting attorneys to determine
7 whether there was a violation of the act or
8 regulation, to decide whether to close the case or
9 charge.

10 Ms. DeLaurentis stated charging options include
11 immediate temporary suspensions if someone is an
12 immediate danger to the health and safety of the
13 public. She noted automatic suspensions include 302
14 commitments and drug act violations. She noted
15 prosecution can also order examinations regarding
16 their ability to practice.

17 Ms. DeLaurentis mentioned that prosecution also
18 has petitions for appropriate relief when someone has
19 violated a board order, orders to show cause, and
20 consent agreements. She noted levels of discipline
21 include revocations, suspensions, probations,
22 reprimands, fines, remedial education, and cost of
23 the investigation.

24 Ms. DeLaurentis referred to the confidentiality
25 statute under 63 Pa.C.S. § 3109, where prosecution and

1 investigative files are deemed privileged and
2 confidential under the law except for the final
3 action of the agency. She explained that Department
4 of State investigative material is defined as
5 noncriminal investigation under the Right-to-Know
6 Law, where prosecution can deny the release of
7 investigative material even when someone submits a
8 request.

9 Ms. DeLaurentis stated that information could be
10 shared with other licensing boards, law enforcement,
11 and other agencies in furtherance of investigative
12 efforts but only their final action could be shared
13 publicly.

14 Ms. DeLaurentis provided data as of January 3,
15 2023, where the number of open cases for the whole
16 office was 13,154 but less than last year at 15,141.

17 She stated 16,084 cases were opened in 2022 and is
18 down from 2021 at 18,363 cases. She reported closing
19 17,826 files in 2022 and is up from 2021, where
20 15,994 cases were closed. She thanked the
21 prosecution division, counsel division, and Board for
22 their hard work.

23 Ms. DeLaurentis informed Board members that an
24 annual report is issued to the General Assembly,
25 which includes a breakdown of case categories.

1 Ms. DeLaurentis addressed specific information
2 for the State Board of Real Estate Appraisers, noting
3 145 cases were opened in 2022, which is a decrease
4 from 2021 at 160. She reported 152 cases were closed
5 in 2022 and 170 in 2021. She noted 94 cases were
6 open as of January 3 and down slightly from the prior
7 year at 100. She mentioned that 2021 was a renewal
8 year and a slight uptick is frequently seen in cases
9 during renewal years for lapses and continuing
10 education violations.

11 Ms. DeLaurentis referred to disposition of closed
12 cases, including discipline and non-discipline. She
13 noted discipline would include fines and reported 8
14 fines in 2022 and 8 fines in 2021. She mentioned
15 that non-disciplinary actions are called Z codes in
16 their system.

17 Ms. DeLaurentis addressed warning letters, noting
18 43 warning letters were issued for licencees of the
19 Board in 2022 and is consistent with 2021 at 52. She
20 noted warning letters are not discipline but help
21 maintain the integrity of the profession by
22 attempting to correct any behavior that may become an
23 issue and are issued for de minimis violations.

24 Mr. Ausherman asked how the 248 average days to
25 close a case in 2022 compared to the 2021 numbers.

1 He expressed concern with the amount of time it takes
2 and asked whether there was anything that could be
3 done to shorten that period.

4 Ms. DeLaurentis noted the information is in the
5 2021 report to the General Assembly and offered to
6 provide the information to Mr. Rouse. She explained
7 that complaints are being opened as soon as they are
8 received and investigated as promptly as possible.
9 She noted to keep in mind that over 15,000 cases were
10 opened last year, along with handling 29 boards and
11 commissions. She believed 246 days is actually a
12 good average to close a case, noting cases have to be
13 closed within 365 days for appraisers.

14 Mr. Rouse commented that cases were closed within
15 the one-year period the Appraisal Subcommittee (ASC)
16 requires and believed the time period was good as
17 well.

18 Mr. Smeltzer asked whether the ASC's number is
19 their average to be under a year or to close a
20 certain percentage in under a year.

21 Ms. DeLaurentis recognized that anyone having a
22 complaint filed against them is stressful but also
23 noted there needs to be a balance between acting as
24 promptly as possible and making sure they obtain as
25 much information as possible to make the right

1 decision.

2 Mr. Rouse commented that the Appraisal
3 Subcommittee noted quite a number of complaints
4 called in on appraisers in Pennsylvania not seen in
5 most of the other states.

6 Mr. Michalowski commented that Pennsylvania has
7 to comply with ASC, noting that some states have less
8 due process and provided an example of New Jersey.
9 He noted three or four states have immaculate systems
10 of appraisers who are also investigators with the
11 ability to hire appraisers and train them to be
12 investigators to cover the state.

13 Mr. Smeltzer asked whether it would benefit the
14 prosecution division if more investigators was put on
15 the list for an ASC grant that Mr. McFarlane and the
16 Exploratory Committee are seeking.

17 Mr. Michalowski addressed the difficulty
18 receiving approval for new investigators and training
19 agents as far as appraisals. He addressed evaluating
20 the evidence and closing cases, along with factual
21 information collected from BEI. He mentioned a
22 common issue, where complainant complains the person
23 who inspected the property is not the appraiser or
24 vice versa. He noted there is a trend right now
25 involving implicit bias cases.

1 Mr. Michalowski discussed making the complaint
2 process shorter by sending out BEI and a letter to
3 the respondent requiring the work file, along with
4 prereviewing the cases. He addressed the legal
5 office and settling cases, continuing education
6 cases, and the Probable Cause Screening Committee.

7 Mr. Michalowski mentioned that some people at
8 investigator training are investigators but
9 predominantly attorneys. He commented that it would
10 be nice to have one investigator to cover rural
11 areas, the northeast, and northern tier because they
12 are difficult areas.

13 Chairman Pasquarella thanked Mr. Michalowski and
14 Ms. DeLaurentis for her presentation.]

15 ***

16 Appointment - Appraisal Institute PAREA Updates
17 [Scott DiBiasio, Manager, State and Industry Affairs,
18 Appraisal Institute, presented to the Board to
19 provide additional information regarding Practical
20 Applications of Real Estate Appraisal (PAREA) and how
21 the Appraisal Institute is putting some meat on the
22 bones of the PAREA framework that was developed and
23 established by the Appraiser Qualifications Board
24 (AQB). He thanked the Board for all of their work
25 and steps taken regarding PAREA.

1 Craig Steinley, MAI, SRA, AI-GRS, AI-RRS,
2 President, Appraisal Institute, stated PAREA is going
3 to be a game-changer for the profession, allowing
4 individuals to enter the profession and bypass
5 barriers that exist in the traditional supervisor
6 trainee model. He noted that some individuals in
7 other states, rural areas, and tribal land areas
8 cannot find a supervisor because no one is practicing
9 in that area, and PAREA would allow that access and
10 more people to become members of the profession.

11 Mr. Steinley noted receiving a \$500,000 Pathway
12 to Success Grant from The Appraisal Foundation with
13 the promise that milestones would be created along
14 the way and the final milestone is getting the
15 product to market by September 2023. He believed
16 there is a lot of demand for Appraisal Institute (AI)
17 PAREA and offered to provide more information when it
18 is available.

19 Mr. DiBiasio provided a video demonstration of
20 the Appraisal Institute's PAREA Program, including
21 practice assignments; immersive activities; knowledge
22 center; mentor guidance; and final assignments to
23 provide participants the experience, knowledge, and
24 skill to confidently and competently advance to the
25 next stage of their appraisal career.

1 Chairman Pasquarella applauded the Appraisal
2 Institute for coming forward with a superior program
3 and asked when PAREA would be started for general
4 certified appraisers.

5 Mr. Steinley stated the Appraisal Subcommittee
6 and The Appraisal Foundation discussed the idea of
7 eventually moving toward some sort of general
8 commercial version of PAREA yesterday at the State of
9 the Profession. He noted the Appraisal Institute
10 would consider that with the backbone of AI PAREA now
11 established.

12 Mr. Smeltzer asked how many assignments the
13 participants complete in the program prior to
14 submitting those forward, other than the three final
15 assignments done without heavy mentoring.

16 Mr. Steinley explained that participants would go
17 through 5 assignments at level 1 and 5 at level 2
18 before they are able to enter into the final phase of
19 doing those three independently without substantive
20 mentor assistance.

21 Mr. DiBiasio pointed out that someone in the
22 Commonwealth of Pennsylvania going for the certified
23 residential credential would have to go through both
24 the licensed residential (LR) model as well as the
25 certified residential (CR) module, so the person

1 getting the CR credential would have done 26
2 assignments at that point, 6 of which would be fully
3 independent and subject to grading by an independent
4 grader.

5 Mr. Smeltzer mentioned that one of the biggest
6 problems he heard from Mr. Michalowski when doing
7 their reviews was that the current system does not
8 train people to properly develop a work file and was
9 pleased with having to submit the work file every
10 step of the way with this system.

11 Chairman Pasquarella echoed Mr. Smeltzer's
12 thoughts and believed the number of cases will
13 decrease.]

14

15 [The Board recessed from 12:12 p.m. until 12:17 p.m.]

16

17 Introduction of Attendees

18 [Kristel Hennessy Hemler, Board Administrator,
19 recognized attendees who joined the meeting during
20 appointment presentations.]

21

22 Report of Board Counsel - Miscellaneous

23 [Ronald K. Rouse, Esquire, Board Counsel, informed
24 Board members that Mr. Smeltzer had a question
25 concerning temporary waiver requests that was taken

1 to the program manager at the Appraisal Subcommittee
2 and is awaiting a response.

3 Mr. Rouse addressed the fourth exposure draft of
4 proposed changes to the Uniform Standards of
5 Professional Appraiser Practice (USPAP) to inform the
6 public that they have until February 3, 2023, to
7 submit written comments to
8 www.surveymonkey.com/r/ASBComments or to
9 ASB@appraisalfoundation.org. He mentioned that he
10 attended the Appraisal Standards Board (ASB) webinar,
11 along with Mr. Smeltzer, noting the addition of the
12 nondiscrimination section to the ethics section as
13 one of the proposed changes to USPAP.

14 Ms. Hennessy Hemler noted Ms. Bradley offered to
15 answer any questions the Board may have concerning
16 changes to USPAP.]

17 ***

18 Report of Board Counsel - Regulations/Statutes
19 [Ronald K. Rouse, Esquire, Board Counsel, provided
20 the Board with a report of the status of regulations.

21 Mr. Rouse stated the Board directed Board
22 Counsel to release Regulation 16A-7027 Broker Price
23 Opinion (BPO) to stakeholders as an exposure draft,
24 which was released on December 22, 2022. He noted
25 giving stakeholders till February 17, 2023, to

1 provide comments for discussion at the March 2
2 meeting. He informed Board members that the
3 regulation would be put on the next agenda, along
4 with any written comments from stakeholders.

5 Mr. Rouse addressed Regulation 16A-7029 Distance
6 Education and PAREA. He noted receiving comments
7 from senior regulatory counsel and currently making
8 revisions.]

9

10 Report of Board Chairman - No Report

11

12 Report of Board Administrator - No Report

13

14 Exploratory Committee

15 [Michael McFarlane, Professional Member, addressed
16 the general framework for available ASC grants for
17 the Pennsylvania State Board of Certified Real Estate
18 Appraisers with the focus on funding opportunities,
19 application information instructions, eligibility
20 requirements, and instructions on how to apply.

21 Mr. McFarlane stated the notice upon availability
22 for FY22 was for state appraiser regulatory agencies
23 for grants known as state support grants (SSGs)
24 published by the Appraisal Subcommittee of the
25 Federal Financial Institutions Examination Council.

1 He noted the programs are noncompetitive federal
2 grants for new, continuation, and supplemental awards
3 for the initial year and the possibility that funds
4 could be appropriated over subsequent years as
5 needed.

6 Mr. McFarlane noted the intent of the Board is to
7 obtain the grants to address opportunities based on
8 the real estate industry to further education and
9 competencies of Board members and auxiliary members
10 of the Board and fund educational opportunities to
11 licensees.

12 Mr. McFarlane explained that the purpose of the
13 program would include (1) improvements to and/or
14 expansion of the appraiser and AMC complaint process,
15 investigations, and enforcement activities; (2)
16 improvements to the process of submitting data on
17 state-credentialed appraisers and registered AMCs;
18 (3) participation in trainings and conferences to
19 increase professional competency in the management
20 and regulation of the appraiser and AMC programs; (4)
21 expansion of appraiser credentialing opportunities in
22 underserved markets; and/or (5) other areas proposed
23 by state agencies and approved by the ASC.

24 Mr. McFarlane believed the Board would be
25 focusing on opportunities for items 1 and 3 and items

1 4 and 5 that most likely pertain to licensees.

2 Mr. McFarlane stated that funding is subject to
3 specific categories that include technology, travel,
4 communications, personnel, training, supplies, and
5 other with approximately \$9 million in available
6 grants through FY23. He mentioned that ASC,
7 according to their metrics, award up to 55 grants
8 annually ranging between \$25,000 and under.

9 Mr. McFarlane noted technical requirements and
10 registration requirements, including the Data
11 Universal Numbering System (DUNS) number and an
12 Employer Identification Number (EIN) and System for
13 Award Management (SAM).

14 Mr. McFarlane addressed funding and the
15 importance of the Board to procure additional funding
16 in addition to the state funding, so Board members or
17 auxiliary members are able to attend the Association
18 of Appraiser Regulatory Officials (AARO) Conference
19 for furtherance of their education.

20 Mr. McFarlane also suggested the Board seek a
21 grant to procure independent laptops or tablets. He
22 mentioned the grants could offset the costs relative
23 to topics related to bias for licensees, which may
24 come in the form of a Pennsylvania scholarship fund
25 or through an established partnership with

1 institutions of higher education, where the costs of
2 preexisting programs are subsidized for identified
3 students. He also mentioned a grant to offset the
4 costs associated with the 15-Hour USPAP course for
5 certified Pennsylvania evaluators.

6 Mr. McFarlane addressed application information,
7 instructions, and forms for those eligible. He noted
8 all state agencies and agencies overseeing some of
9 the United States territories are eligible.

10 Mr. Rouse responded to a question from a Board
11 member asking whether funding would be available for
12 assessors. He explained that it may be problematic
13 because ASC does not provide oversight to the
14 assessors and did not think they would authorize
15 funding but is something the Board could talk to the
16 ASC about because assessors are under the umbrella of
17 the Board.

18 Mr. Rouse commented that the Board is trying to
19 treat assessors similar to appraisers and requiring
20 the same standards, especially when it comes to
21 USPAP, because assessors have to comply with USPAP
22 and would see whether that is something the ASC would
23 support.

24 Mr. Smeltzer suggested working with some of the
25 community colleges regarding a scholarship program,

1 especially in Philadelphia and Pittsburgh, because
2 one of the big areas of concern with bias is on the
3 residential side. He noted that most of the
4 university programs are more on the general side and
5 believed training residential appraisers in
6 Pennsylvania would be stronger, rather than just
7 saying a scholarship program.

8 Mr. DiBiasio addressed a question, noting their
9 research indicates the value proposition of each
10 model of the PAREA Program is around \$5,000 but would
11 be developing a pricing strategy around that, likely
12 with incentives and discounts. He noted scholarship
13 money would also be available from a number of
14 different sources, including AI, likely The Appraisal
15 Foundation, and maybe even the federal government.

16 Mr. DiBiasio noted that he would definitely
17 applaud this more if the Board were to apply to ASC
18 for a grant to help offset the cost of attending
19 PAREA, particularly for individuals in underserved
20 communities to participate in PAREA. He stated it
21 would be an excellent source of funding for a grant
22 program, perhaps through community colleges,
23 historically black colleges and universities, and
24 would be a good application to make to ASC.

25 Mr. Smeltzer commented that Pennsylvania does not

1 have licensed residential appraisers and would have
2 two models, where the cost would be \$10,000.

3 Mr. DiBiasio explained that there would be
4 introductory pricing, discounts, and incentives,
5 where someone committing to becoming part of the
6 Appraisal Institute, once they become licensed may
7 receive a discounted price because they would be
8 paying dues throughout their career.

9 Mr. DiBiasio mentioned that there would be other
10 PAREA providers in the marketplace and suggested the
11 Board check with counsel to make sure there are no
12 antitrust issues if they direct someone to only the
13 Appraisal Institute's PAREA Program.

14 Mr. Rouse commented that the Board does not want
15 to point people toward a particular program, just as
16 the Board has not wanted licensees pointed toward a
17 particular continuing education course provider. He
18 mentioned the Board could also not only consider
19 people of color and women, but could also consider
20 people in rural areas because the Board was contacted
21 virtually during the COVID-19 pandemic by people who
22 talked about having problems finding mentors and
23 accessing continuing education because they lived in
24 rural areas.

25 Mr. McFarlane informed Board members that he

1 would like to start developing cost worksheets and
2 applications for submission by the next Board meeting
3 on March 2 and have a package prepared for the Board
4 to review.

5 Mr. DiBiasio noted The Appraisal Foundation has a
6 list of about 2,700 people who expressed an interest
7 in going through a PAREA Program. He commented that
8 all of the things discussed have been identified in
9 the Philadelphia Home Appraisal Bias Task Force
10 Report, and the Board is doing a good job trying to
11 address those issues and respond to some of those
12 concerns.

13 Chairman Pasquarella thanked Mr. McFarlane for
14 the presentation and Board members for their
15 participation and feedback. He also thanked the
16 public for their participation.]

17 ***

18 Adjournment

19 CHAIRMAN PASQUARELLA:

20 Motion to adjourn?

21 MR. SMELTZER:

22 I move that we adjourn.

23 MR. AUSERMAN:

24 Second.

25 CHAIRMAN PASQUARELLA:

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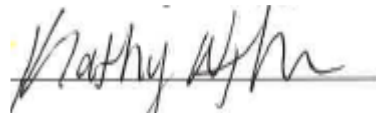
All in favor, say aye?

[The motion carried unanimously.]

[There being no further business, the State Board of Certified Real Estate Appraisers Meeting adjourned at 12:48 p.m.]

CERTIFICATE

I hereby certify that the foregoing summary minutes of the State Board of Certified Real Estate Appraisers meeting, was reduced to writing by me or under my supervision, and that the minutes accurately summarize the substance of the State Board of Certified Real Estate Appraisers meeting.



Kathryn Witherow,

Minute Clerk

Sargent's Court Reporting Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

January 19, 2022

	TIME	AGENDA
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	9:00	Executive Session
11	10:30	Return to Open Session
12		
13	10:30	Official Call to Order
14		
15	10:31	Roll Call
16		
17	10:31	Introduction of Public Attendees
18		
19	10:36	Approval of Minutes
20		
21	10:37	Report of Prosecutorial Division
22		
23	10:55	Appointment - Carolyn A. DeLaurentis,
24		Esquire, Deputy Chief Counsel,
25		Prosecution Division, Annual Report
26		Presentation
27		
28	11:45	Appointment - Appraisal Institute PAREA
29		Updates
30		
31	12:12	Recess
32	12:17	Return to Open Session
33		
34	12:19	Report of Board Counsel
35		
36	12:23	Regulations/Statute
37		
38	12:25	Exploratory Committee
39		
40	12:48	Adjournment
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