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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
VIA VIDEOCONFERENCE**

TIME: 10:31 A.M.

Thursday, February 25, 2021

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State Board of Certified
Real Estate Appraisers
February 25, 2021

ALSO PRESENT:

- Jen Smeltz, Republican Executive Director, Senate Consumer Protection & Professional Licensure Committee
- Wayne C. Crawford, Esquire, Public Policy Manager, Pennsylvania Association of Realtors
- Michelle Czekalski Bradley, Member, Appraisal Standards Board, CGA, Appraiser Qualifications Board-Certified USPAP Instructor
- Dan Bradley, Appraisal Curriculum and Content Director, McKissock
- David Cherner, Vice President/Corporate Counsel, Clear Capital
- Laura Raposo, Vice President Counsel, ServiceLink
- Mark Schiffman, Executive Director, Real Estate Valuation Advocacy Association
- Renee Reynolds, State Tax Equalization Board
- Scott DiBiasio, Manager of State and Industry Affairs, Appraisal Institute
- Teresa Cochran, Executive Director, Assessors' Association of Pennsylvania
- Randy L. Waggoner, CPE, Assessors' Association of Pennsylvania

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State Board of Certified

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Real Estate Appraisers

5

February 25, 2021

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7 [Ronald K. Rouse, Esquire, Board Counsel, informed
8 everyone that the meeting of the State Board of
9 Certified Real Estate Appraisers was being held by
10 teleconference pursuant to Governor Wolf's March 16,
11 2020 waiver of the physical presence requirement in
12 Section 4(i) of the Real Estate Appraisers
13 Certification Act. He also noted the teleconference
14 was being recorded, and those continuing to
15 participate in the meeting were giving their consent
16 to be record.]

17

18 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
19 9:00 a.m. the Board entered into Executive Session
20 with Ronald K. Rouse, Esquire, Board Counsel, to have
21 attorney-client consultations and for the purpose of
22 conducting quasi-judicial deliberations. The Board
23 returned to open session at 10:30 a.m.]

24

25

The regularly scheduled meeting of the State

1 Board of Certified Real Estate Appraisers was held on
2 Thursday, February 25, 2021. Joseph D. Pasquarella,
3 Chairman, Professional Member, officially called the
4 meeting to order at 10:31 a.m.

5 ***

6 Roll Call/Introduction of Public Members

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

10 ***

11 Approval of minutes of the December 18, 2020 meeting

12 CHAIRMAN PASQUARELLA:

13 Do I have a motion to approve the
14 minutes?

15 MR. AUSHERMAN:

16 I make a motion to approve the minutes.

17 MR. STOERRLE:

18 Second.

19 CHAIRMAN PASQUARELLA:

20 Is there any discussion relative to the
21 minutes of the December 18, 2020
22 minutes? Hearing none.

23 Let's call the vote. All in favor
24 of the motion accepting the minutes of
25 December 18, 2020, say aye. Opposed,

1 say nay.

2 [The motion carried unanimously.]

3 ***

4 Report of Prosecutorial Division

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

6 presented the Consent Agreement for Case No. 20-70-

7 010241.

8 Chairman Pasquarella requested more information
9 regarding determining the \$1,500 fine.

10 Mr. Fritsch explained that the Real Estate
11 Commission has a specific \$500 citation for failing to
12 disclose a disciplinary action from another
13 jurisdiction, so \$1,500 was appropriate because there
14 were three.

15 Mr. Fritsch mentioned there is not a specific
16 citation penalty for it with the Appraiser Board but
17 there is for Real Estate Commission, so a jump was
18 made from one Board to another in terms of that. He
19 noted that appraiser management companies are
20 registered in a lot of states and are often hit with
21 citations by all of the other states when hit with a
22 citation by one state.]

23 ***

24 MR. ROUSE:

25 Regarding the Consent Agreement at Item

1 No. 2, which is Case No. 20-70-010241, I
2 believe the Board would entertain a
3 motion to adopt the Consent Agreement.

4 Is there such a motion?

5 MR. WENTZEL:

6 So moved.

7 MR. ROUSE:

8 Is there a second?

9 MR. AUSERMAN:

10 Second.

11 MR. ROUSE:

12 Any discussion? All those in favor, say
13 aye. Nay?

14 [The motion carried unanimously. Case No. 20-70-
15 010241 is the matter of BPOA v. US Real Estate
16 Services, Inc.]

17 ***

18 [Ray Michalowski, Esquire, Senior Board Prosecution
19 Liaison, referred to Mr. Fritsch's comments, where Mr.
20 Michalowski had the idea to copy off the Real Estate
21 Commission because failure to report was always a
22 problematic issue.

23 Mr. Michalowski offered to answer any
24 prosecutorial questions since he did not have a
25 specific report.]

1 Report of Board Counsel

2 [Ronald K. Rouse, Esquire, Board Counsel, addressed
3 federally mandated revisions related to appraisal
4 management companies. He stated the definition of
5 "owner" in the Board regulations regarding appraisal
6 management companies (AMCs) was amended to include a
7 person who owns in whole or in part directly or
8 indirectly an appraisal management company.

9
10 Mr. Rouse noted the Board voted to have owners
11 with 10% or more interest in an AMC to submit criminal
12 history record information with their applications at
13 the December Board meeting. He also noted the Board
14 voted that owners with less than 10% interest in an
15 AMC should submit signed verification that they had
16 not been convicted of a criminal act that violated the
17 Appraisal Management Company Registration Act or its
18 regulations.

19 Mr. Rouse requested Board approval for the
20 addition of a question to the AMC initial and renewal
21 applications that reads, "To the best of your
22 knowledge, has an owner with less than 10% interest in
23 the AMC been convicted within the last 10 years for a
24 criminal offense directly related to the appraisal
25 profession."

1 Mr. Rouse also noted a certification statement at
2 the end of the application, which states that the
3 applicant understands that any false statement made is
4 subject to the penalties of 18 Pa.C.S. § 4904 relating
5 to unsworn falsification to authorities and may result
6 in denial, suspension, or revocation of the
7 registration of the appraisal management company.

8 Mark Schiffman, Executive Director, Real Estate
9 Valuation Advocacy Association, noted appreciation of
10 the Board's consideration of the issue and the
11 proposal from Mr. Rouse. He mentioned the
12 clarification would benefit AMCs as they seek to
13 register. He commented that some states misinterpret
14 the section and causes AMCs to get background checks
15 for more owners than required, which becomes both an
16 efficiency and cost issue.]

17 ***

18 MR. ROUSE:

19 Is there a motion to accept the new AMC
20 applicant question to address the
21 criminal history record requirement of
22 owners with less than 10% interest in an
23 AMC?

24 CHAIRMAN PASQUARELLA:

25 So moved.

1 MR. ROUSE:

2 Is there a second?

3 MR. WENTZEL:

4 Second.

5 MR. ROUSE:

6 Any discussion? All those in favor, say
7 aye. Nay?

8 [The motion carried unanimously.]

9

10 [Ronald K. Rouse, Esquire, Board Counsel, referred to
11 the Practical Applications of Real Estate Appraisal
12 (PAREA). He stated the Appraiser Qualifications Board
13 (AQB) adopted PAREA as an appraisal training option
14 for appraisal candidates in October 2020 with the
15 concept to use simulated computer training to fulfill
16 the experience requirement to become a licensed or
17 certified real estate appraiser.

18 Mr. Rouse informed the Board that AQB was
19 allowing up to 100% of the experience requirement for
20 certified residential appraisers and up to 50% of the
21 experience requirement for certified general
22 appraisers to be fulfilled through PAREA.

23 Mr. Ausherman commented that 100% simulation was
24 not acceptable and believed an appraiser needed to go
25 out in the field, physically measure the house, and

1 view the comparable sales for residential appraising.

2 Chairman Pasquarella expressed a concern with
3 accepting PAREA experience in total regarding
4 commercial property and would be comfortable with
5 something less than 50%. He noted the importance of
6 protecting the public and having experienced
7 appraisers. He recommended breaking it up into
8 residential versus commercial with respect to
9 percentages, starting with residential.

10 Mr. Stoerrle and Mr. Ausherman both suggested 75%
11 in the field for residential and 25% PAREA, and the
12 Board agreed.

13 Mr. Ausherman mentioned the diversity of
14 commercial property, noting that 85% should be spent
15 in the field, and the Board agreed.]

16 MR. ROUSE:

17 Is there a motion that an applicant for
18 certified residential real estate
19 appraiser can meet 25% of their
20 experience requirement through PAREA?

21 MR. AUSHERMAN:

22 So moved.

23 MR. WENTZEL:

24 Second.

25 MR. ROUSE:

1 Any other discussion? All those in
2 favor, say aye. All those opposed, say
3 nay.

4 [The motion carried unanimously.]

5 ***

6 MR. ROUSE:

7 Is there a motion that an applicant for
8 certified general real estate appraiser
9 can meet 15% of their experience
10 requirement through PAREA?

11 MR. MATTHEWS:

12 So moved.

13 MR. WENTZEL:

14 Second.

15 MR. ROUSE:

16 Any discussion? All those in favor, say
17 aye. Any nay?

18 [The motion carried unanimously.]

19 ***

20 [David Cherner, Vice President/Corporate Counsel,
21 Clear Capital, pointed out that PAREA is not simply an
22 online training exercise and a way to add online
23 training to their current licensing process. He
24 stated PAREA was intended to be a complete alternative
25 to the supervisor-trainee model, where a person could

1 go through PAREA and achieve all of the experience
2 through a completely different model unrelated to
3 being a trainee. He mentioned the individual would
4 obtain a mentor and go through the process, which
5 would give them enough information to become a
6 licensed appraiser to then go in the field and attain
7 real-world experience.

8 Mr. Cherner noted much discussion with states on
9 understanding PAREA and what it meant for their state.
10 He noted appreciating the discussion of appraisers
11 seeking onsite real-world experience versus technology
12 experience but wanted to point out that PAREA goes
13 beyond that in terms of having a separate path that
14 does not require one to be a trainee at all.

15 Mr. Cherner offered to provide additional
16 discussions with either AQB or Chief Appraiser John
17 Brennan from The Appraisal Foundation if the Board
18 would like additional information concerning the full
19 scope of PAREA and how it may apply beyond percentage
20 of experience for the current trainee model.

21 Mr. Rouse noted the Board had several discussions
22 regarding PAREA at a number of Board meetings.]

23

24 Regulations to Discuss - 16A-7024

25 [Ronald K. Rouse, Esquire, Board Counsel, addressed

1 regulation 16A-7024 regarding licensure by endorsement
2 for certified Pennsylvania evaluators. He stated the
3 proposed annex was released as an exposure draft in
4 July 2020, and the Board discussed four comments at
5 the September 30, 2020 meeting, voting to continue
6 with the regulatory process. He provided a copy of
7 the preamble explaining the need for licensure by
8 endorsement.

9 Mr. Rouse addressed the application fee for
10 licensure by endorsement, questioning whether it
11 should be the same as the certified Pennsylvania
12 evaluator application fee of \$55 or some other fee.

13 Mr. Rouse mentioned the Board agreed that
14 substantial equivalency would require each applicant
15 to be examined on a case-by-case basis because other
16 states' requirements are particular to their state,
17 and a review of requirements in each state would be
18 necessary.

19 Mr. Rouse also mentioned the Board agreed that
20 competency would require the individual to be actively
21 involved in the profession as an assessor for at least
22 2 of the 5 years immediately preceding the filing of
23 the application and the achievement of a passing score
24 on a Board-approved skills examination.

25 Ms. Brown commented that \$ 36.6 would still have

1 to be amended to the regulations regarding fees.

2 Mr. Rouse explained that the licensure by
3 endorsement fee would need to be stated in the fee
4 section if it is a different fee.

5 Mr. Ausherman was in favor of leaving the fee at
6 \$55.

7 Mr. Rouse questioned whether any issues need
8 addressed in the preamble, and Chairman Pasquarella
9 noted it to be good as prepared.

10 Mr. Rouse referred to 49 Pa. Code § 36.6, "has
11 paid the certified Pennsylvania application fee as
12 required," noting he could add language that the
13 licensure by endorsement fee is the same as the
14 certified Pennsylvania evaluator fee. He stated he
15 would add clarifying terminology in the preamble and
16 the \$55 fee.]

17 ***

18 MR. ROUSE:

19 With the amendments of adding in the \$55
20 fee and clarifying language that the
21 Pennsylvania evaluators fee will be the
22 same as the licensure by endorsement
23 fee, is there a motion to approve the
24 preamble and proposed annex with
25 amendments and move forward with the

1 regulatory process for regulation 16A-
2 7024?

3 MR. AUSERMAN:

4 I make the motion.

5 MR. ROUSE:

6 Is there a second?

7 MS. BROWN:

8 Second.

9 MR. ROUSE:

10 Any discussion? All those in favor, say
11 aye. All those opposed, say nay.

12 [The motion carried unanimously.]

13 ***

14 Regulations to Discuss - 16A-7026

15 [Ronald K. Rouse, Esquire, Board Counsel, addressed
16 regulation 16A-7026 regarding amendments based on Act
17 88 of 2020. He noted the need for amendments to the
18 regulations due to amendments to the Assessors'
19 Certification Act. He mentioned prior discussion and
20 recommended changes at the January Board meeting and
21 provided a revised version of the proposed annex.

22 Mr. Rouse stated § 36.202 of the regulations was
23 deleted and is in the revised proposed annex, noting
24 the designation of reserved which preserves section
25 numbering, indicating information in that section was

1 deleted under certification requirements.

2 Mr. Rouse noted the first sentence at § 36.221(a)
3 was deleted in the revised annex. He also noted
4 language in § 36.221a(b) was added and clarifies that
5 certified appraisers may continue to perform
6 valuations of real property for ad valorem purposes in
7 anticipation of or in preparation for a client's tax
8 assessment appeal before a County Board of Assessment
9 Appeals or before a court of competent jurisdiction.

10 Mr. Rouse noted an amendment under § 36.221a(c)
11 correcting the date for employees of counties of the
12 first class to December 27, 2021, instead of January
13 27, 2021.

14 Chairman Pasquarella requested more information
15 regarding what a court of competent jurisdiction
16 includes at § 36.221a(b).

17 Mr. Rouse explained that it would include a court
18 that has jurisdiction over tax appeal matters and more
19 often a Court of Common Pleas.

20 Ms. Brown referred to § 36.221a(b) and suggested
21 changing the language where it reads, "a person who is
22 actively certified" to "a person who holds an active
23 certification."

24 Mr. Rouse will make that revision.]

25 ***

1 MR. ROUSE:

2 Is there a motion to adopt this proposed
3 annex with that amendment and to release
4 as an exposure draft?

5 CHAIRMAN PASQUARELLA:

6 So moved.

7 MR. ROUSE:

8 Is there a second?

9 MR. STOERRLE:

10 Second.

11 MR. ROUSE:

12 Any discussion? All those in favor, say
13 aye. All those opposed, say nay.

14 [The motion carried unanimously.]

15 ***

16 Report of Board Chairman - No Report

17 ***

18 Report of Board Administrator - No Report

19 ***

20 Correspondence

21 [Ronald K. Rouse, Esquire, Board Counsel, referred to
22 correspondence received from John H. Troup III
23 requesting an informal interview regarding his
24 licensed appraiser trainee application.]

25 MR. ROUSE:

1 licensure renewal as the cycle comes to expiration on
2 June 30.

3 Mr. Waggoner referred to 49 Pa. Code § 36.263
4 regarding distance education and requested additional
5 information regarding whether that section would be
6 amended because of the newer technology as a result of
7 this pandemic. He mentioned having temporary approval
8 for virtual education but noted the possibility of
9 courses being approved for distance education moving
10 forward.

11 Mr. Rouse offered to review the regulations
12 before bringing them before the Board at the next
13 Board meeting. He mentioned the need for research on
14 additional technologies and whether or not the
15 regulations would have to be changed, which would be
16 presented to the Board with an annex.

17 Scott DiBiasio, Manager of State and Industry
18 Affairs, Appraisal Institute, requested clarification
19 on the motion passed in relation to the practical
20 applications of real estate appraisal. He questioned
21 whether the motion was 15% of the 1500 residential
22 hours or 15% of the total 3000 hours.

23 Mr. DiBiasio commented that without PAREA having
24 any commercial components and it only being
25 residential, he requested clarification as to whether

1 or not it was the residential portion of the certified
2 general (CG) credential that would be satisfied with
3 residential experience or the total of the 3000 hours.

4 Chairman Pasquarella explained that the vote was
5 taken on the basis of the total number of hours.

6 Mr. DiBiasio commented that PAREA could be used
7 to satisfy 450 hours or 15% out of the 3000 hours
8 required for the certified general credential.]

9

10 Miscellaneous

11 [Ronald K. Rouse, Esquire, Board Counsel, referred to
12 The Appraisal Foundation notification announcing the
13 current edition of the Uniform Standards of
14 Professional Appraiser Practice (USPAP) will be
15 extended through December 31, 2022.

16 Michelle Czekalski Bradley, Member, Appraisal
17 Standards Board, CGA, Appraiser Qualifications Board-
18 Certified USPAP Instructor, informed the Board of
19 miscommunication and misunderstanding related to the
20 continuing education cycle for the 7-hour update. She
21 stated there is still a requirement for the 7-hour
22 update course, which will be on the same 2020-2021
23 USPAP document. She mentioned it to be new course
24 material concerning advisory opinions, guidance, and
25 fair housing issues.

1 Ms. Bradley mentioned the Appraisal Standards
2 Board will be releasing Advisory Opinion 16 (AO-16)
3 regarding fair housing and will be seeking comments on
4 the exposure draft.

5 Chairman Pasquarella noted the importance of
6 communicating that the continuing education cycle
7 remained as is and the certified appraisers must meet
8 those obligations.]

9 ***

10 Adjournment

11 CHAIRMAN PASQUARELLA:

12 May I have a motion to adjourn the
13 meeting?

14 MR. WENTZEL:

15 I'll make that motion.

16 CHAIRMAN PASQUARELLA:

17 Second?

18 MR. AUSHERMAN:

19 I second.

20 CHAIRMAN PASQUARELLA:

21 Any discussion? Hearing none. All in
22 favor of adjourning the meeting? Any
23 opposed?

24 [The motion carried unanimously.]

25 ***

1 [There being no further business, the State Board of
2 Certified Real Estate Appraisers Meeting adjourned at
3 11:40 a.m.]

4 ***

5
6
7 CERTIFICATE

8
9 I hereby certify that the foregoing summary
10 minutes of the State Board of Certified Real Estate
11 Appraisers meeting, was reduced to writing by me or
12 under my supervision, and that the minutes accurately
13 summarize the substance of the State Board of
14 Certified Real Estate Appraisers meeting.

15
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17 _____

18 Derek Richmond,
19 Minute Clerk
20 Sargent's Court Reporting
21 Service, Inc.
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STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

February 25, 2021

	TIME	AGENDA
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10	9:00	Executive Session
11	10:30	Return to Open Session
12		
13	10:31	Official Call to Order
14		
15	10:32	Roll Call
16		
17	10:37	Approval of Minutes
18		
19	10:37	Report of Prosecutorial Division
20		
21	10:47	Report of Board Counsel
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23	11:10	Regulations to Discuss
24		
25	11:28	Correspondence
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27	11:29	Public Comment/Discussion
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29	11:36	Miscellaneous
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31	11:40	Adjournment
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