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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: 10:32 A.M.

Thursday, August 12, 2021

1                                    State Board of Certified  
2                                    Real Estate Appraisers  
3                                    August 12, 2021  
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6 BOARD MEMBERS:  
7

8 Joseph D. Pasquarella, Chairman, Professional  
9 Member  
10 Jeffrey L. Walters, Vice Chairman, Professional  
11 Member  
12 Mark V. Smeltzer Sr., Secretary, Professional  
13 Member  
14 John D. Ausherman, Professional Member  
15 David Matthews, Professional Member  
16 William T. Stoerrle Jr., Professional Member  
17 Michael McFarlane, Professional Member  
18 Randy L. Waggoner, Professional Member  
19 Martha H. Brown, Esquire, Secretary of the  
20 Commonwealth designee  
21 Merna T. Hoffman, Esquire, Deputy Attorney General,  
22 Office of Attorney General Designee  
23 Paul H. Wentzel Jr., Senior Legislative Director,  
24 Department of Banking and Securities  
25 Designee  
26  
27

28 BUREAU PERSONNEL:  
29

30 Ronald K. Rouse, Esquire, Board Counsel  
31 Dean F. Picarella, Esquire, Senior Board Counsel  
32 Ray Michalowski, Esquire, Senior Board Prosecution  
33 Liaison  
34 Timothy A. Fritsch, Esquire, Board Prosecutor  
35 Andrew LaFratte, MPA, Executive Policy Specialist,  
36 Department of State  
37 Kimberly A. Mattis, Director, Bureau of Finance and  
38 Operations  
39 Joel Roland, Paralegal, Professional Compliance Office  
40 Kristel Hennessy Hemler, Board Administrator  
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State Board of Certified  
Real Estate Appraisers  
August 12, 2021

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ALSO PRESENT:

- Neal Fenochietti, Policy Manager, Appraisal Subcommittee
- Kristi Klamet, Policy Manager, Appraisal Subcommittee
- Mark Kellerman, President, Assessors' Association of Pennsylvania
- Teresa Cochran, Executive Director, Assessors' Association of Pennsylvania
- Wayne C. Crawford, Esquire, Public Policy Manager, Pennsylvania Association of Realtors

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2 State Board of Certified

3 Real Estate Appraisers

4 August 12, 2021

5 \*\*\*

6 [Pursuant to Section 708(a)(5) of the Sunshine Act, at  
7 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 Meeting Instructions

14 [Kristel Hennessy Hemler, Board Administrator,  
15 provided instructions to be followed during the  
16 virtual meeting.]

17 \*\*\*

18 [Ronald K. Rouse, Esquire, Board Counsel, informed  
19 everyone that the meeting of the State Board of  
20 Certified Real Estate Appraisers was being held by  
21 teleconference pursuant to an extension of Governor  
22 Wolf's March 16, 2020 waiver of the physical presence  
23 requirement in Section 4(i) of the Real Estate  
24 Appraisers Certification Act.

25 Mr. Rouse also informed everyone that the meeting

1 was being recorded, and those who continued to  
2 participate were giving their consent to be recorded.]

3 \*\*\*

4 The regularly scheduled meeting of the State  
5 Board of Certified Real Estate Appraisers was held on  
6 Thursday, August 12, 2021. Joseph D. Pasquarella,  
7 Chairman, Professional Member, officially called the  
8 meeting to order at 10:32 a.m.

9 \*\*\*

10 Roll Call

11 [Joseph D. Pasquarella, Chairman, Professional Member,  
12 requested a roll call of Board members.]

13 \*\*\*

14 Introduction of Public Members

15 [Joseph D. Pasquarella, Chairman, Professional Member,  
16 requested an introduction of members of the public.]

17 \*\*\*

18 Approval of minutes of the June 24, 2021 meeting

19 CHAIRMAN PASQUARELLA:

20 Let's move to approval of the minutes of  
21 June 24, 2021.

22 Do we have a motion to approve the  
23 minutes?

24 MR. STOERRLE:

25 I make a motion to approve.

1 CHAIRMAN PASQUARELLA:

2 Do I have a second?

3 MR. MATTHEWS:

4 Second.

5 CHAIRMAN PASQUARELLA:

6 All in favor of the motion to approve  
7 the minutes of June 24, 2021? Any  
8 opposed, say nay. Do we have any  
9 abstentions?

10 [The motion carried. Mr. Waggoner abstained from  
11 voting on the motion.]

12 \*\*\*

13 Report of Prosecutorial Division

14 [Timothy A. Fritsch, Esquire, Board Prosecutor,  
15 presented the Consent Agreement for Case No. 18-70-  
16 004143.]

17 MR. ROUSE:

18 Regarding the Consent Agreement at item  
19 2 on your agenda, which is Case No. 18-  
20 70-004143, I believe the Board would  
21 entertain a motion to adopt the Consent  
22 Agreement.

23 Is there such a motion?

24 MR. SMELTZER:

25 I'll so move.

1 MR. AUSHERMAN:

2 I'll second it.

3 MR. ROUSE:

4 Any discussion? All those in favor, say  
5 aye. All those opposed, say nay. Any  
6 abstentions?

7 [The motion carried. Mr. Waggoner abstained from  
8 voting on the motion. Item 2 is BPOA v. Gino T.  
9 Pusateri, Case No. 18-70-004143.]

10 \*\*\*

11 [Timothy A. Fritsch, Esquire, Board Prosecutor,  
12 presented the Consent Agreement for Case No. 20-70-  
13 000483.]

14 MR. ROUSE:

15 Regarding the Consent Agreement at item  
16 3 on your agenda, Case No. 20-70-000483,  
17 I believe the Board would entertain a  
18 motion to adopt the Consent Agreement.

19 Is there such a motion?

20 MR. MATTHEWS:

21 So moved.

22 MR. ROUSE:

23 Is there a second?

24 MR. STOERRLE:

25 I'll second it.

1 MR. ROUSE:

2 Any discussion? All those in favor, say  
3 aye. All those opposed, say nay. Any  
4 abstentions?

5 [The motion carried. Mr. Waggoner abstained from  
6 voting on the motion. Item 3 is BPOA v. David J.  
7 Glauber, Case No. 20-70-000483.]

8 \*\*\*

9 Report of Board Counsel

10 [Ronald K. Rouse, Esquire, Board Counsel, introduced  
11 new Board member, Randy Waggoner.

12 Mr. Waggoner provided a brief history of his  
13 professional background and is looking forward to his  
14 time on the Board.

15 Mr. Rouse also introduced Neal Fenochietti and  
16 Kristi Klamet from the Appraisal Subcommittee.

17 Neal Fenochietti, Policy Manager, Appraisal  
18 Subcommittee, stated the Appraisal Subcommittee is a  
19 federal agency charged with overseeing the various  
20 appraisal and appraisal management company (AMC)  
21 programs across the country and was created under  
22 Title XI of the Financial Institutions Reform,  
23 Recovery, and Enforcement Act of 1989.

24 Mr. Fenochietti explained that Title XI  
25 recognizes The Appraisal Foundation as an organization



1 to set industry standards and appraiser qualification  
2 requirements through the Appraisal Standards Board,  
3 that develops the uniform standards of professional  
4 appraisal practice, and the Appraisal Qualifications  
5 Board, that develops the real property appraisal  
6 qualification criteria. He noted the Dodd-Frank Act  
7 added oversight of the state AMC registration and  
8 supervision programs in 2010.

9 Mr. Fenochietti stated the Appraisal Subcommittee  
10 is directed by a board of seven members who are from  
11 various federal housing and banking agencies. He  
12 mentioned the Appraisal Subcommittee Annual Report is  
13 available at [asc.gov](http://asc.gov).

14 Mr. Fenochietti noted ASC mandates include  
15 monitoring certain requirements established by the  
16 federal financial institutions regulatory agencies,  
17 including Title XI-related activities of The Appraisal  
18 Foundation. He stated the Appraisal Subcommittee  
19 (ASC) operates an Appraisal Complaint National Hotline  
20 for violations of the Uniform Standards of  
21 Professional Appraiser Practice (USPAP) and appraisal  
22 independence standards referrals.

23 Mr. Fenochietti stated the ASC maintains a  
24 national registry of licensed and certified appraisers  
25 eligible to perform in connection with federally

1 related transactions and a national registry of  
2 federally recognized AMCs. He also noted monitoring  
3 of state appraiser licensing and certification  
4 programs, including AMC programs.

5 Mr. Fenochietti reported ASC typically monitors  
6 states by compliance reviews every 2 years by  
7 compiling documents and performing a site visit for  
8 three days. He noted the development of an informal  
9 virtual offsite assessment process created due to the  
10 pandemic. He commented that the offsite assessment is  
11 not as expansive as a compliance review and not as  
12 formal and does not end in a rating for a state.

13 Mr. Fenochietti addressed the compliance review  
14 process, where once the reviews are completed, a final  
15 report is developed and adopted and the report is sent  
16 to the state listing out the various areas reviewed  
17 with highlighted areas of noncompliance and a rating  
18 of 1 to 5 assigned.

19 Mr. Fenochietti commented that a State Off-Site  
20 Assessment (SOA) will end in an informal letter  
21 explaining what their observations were and make  
22 recommendations and suggestions, but will not result  
23 in a rating, which is used as a tool to stay in touch  
24 with the states throughout the pandemic to make sure  
25 they continue to comply with Title XI.

1 Mr. Fenochietti provided an overview of the 12  
2 Appraisal Subcommittee Policy Statements, where the  
3 first 7 are for the appraiser program, 4 are for the  
4 AMC program, and the final policy statement applies to  
5 both programs regarding sanctions, should a state not  
6 be compliant with Title XI.

7 Mr. Fenochietti stated ASC has already conducted  
8 the SOA for Pennsylvania and is working on a letter to  
9 send to the staff, noting that part of the compliance  
10 process is observing a Board meeting.

11 Chairman Pasquarella thanked Mr. Fenochietti and  
12 Ms. Klamet, on behalf of the Board, for their  
13 discussion regarding the responsibilities of the  
14 Appraisal Subcommittee (ASC).]

15 MR. ROUSE:

16 Item 4 on the agenda is to delegate the  
17 Petition for Reinstatement to a hearing  
18 examiner of John Troup, Case No. 20-70-  
19 012124.

20 This was discussed in Executive  
21 Session, and regarding this Petition for  
22 Reinstatement of John Troup, I believe  
23 the Board would entertain a motion to  
24 delegate this matter to a hearing  
25 examiner to conduct a formal hearing and

1 issue a Proposed Adjudication and Order  
2 for review by the Board.

3 Is there such a motion?

4 MR. WENTZEL:

5 I'll make that motion.

6 MR. ROUSE:

7 Is there a second?

8 MR. AUSERMAN:

9 I'll second that motion.

10 MR. ROUSE:

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

14 [The motion carried. Mr. Waggoner abstained from  
15 voting on the motion.]

16 \*\*\*

17 MR. ROUSE:

18 Item 5 on the agenda is the Motion to  
19 Deem Facts Admitted in the Matter of  
20 BPOA v. Raleigh Chesley, Case No. 20-70-  
21 001584.

22 Regarding this matter, I believe  
23 the Board would entertain a motion to  
24 grant the Motion to Deem Facts Admitted  
25 and to direct Board counsel to prepare

1 the Adjudication and Order in accordance  
2 with the discussion in Executive  
3 Session.

4 Is there such a motion?

5 MR. AUSERMAN:

6 So moved.

7 MR. SMELTZER:

8 I'll second the motion.

9 MR. ROUSE:

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

13 [The motion carried. Mr. Waggoner abstained from  
14 voting on the motion.]

15 \*\*\*

16 MR. ROUSE:

17 Moving on to items 7 and 8 on the  
18 agenda. These were the Licensed  
19 Appraiser Trainee Renewal Extensions.

20 Regarding the Licensed Appraiser  
21 Trainee Renewal Extensions at items 7  
22 and 8 on the agenda, I believe the Board  
23 would entertain a motion to ratify the  
24 renewal extensions for John Franey and  
25 Amanda McGettigan.

1                   Is there such a motion?

2 MR. WENTZEL:

3                   So moved.

4 MR. ROUSE:

5                   Is there a second?

6 MR. MATTHEWS:

7                   Second.

8 MR. ROUSE:

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

12 [The motion carried. Mr. Waggoner abstained from  
13 voting on the motion.]

14   \*\*\*

15 Appointment - Consent Agreement and Order Process  
16       Presentation

17 [Joseph D. Pasquarella, Chairman, Professional Member,  
18 praised Mr. Michalowski for his contribution to the  
19 Board and commented that it is a great opportunity,  
20 especially for newer Board members, to have him  
21 explain the prosecutorial procedures and how cases are  
22 received and reviewed for adjudication.

23       Ray Michalowski, Esquire, Senior Board  
24 Prosecution Liaison, referred to the life cycle of a  
25 typical appraiser, AMC, and certified Pennsylvania

1 evaluator (CPE) prosecution case. He noted it to be  
2 an advantageous time with Mr. Fenochietti and Ms.  
3 Klamet in the audience, as the Board does not just  
4 oversee and have priority to deal with cases involving  
5 appraisers but also deals with appraisal management  
6 companies and certified Pennsylvania evaluators.

7 Mr. Michalowski mentioned that the definition of  
8 appraisal is broader in Pennsylvania than the federal  
9 definition that ASC oversees and is essentially what  
10 is called a mandatory state with a broader  
11 jurisdiction than what ASC is used to seeing. He also  
12 noted ASC does not oversee certified Pennsylvania  
13 evaluators (CPEs).

14 Mr. Michalowski referred to the life cycle of a  
15 typical case versus a claim, noting there is no such  
16 thing as a typical case but a consolidation of all the  
17 cases and typical things that one would come to  
18 expect.

19 Mr. Michalowski addressed the complaint-driven  
20 prosecution process and closing letters. He noted the  
21 most frequent complaint source is the Board itself.  
22 He mentioned the Lyness case and the differentiation  
23 of the counsel division and the Board from the  
24 prosecution division.

25 Mr. Michalowski stated the typical complaint

1 types are lapsed licenses, continuing education cases,  
2 and rare but occasional cases of application fraud.  
3 He addressed qualification application cases, where  
4 the prosecution division will participate in a hearing  
5 or the process that leads to the hearing but are not  
6 prosecuting a complaint but simply representing the  
7 commonwealth and making a complete record.

8 Mr. Michalowski stated the second most frequent  
9 complaint source and the most frequent complaint  
10 source for standard of care or practice cases would be  
11 consumers and the general public.

12 Mr. Michalowski addressed real estate  
13 professionals as another complaint source, where other  
14 appraisers report on things they have seen in previous  
15 reports. He noted rare occasions of two appraisers  
16 filing against each but that those are typically in  
17 commercial matters and resolved first at the civil  
18 court level.

19 Mr. Michalowski stated AMCs are required to do  
20 quality review of the appraisals they receive, so they  
21 are reporting appraisal problems either on a mandated  
22 or voluntary basis, noting real estate agents are a  
23 big source of appraisal complaints. He noted  
24 consumer-related complaints are sometimes prompted or  
25 encouraged by the real estate agent involved in the



1 transaction. He noted assessors are a very uncommon  
2 source of complaints.

3 Mr. Rouse wanted to clarify whether the cases  
4 where the Board administrative office receives  
5 information about a lapsed license is referred to the  
6 Professional Compliance Office (PCO).

7 Mr. Michalowski clarified that the cases are not  
8 generated by Board administration but that they are  
9 sending things to PCO that they are not making a real  
10 determination on. He noted policies and procedures  
11 are in place for which items they receive and are not  
12 using discretion other than general common sense.

13 Mr. Michalowski mentioned that Board  
14 administration staff does the continuing education  
15 audits, and the Board does not see those; where they  
16 come directly to prosecution through the Professional  
17 Compliance Office so Board members are not recused  
18 from hearing those matters when they see those later.

19 Chairman Pasquarella questioned whether incidents  
20 of complaints on the residential side far outweigh the  
21 commercial side.

22 Mr. Michalowski explained that the residential  
23 side does far outweigh the commercial side. He noted  
24 the vast majority of complaints on the commercial side  
25 fall under the real estate professional category,

1 where either another appraiser or an attorney filed.  
2 He noted an exception being an accusation or  
3 allegation that a registered residential appraiser has  
4 performed an appraisal that has potentially drifted  
5 over into the area of what should be a general  
6 appraiser jurisdiction and may receive those from  
7 knowledgeable consumers.

8       Mr. Michalowski believed there are less  
9 complaints received in the commercial area because  
10 clients want to go to civil court for monetary  
11 compensation and are not fighting the principle of the  
12 thing. He mentioned those are the ones where there  
13 may be a battle of appraiser experts, where the two  
14 appraisers in the litigation in civil court file  
15 complaints.

16       Mr. Michalowski addressed complainant identity,  
17 noting it would only be revealed if a case was brought  
18 before the Board and the complainant was somebody who  
19 testified, where the respondent's counsel may be  
20 entitled to a copy of their complaint as a prior  
21 written statement from that person.

22       Mr. Michalowski mentioned that Pennsylvania also  
23 accepts anonymous complaints, but they are difficult  
24 to follow up on in many cases. He noted that every  
25 respondent guesses who the complainant was and have

1 about a 50 percent success rate by Mr. Michalowski's  
2 anecdotal calculations, and 50 percent of the time it  
3 is somebody in their own office who filed.

4 Mr. Michalowski commented that there are a number  
5 of states that do not accept anonymous complaints. He  
6 mentioned it is a bigger problem with the Real Estate  
7 Commission with an extraordinarily high percentage of  
8 anonymous complaints and not so much with the  
9 appraisers.

10 Mr. Michalowski noted having access to the  
11 Pennsylvania Justice Network (JNET) for the last few  
12 years, where JNET generates a report for any licensee  
13 arrested, convicted, or has other criminal matter  
14 action taken against them at the state level. He also  
15 noted receiving referrals from law enforcement,  
16 generally at the state and federal level and rarely at  
17 the local level.

18 Mr. Michalowski stated referrals are also  
19 received from other agencies in Pennsylvania, like  
20 Aging or the Office of Attorney General's Bureau of  
21 Consumer Protection on the civil side if it is a  
22 licensed professional.

23 Mr. Michalowski addressed the complaint process.  
24 He noted receiving a complaint number from the  
25 Pennsylvania Licensing System (PALS) that begins with

1 the two-digit number, which is the year received; the  
2 second two-digit number, which is the Board  
3 designator; and then the actual number of cases  
4 received for the year.

5 Mr. Michalowski explained that a complaint has to  
6 have some sort of relevance to the agency. He  
7 mentioned receiving complaints for all of the boards  
8 that are sometimes not under their jurisdiction and  
9 may be under the jurisdiction of another federal or  
10 state agency. He mentioned that an administrator or  
11 professional determines whether there is jurisdiction  
12 and always has a line directly to him if there are any  
13 questions.

14 Mr. Michalowski addressed complaints with no  
15 jurisdiction, where a letter is sent, it is referred  
16 directly to another state or federal agency, or taken  
17 to a private attorney.

18 Chairman Pasquarella asked a hypothetical  
19 question regarding whether there is jurisdiction if an  
20 unlicensed person performs an appraisal of a property.

21 Mr. Michalowski stated the Board has jurisdiction  
22 over the performance of all matters that fall under  
23 the definition of appraisals in Pennsylvania and the  
24 law requiring an individual to be licensed or  
25 certified.

1           Mr. Michalowski addressed the occasional  
2 reciprocal license and temporary practice permits. He  
3 mentioned receiving quite a few cases that were based  
4 on exceptions, where it used to be that the only  
5 exception was a comparative market analysis performed  
6 by a real estate professional licensed under the Real  
7 Estate Commission. He noted it was expanded with  
8 legislation, which was a compromise between both  
9 professions to include a broker price opinion.

10           Mr. Michalowski addressed the meltdown in the  
11 2000s, where many individuals kept practicing after  
12 they were revoked, typically a real estate agent who  
13 was revoked or possibly somebody who came to the state  
14 and did not apply for a temporary practice  
15 certificate. He stated the unlicensed ones with the  
16 Real Estate Commission are looked at to see if they  
17 did go well beyond the broker price opinion (BPO) or  
18 the comparative market analysis or did they just  
19 perform those inappropriately.

20           Mr. Michalowski explained that those who  
21 performed those incorrectly would be litigated and  
22 charged in front of the Real Estate Commission because  
23 they have their own rules. He mentioned it is  
24 actually more effective in some ways because it goes  
25 on their professional license.

1           Mr. Michalowski addressed a refinance case where  
2 the value was clearly off by several hundred thousand  
3 dollars and referred to the Pennsylvania State  
4 Employees Credit Unit (PSECU) as the lender. He noted  
5 being limited with imposing a civil penalty and cost  
6 for investigation because there is nothing to revoke  
7 or suspend. He noted they could also be referred for  
8 criminal prosecution if that is appropriate. He  
9 stated there is a portion of every act that has a  
10 potential to refer someone to criminal prosecution.

11           Mr. Michalowski reported a decline in recent  
12 years since the BPO expansion, but it was always a big  
13 issue with people doing something that is allowed with  
14 the comparative market analysis exception.

15           Mr. Michalowski addressed cases where  
16 noncertified appraisers are providing tax assessment  
17 services of some sort that the attorneys or real  
18 estate agents or somebody else is providing. He  
19 mentioned the Board had a few of those cases in the  
20 last few years. He noted that BPOs are excluded from  
21 those.

22           Mr. Michalowski addressed the role of a paralegal  
23 in the Professional Compliance Office. He announced  
24 Joel Roland is one of the newest paralegals and will  
25 be taking over a lot of the work for the Board from

1 Shelby Shreck-Beck who may be retiring toward the end  
2 of the year. He stated paralegals do their own  
3 investigation on criminal cases and provide certified  
4 documents.

5 Mr. Michalowski addressed paper cases, where they  
6 still reach out via paper or email and ask the  
7 appraiser to send the appraisal and workfile directly  
8 in a standard of practice case because there will be a  
9 diminution of value as far as the photographs and  
10 documents an investigator receives, which makes it  
11 difficult for initial review appraisers to make any  
12 determination.

13 Mr. Michalowski stated there will be a review  
14 once all of the information is gathered by the  
15 paralegals who would then contact him or Mr. Fritsch  
16 to make a determination whether the matter could be  
17 closed or sent to the Bureau of Enforcement (BEI) and  
18 Investigation. He noted a standard of practice case  
19 for a typical appraisal would be sent to an expert for  
20 an initial review but may be directly assigned to a  
21 prosecutor if it is not a standard of practice case.

22 Mr. Michalowski stated a criminal case, lapsed  
23 license case, and continuing education case typically  
24 goes right to a prosecutor if they are not closed  
25 already at that point.

1           Mr. Michalowski stated the Bureau of Enforcement  
2 and Investigation performs investigations on standard  
3 of practice cases, primarily for application fraud,  
4 and noted an uptick in cases the last couple of years.

5           He noted cases where the person who measured a house  
6 was not the person who wrote up the appraisal or an  
7 appraiser came out instead of the trainee someone  
8 talked to on the phone. He stated those cases need to  
9 be confirmed identity-wise by the Bureau of  
10 Enforcement and Investigation (BEI) by interviewing  
11 the complainant and the respondent.

12           Mr. Michalowski addressed allegations of  
13 discrimination or bias, noting discrimination could be  
14 matters that meet the legal definition of  
15 discrimination where they are potentially violating  
16 some portion of the federal or state  
17 antidiscrimination laws and fair housing laws. He  
18 noted bias can be something that is really bias as  
19 defined in USAP where it is not based on a protected  
20 class but perhaps a personal disagreement or past  
21 history with the parties to the transaction where the  
22 appraisal was performed.

23           Mr. Michalowski stated cases where somebody  
24 questions the competency of the person sending the  
25 appraisal and points out issues in the appraisal do



1 not typically go to BEI because the appraisal and  
2 workfile is adequate documentation.

3 Mr. Michalowski addressed concerns regarding  
4 racism, ageism, ethnicity, and sexual orientation. He  
5 stated those cases will be investigated even if they  
6 are raised at the most minimal level. He noted any  
7 concerns may be referred to the Pennsylvania Human  
8 Relations Commission, which has coordinate  
9 jurisdiction on those issues.

10 Mr. McFarlane questioned how the review appraiser  
11 for standard of care complaint practices is found and  
12 whether there is an approved list.

13 Mr. Michalowski referred to the Appraisal  
14 Subcommittee Appraisal Policy Statement 7 Subsection 2  
15 regarding effective enforcement, where effective  
16 enforcement requires that states investigate  
17 allegations of appraiser misconduct or wrongdoing,  
18 which can be anything from fraud to competency-based.

19 Mr. Michalowski commented that people often do  
20 not know whether a complaint is fraudulent or  
21 competency-based and why there is a requirement to  
22 have somebody who has expertise in the field of  
23 appraising. He stated the Bureau of Enforcement and  
24 Investigation covers all 29 licensing boards plus  
25 notaries and are mostly former law enforcement and

1 might have worked in military intelligence.

2       Mr. Michalowski noted that the State Board of  
3 Pharmacy and State Board of Funeral Directors are the  
4 only two boards that require a licensed professional  
5 to perform any of the inspections.

6       Mr. Michalowski addressed the state contracting  
7 process, where private appraisers are contracted by  
8 the state every 5 years. He noted expert initial  
9 review. He mentioned being able to contract on a  
10 case-by-case basis with them or contract with the  
11 appraiser or with the expert service. He mentioned  
12 not using an expert service as often because of not  
13 being familiar with them or their work product and in  
14 many cases it is substandard.

15       Mr. Michalowski allots 2.5 hours for a desk  
16 review. He noted the person performing an initial  
17 review is not doing a review that would go to a  
18 hearing but is essentially a triage level of review to  
19 determine whether the matter could be closed with a  
20 warning letter or sent on further for a full review.  
21 He mentioned they can spot Standard 2 reporting  
22 violations, noting that is found in almost every  
23 report.

24       Mr. Michalowski brought up the need for an  
25 article ensuring people save every copy of their

1 appraisal when there are multiple revisions of  
2 appraisals, thanks to the AMCs and banks asking for  
3 additional comps. He mentioned people save over the  
4 old version and is in USPAP and is something expert  
5 reviewers find, where the person may receive a warning  
6 letter.

7 Mr. Michalowski addressed not having any analysis  
8 in the reconciliation area or no analysis written up,  
9 where they are supposed to have at least some written  
10 explanation of their analysis. He stated Pennsylvania  
11 regulations require a certain statement to be in their  
12 name, but most of the appraisal software does not  
13 allow for it so they do not and is considered de  
14 minimis. He noted two appraisers perform the review  
15 work and are excellent reviewers with one of them  
16 being a former chairman of the Board and another  
17 fellow who has a lot of experience, mentioning the  
18 importance of writing the report in an understandable  
19 way.

20 Mr. Michalowski reported about 80 percent of the  
21 standard of practice cases are closed at that level  
22 and 20 percent go on for full review by a contracted  
23 expert reviewer. He commented that there are many  
24 individuals available in cities but not so many in  
25 rural areas, noting a lot of people are not applying.

1           Mr. Michalowski mentioned the Member Appraisal  
2 Institute (MAI) in the Philadelphia area was  
3 recruiting, but there are already several appraisers  
4 from that area. He noted wanting to go into other  
5 regions but then COVID intervened and will likely do  
6 some more outreach. He mentioned there is a rare  
7 occasion where an outside expert would be hired, but  
8 they cost more money and their work product is  
9 unknown.

10           Mr. Michalowski reported that the eastern half of  
11 the state is predominantly now one Multiple Listing  
12 Service (MLS) because of consolidating many MLSs into  
13 Bright, which goes down into Maryland and allows  
14 experts to get the data and do the research. He noted  
15 the western half of the state still has smaller MLSs,  
16 which makes accessibility for appraisers a concern.

17           Mr. Michalowski commented that one of the biggest  
18 issues is trying to make sure there are experts in all  
19 of the geographic areas because there is no one who  
20 covers statewide.

21           Mr. Michalowski and Mr. Fritsch have been the  
22 primary prosecutors over the years, and Caroline  
23 Bailey handles continuing education (CE) cases and  
24 things of that nature as opposed to the standard of  
25 practice cases.

1 Mr. Michalowski referred to Chapter 31, noting  
2 authorizations for citations have been codified. Many  
3 citations are not useful anymore and the Board may  
4 want to review those. He mentioned they would be  
5 helpful in resolving things like continuing education  
6 cases because the Board has accepted a typical per  
7 credit or per missing course penalty over the years  
8 for those cases and are generally appropriate to be  
9 put on to a schedule of civil penalties that can be  
10 resolved via citation.

11 Mr. Michalowski stated that citations are not  
12 used very often right now because of the development  
13 of remedial diversion agreements based on discussions  
14 with other states and with the ASC and The Appraisal  
15 Foundation, which is similar to what other states  
16 might call a conditional dismissal.

17 Mr. Michalowski noted that the Board in those  
18 states can decide upfront that an investigation is not  
19 worth prosecuting but there are some issues to deal  
20 with. He addressed the disciplinary matrix developed  
21 by The Appraisal Foundation that is put out typically  
22 with every version of USPAP.

23 Mr. Michalowski addressed the Probable Cause  
24 Screening Committee, where cases are not formally  
25 brought before the Board in public session and is a

1 matter that only probable cause members can see. He  
2 noted the probable cause screening members would  
3 recuse themselves from any action taken later by the  
4 Board.

5 Mr. Michalowski stated it has helped with  
6 resolving cases that were not able to be resolved  
7 because AMC started kicking everybody off the rosters  
8 who had a single violation and everything was going to  
9 a hearing. He also noted it to be a trend in all  
10 licensing boards nationwide to go toward a remedial  
11 first approach. He commented that the Board of  
12 Certified Real Estate Appraisers and the Nursing Board  
13 have adopted the remedial first approach in practice  
14 cases in Pennsylvania and is hopeful more boards will  
15 do that.

16 Mr. Michalowski stated that matters could be  
17 settled through a consent agreement if they do not  
18 qualify for a remedial diversion agreement. He noted  
19 any kind of case can be resolved via a consent  
20 agreement and is essentially the equivalent of a plea  
21 agreement negotiated between the parties with agreed  
22 upon facts, violation, and penalty.

23 Mr. Michalowski explained that consent agreements  
24 are presented to the Board, and the Board can approve  
25 or deny after reading it and receiving a presentation.

1 He noted it also authorizes to note whether it was too  
2 harsh or too lenient if rejected. He noted matters  
3 that are rejected can either go back for renegotiation  
4 or it will be brought to a hearing. He stated an  
5 order to show cause has to be filed to get to a  
6 hearing, noting an order to show cause in an appraiser  
7 case is one of the most complex things drafted at BPOA  
8 as far as complaints go.

9 Mr. Michalowski stated the Board has a choice of  
10 hearing cases themselves or referring to a hearing  
11 examiner, and the Board is always the final arbiter,  
12 so when you send it to a hearing examiner, it is for a  
13 proposed adjudication and order and not a final.

14 Mr. Michalowski stated the disciplinary measures  
15 the Board can take or agree upon in a consent  
16 agreement would be a reprimand. He noted Pennsylvania  
17 has progressive discipline that makes a record and  
18 puts that penalty onto the PALS database and is  
19 publicly available.

20 Mr. Michalowski stated that costs of the  
21 investigation can be recovered except for attorney  
22 fees, which are costs if it goes to BEI or the cost  
23 incurred for the expert who would go to the hearing.  
24 He addressed probation in Pennsylvania, noting it to  
25 suspended suspension, where a person is put on

1 suspension, and they suspend the terms of the act of  
2 suspension subject to probation.

3 Mr. Michalowski addressed revocation, noting it  
4 may be called voluntary surrender in a consent  
5 agreement but has the same effect as revocation. He  
6 mentioned the individual could come back before the  
7 Board as if they were an applicant with a history and  
8 would have to present why they should be recertified.

9 Mr. Michalowski and Mr. Fritsch have done USPAP  
10 and all three levels of state investigator training  
11 and is hopeful they will develop a course for  
12 attorneys.

13 Mr. Michalowski commented that Pennsylvania is  
14 one of the states that has some of the highest levels  
15 of due process, so the licensees and certificate  
16 holders have more rights and separation of powers and  
17 due process in Pennsylvania than most other states.  
18 He noted the administrative procedures are much longer  
19 and drawn out, which is one of the reasons a 12-month  
20 standard is sometimes difficult to meet that is set in  
21 the Appraisal Subcommittee's Policy Statements.

22 Mr. Ausherman requested more information  
23 regarding whether the number of complaints has  
24 increased during the last 5 years.

25 Mr. Michalowski noted sending Ms. Hemler a copy



1 of the annual report but going back 5 years is  
2 difficult because it goes across the old computer  
3 system over to PALS. He noted complaints to be  
4 cyclical from his many years of experience. He  
5 discussed the real estate market price bubble in the  
6 2000s.

7 Mr. Michalowski addressed complaints from  
8 consumers, where rarely a complaint is ever received  
9 from a consumer about the price an appraiser finds  
10 being too high and is usually when it came in too low,  
11 oftentimes because they found another appraiser that  
12 gave them the number they liked better, which is  
13 really within the difference of professional opinion.

14 Mr. Michalowski mentioned a rise in complaints  
15 two or three years ago because that is when the market  
16 was increasing and the appraisers were doing what they  
17 are supposed to do as opposed to the 2000s. He noted  
18 real estate agents were setting a new price point  
19 because the prices were going up very rapidly, where  
20 people thought values were too low. He noted issues  
21 were primarily competency or occasionally working  
22 outside of class.

23 Mr. Michalowski reported that AMCs have had a  
24 very significant diminution in the number of  
25 complaints received because AMCs have all merged, and

1 there will be a lot less issues with the AMCs as far  
2 as violations. He mentioned a lot of complaints where  
3 they are not paying timely almost unbearably turns out  
4 they are going or have gone out of business. He noted  
5 Pennsylvania does not have strict standards on payment  
6 times and dates in the regulations like some states.

7 Mr. Michalowski addressed complaints by the real  
8 estate agents, where they are unhappy because their  
9 transaction fell through, even though there are plenty  
10 of addendums they could utilize where they could still  
11 settle it.

12 Mr. Smeltzer commented that the presentation was  
13 great and questioned whether it is available for  
14 review, noting he would like to incorporate parts of  
15 the presentation on state laws into the classes he  
16 teaches.

17 Mr. Michalowski noted he sent Ms. Hemler a copy  
18 this morning and will provide that to Mr. Smeltzer.  
19 He also mentioned he provided a legislator annual  
20 numbers report for the last year that is given to all  
21 of the boards.

22 Ms. Hoffman requested more information regarding  
23 the source of the complaint relating to criminal  
24 matters and whether it includes convictions or just  
25 charges. She also requested more information about

1 individuals who end up on Accelerated Rehabilitative  
2 Disposition (ARD).

3 Mr. Michalowski explained that criminal charges  
4 are received from JNET. He also noted a law that  
5 requires individuals to report any convictions within  
6 30 days. He commented that some boards have the  
7 authority to penalize for ARD but their Board does  
8 not.

9 Mr. Michalowski stated that criminal matters  
10 related to the profession will be sent to an  
11 investigator to create the underlying case. He noted  
12 the more concerning ones are received from the Office  
13 of Attorney General or the United States Attorney's  
14 Office regarding mortgage fraud issues.

15 Chairman Pasquarella thanked Mr. Michalowski for  
16 the clarification and taking the time to prepare and  
17 provide an excellent presentation.]

18 \*\*\*

19 Appointment - Finance Review Presentation

20 [Kimberly A. Mattis, Director, Bureau of Finance and  
21 Operations, announced Kimberly Adams, Chief of Fiscal  
22 Management, who had previously presented the annual  
23 budget presentation, moved to another state agency  
24 position.

25 Ms. Mattis mentioned Ms. Adams previously

1 discussed fees and expenses cuspung the tilt mark and  
2 suggested looking at a fee package. She stated  
3 revenues and expenses over a 2-year period are  
4 reviewed to find the breakeven point. She commented  
5 that the Board's revenues are still exceeding  
6 expenses, but the amount of surplus in the Board's  
7 account is decreasing.

8 Ms. Mattis stated the Bureau of Finance and  
9 Operations (BFO) tries to stay ahead with a minimal  
10 increase to licensees, noting about a \$6,000 breakeven  
11 point.

12 Ms. Mattis informed the Board that the licensee  
13 population is starting to trend downward and has an  
14 effect on revenue. She referred to revenues and  
15 expenses over the last few years, noting they seem to  
16 be pretty standard except for a little fluctuation in  
17 2018, where expenses went over \$700,000 but then  
18 dropped back down in 2019-2020.

19 Ms. Mattis noted renewals are from July 1 through  
20 June 30 of the next year and are very much a base  
21 value but mentioned that revenue can tick-tock back  
22 and forth depending on whether it is a renewal or  
23 nonrenewal year. She referred to FY 2020-2021, noting  
24 it to be a renewal year, where the bulk of that  
25 revenue will carryover for the next two fiscal years.

1 Ms. Mattis addressed the Board's current  
2 financial status, noting the Board is bringing in over  
3 \$1 million every 2 years in renewal fees and would be  
4 carried over for the next three renewals.

5 Ms. Mattis discussed fee packages, stating that  
6 BFO likes to give it a 3-year renewal cycle, which is  
7 6 years. She stated that applications are the bulk of  
8 nonrenewal revenue, and the 857 applicants are  
9 bringing in about \$140,000 every 2 years in  
10 application fees. She noted other nonrenewal revenues  
11 could be fines and things like that but is not  
12 something the Board can count on.

13 Ms. Mattis reported that the Board is currently  
14 bringing in just over \$1.2 million every 2 years,  
15 noting the Board will have about \$580,000 at the end  
16 of the year. She reported average Board expense at  
17 about \$600,000, noting a drop of about \$12,000 in the  
18 first renewal period in FY 2023-2024 and even farther  
19 in the nonrenewal year.

20 Ms. Mattis estimated \$432,000 in the Board's  
21 account at the end of FY 2027-2028 if nothing is  
22 changed, which would not leave the Board a year's  
23 worth of revenue should a huge spike in expenses  
24 occur. She noted the balance to be sufficient at the  
25 present time because the Board does not normally have

1 huge expenses but wanted to address the balance now to  
2 keep it an even keel.

3 Ms. Mattis addressed the importance of finding  
4 the balance of revenues covering expenses and not  
5 having a massive pot of money because that does not  
6 serve well for the licensees or the department. She  
7 commented that a \$500,000 to \$600,000 range at the end  
8 of the renewal cycle would be sufficient.

9 Chairman Pasquarella expressed concern with the  
10 diminution of appraisers over the years and fewer  
11 applicants, noting it to be a reason to increase fees  
12 to stay ahead of the curve because that is going to  
13 continue. He questioned whether a fee increase  
14 analysis had been done with the target somewhere  
15 around \$750,000 between the annual cost at \$600,000  
16 and possible continued loss of population.

17 Ms. Mattis stated that BFO looks at all fees,  
18 including the initial application to become a member  
19 of the Board. She noted looking at the current  
20 application fees first because some of the original  
21 licensing application fees have not been changed in  
22 over 20 years. She noted BFO provides a fee once they  
23 decide how much it costs to process an applications.  
24 She noted it does not affect renewals and strictly  
25 pertains to initial applications.

1 Ms. Mattis stated it is a little too advantageous  
2 to change fees in June 2023 because of being in that  
3 2-year window and would be looking at making changes  
4 in June 2025. She noted June 2023 would be more  
5 beneficial to the Board but June 2025 is being a  
6 little more cautious. She referred to the initial  
7 residential appraiser application at \$40, noting it  
8 would be \$90 at base cost in June 2025 and \$94 in June  
9 2027.

10 Ms. Mattis stated all of the initial application  
11 fees would increase under this plan with the initial  
12 application going from \$40 to \$90 and certified  
13 residential appraiser from \$235 up to \$338. She noted  
14 the projection for FY 2027-2028 would still only be at  
15 \$500,000 and suggested a slight renewal fee increase  
16 at the same time as the application fee increase.

17 Ms. Mattis noted the bulk of licensees would go  
18 from \$225 to \$230 in 2025 and then \$235 in 2027;  
19 appraisal management company from \$1,000 to \$1,020 to  
20 \$1,040; and licensed appraiser trainees from \$150 to  
21 \$153 to \$156 with a 2 percent increase.

22 Ms. Mattis noted that integrating those changes  
23 keeps the Board around the \$600,000 mark but offered  
24 to tweak the renewal numbers to keep it around the  
25 \$700,000 range.

1           Mr. Matthews suggested putting money into  
2 marketing the profession. He referred to the Future  
3 Business Leaders of America (FBLA), where kids from  
4 all over the state could learn about the appraisal  
5 industry to help possibly grow the profession.

6           Ms. Mattis commented that she is a Future  
7 Business Leaders of America alumna, noting it to be a  
8 huge resource and a great group of people. She  
9 mentioned the department is really starting to do that  
10 in terms of outreach campaigns for all kinds of  
11 different things, including social media and Facebook.  
12 She noted having a statewide contract for that type of  
13 service, which could be something the Board could  
14 research and is within the capabilities of the  
15 department.

16           Mr. Ausherman suggested looking at increasing  
17 AMCs to perhaps 5 percent versus 2 percent.

18           Chairman Pasquarella agreed and did not think the  
19 residential biennial renewal fee should be the same as  
20 a general appraiser, where the general appraisers  
21 should be paying a bit more too. He mentioned keeping  
22 the appraisers at 2 percent and suggested 5 percent  
23 for the general appraisers and 10 percent for AMCs.

24           Mr. Ausherman expressed concern with increasing  
25 AMCs to 10 percent in an industry that is losing



1 professionals.

2 Chairman Pasquarella commented that general  
3 appraisers are also struggling, noting the revenue in  
4 a commercial firm as opposed to a residential is  
5 markedly different. He also noted keeping the  
6 residential the same and bumping the commercial 5  
7 percent would not be that much.

8 Mr. Smeltzer questioned whether other states  
9 charge a different renewal fee for residential as  
10 opposed to general appraisers and whether Pennsylvania  
11 would be the only state that is going to have a  
12 bifurcated fee system.

13 Chairman Pasquarella commented that the Board had  
14 previously looked at adjoining states and would  
15 discuss it at the next Board meeting. He questioned  
16 whether there was any legal reason why general  
17 appraisers at one fee versus another could not be  
18 done.

19 Mr. Rouse reiterated comments Ms. Mattis  
20 provided, where the first increase would be the costs  
21 to review the certified residential appraiser  
22 application for 2025 at \$338 and a correct analysis of  
23 what should be charged and why BFO recommended a  
24 graduated fee increase. He referred to where it  
25 increases from \$338 to \$353, which is a 2 percent

1 increase that could be increased to 3 percent in the  
2 application as a graduated fee increase.

3 Ms. Mattis further explained that there is a  
4 standard cost across all boards to process  
5 applications, but it is different than renewals  
6 because they are doing those at cost. She noted on  
7 the application side in the June 2027, there is  
8 actually a 4.5 percent increase because of the 2-year  
9 period on application fees only in that year because  
10 the way the union contract is set, where staff  
11 receives about a 2.25 percent increase in salary being  
12 tacked on to the top.

13 Ms. Mattis stated the Board has more flexibility  
14 with renewal fees regarding covering expenses but also  
15 not building a massive amount in the restricted  
16 account. She noted that changing the appraisal  
17 management companies to a bigger increase than the  
18 others is all allowable and doable from the financial  
19 side.

20 Ms. Mattis mentioned the importance of  
21 articulating the reason for the change and justifying  
22 the difference for Board counsel who will be writing  
23 the package. She suggested looking at license  
24 populations and those costing the Board more money as  
25 reasons why it might be more appropriate to charge a

1 higher fee. She noted the Board is in a unique  
2 situation and has the ability to tweak them  
3 individually.

4 Ms. Mattis commented that appraisal management  
5 only has 146 licensees, so changing their fees by \$10  
6 or \$20 is not netting the Board a lot of money in the  
7 revenue department. She reminded the Board that they  
8 have till June 2025 and tweaking the percentages and  
9 looking at fees in other states is certainly possible.

10 Ms. Mattis informed the Board that she can  
11 provide the information for comparison of other states  
12 to make sure Pennsylvania is competitive with  
13 surrounding states. She noted there is time to get  
14 this perfect to meet the financial needs on the  
15 department side and the needs of the Board, licensees,  
16 and new individuals coming onboard to find that  
17 perfect balance.

18 Chairman Pasquarella asked Ms. Mattis what is  
19 stopping the Board from trying to have something for  
20 2023.

21 Ms. Mattis explained that there is nothing  
22 stopping the Board from trying for 2023, but she is  
23 concerned with the time it will take to get the  
24 regulatory package to go through because of now being  
25 within the window of less than 2 years.

1           Mr. Rouse informed the Board that the regulatory  
2 process takes between 18 months to 2 years and  
3 provided a summary of the regulatory process.

4           Mr. Wentzel praised Ms. Mattis and noted being  
5 impressed that the department does an analysis to take  
6 into consideration what their costs are going to be  
7 moving forward.

8           Ms. Mattis mentioned working with the Independent  
9 Regulatory Review Commission (IRRC) to find the best  
10 approach for the Board and the department. She stated  
11 the fee packages were a lot of work for the boards,  
12 counsel, and finance and providing a best guess effort  
13 of increases and salary adjustments is their goal.

14           Mr. Wentzel mentioned that the Department of  
15 Banking and Securities fees are statutory and  
16 something like what Chairman Pasquarella mentioned,  
17 where fees are calculated at a higher sort of level of  
18 licensure, where a first mortgage lender pays a higher  
19 fee than a first mortgage broker and a mortgage  
20 servicer pays a higher fee than a mortgage lender.

21           Chairman Pasquarella asked Ms. Mattis to research  
22 the adjoining states, maybe beyond, and to provide a  
23 presentation at a future Board meeting.

24           Ms. Mattis offered to get in touch with Ms.  
25 Hemler if the September 30 Board meeting is realistic

1 for BFO. She suggested Board members who have any  
2 ideas work with Ms. Hemler to filter those to finance  
3 to be incorporated in the package.]

4

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5 Report of Board Counsel (cont.)

6 [Ronald K. Rouse, Esquire, Board Counsel, addressed  
7 the Appraiser Qualifications Board's (AQB) first  
8 exposure draft of the proposed general interpretation  
9 regarding the prerequisites for licensing and  
10 certification examinations. He noted The Appraisal  
11 Foundation and AQB hosted a webinar on August 5, 2021,  
12 to discuss the first exposure draft of a proposed  
13 change to the real property appraiser qualification  
14 criteria.

15 Mr. Rouse stated the AQB has learned that some  
16 state regulatory agencies are approving appraiser  
17 candidates to sit for the national examination before  
18 verifying the candidate has obtained the required  
19 qualifying experience.

20 Mr. Rouse noted that in lieu of completing the  
21 experience verification process prior to testing, the  
22 jurisdictions have allowed candidates to submit  
23 written affidavits or attestations or similar  
24 representations stating that they had the required  
25 experience. He mentioned the jurisdictions would

1 initiate or complete the experience verification  
2 review after the applicants took the exam.

3 Mr. Rouse stated the AQB is proposing to add to  
4 the general interpretation section of the AQB criteria  
5 to read, "With respect to the prerequisites needed  
6 before an applicant takes the National Uniform  
7 Licensing and Certification Examinations as referenced  
8 in Sections II-B, applicants must have all experience  
9 and education completely verified by the appropriate  
10 state appraiser regulatory agency prior to taking the  
11 National Exam. Applicants cannot self-verify  
12 experience."

13 Mr. Rouse noted a copy of the first exposure  
14 draft is on The Appraisal Foundation website. He  
15 mentioned regulatory agencies and other stakeholders  
16 are encouraged to send written comments about the  
17 proposed changes to AQB by August 20, 2021. He also  
18 mentioned comments may be sent by email to  
19 AQB@appraisalfoundation.org, where they will be  
20 discussed at the AQB virtual public meeting on  
21 Tuesday, August 24, 2021.

22 Mr. Rouse referred to the proposed annex for 16A-  
23 7026 regarding Act 88 of 2020 amendments to the  
24 Assessors Certification Act. He noted prior  
25 discussions and referred to the amendments discussed

1 at the June 24, 2021 meeting.

2 Mr. Rouse noted amendments to § 36.204(a) to  
3 read, individuals and revaluation company personnel  
4 who receive certification as a Pennsylvania evaluator  
5 may perform appraisals of real property only in  
6 limited circumstances, that is, for ad valorem tax  
7 assessment purposes.

8 Mr. Rouse also noted § 36.204(b) was amended to  
9 read, nothing in this section shall be construed to  
10 limit the authority of county commissioners to consult  
11 with their county assessor in addition to a certified  
12 real estate appraiser in determining the fair market  
13 value of real estate property for purchase (other than  
14 acquisition through imminent domain) or sale by the  
15 county pursuant to § 2305 and § 2306 of the County  
16 Code 16 P.S. § 2305 and § 2306.

17 Mr. Rouse mentioned prior discussion at the last  
18 Board meeting, where there are certain circumstances  
19 where county assessors can be consulted by county  
20 commissioners in addition to the appraiser. He  
21 mentioned a copy of 16 P.S. § 2305 and § 2306 were  
22 included for the Board's review.

23 Mr. Rouse noted § 36.261(a) was amended to delete  
24 "effective with renewal of certification for the 2007  
25 to 2009 biennial renewal period, the USPAP requirement

1 shall be the 7-hour National USPAP Update Course or an  
2 equivalent 7-hour course approved by the Board”  
3 because it was old information that was part of the  
4 regulation.

5 Mr. Rouse noted § 36.262(a) was amended to add  
6 Subsection 20, which has valuation bias, fair housing,  
7 and/or equal opportunity as an approved subject matter  
8 for continuing education.]

9 MR. ROUSE:

10 I wanted to see if the Board would  
11 entertain a motion to release this annex  
12 as a second exposure draft to the  
13 stakeholders.

14 CHAIRMAN PASQUARELLA:

15 I'll make a motion.

16 MR. WENTZEL:

17 I'll second it.

18 MR. ROUSE:

19 Any discussion? All those in favor, say  
20 aye. All those opposed, say nay. Any  
21 abstentions?

22 [The motion carried. Mr. Waggoner abstained from  
23 voting on the motion.]

24 \*\*\*

25 Report of Board Chairman - No Report



1 \*\*\*

2 Report of Board Administrator

3 [Kristel Hennessy Hemler, Board Administrator,  
4 addressed the 2021 continuing education audit. She  
5 noted 5 percent of licensees were audited, including  
6 remedial education licensees, for a total of 211  
7 licensees, where 5 or 2.3 percent were found to be out  
8 of compliance and sent to the Professional Compliance  
9 Office for further review.]

10 \*\*\*

11 Matters for Discussion

12 [Mark V. Smeltzer Sr., Secretary, Professional Member,  
13 requested registry information regarding the  
14 Association of Appraiser Regulatory Officials (AARO)  
15 Conferences AARO Conference because he would not be  
16 attending the next meeting.

17 Ms. Hemler offered to forward the AARO Conference  
18 information to Chairman Pasquarella and Mr. Smeltzer.  
19 She informed the Board that everything is approved for  
20 Dave Matthews and Bill Stoerrle to attend.

21 Mr. Waggoner commented that the Assessors'  
22 Association is concerned with who will be the new  
23 testing company for CPEs and what will be utilized for  
24 resource documents. He stated the Assessors'  
25 Association currently uses the International

1 Association of Assessing Officers (IAAO) Book known as  
2 Property Assessment Valuation (PAV), but it is no  
3 longer in print.

4 Mr. Waggoner noted the Assessors' Association  
5 will be exhausting their supply of the text book  
6 within the next year or 2. He addressed an option,  
7 where instructors have talked about creating their own  
8 manual. He questioned whether putting together their  
9 own manual and submitting it to the Board for approval  
10 would be accepted as a resource document or whether  
11 they should be looking at something else similar to  
12 *The Appraisal of Real Estate*, which is used by  
13 appraisers. He commented that the IAAO has come out  
14 with other books, but the instructors are not happy  
15 with those.

16 Mr. Rouse recommended placing the matter on the  
17 agenda for the next Board meeting because it is not  
18 currently on the agenda, so the public would be aware  
19 of the matter for discussion.

20 Chairman Pasquarella agreed, noting it to be a  
21 very important topic. He also noted being impressed  
22 with the courses and seminars that assessors are  
23 putting together. He recommended Mr. Waggoner provide  
24 information for discussion at the September meeting.]

25

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1 [Pursuant to Section 708(a)(5) of the Sunshine Act, at  
2 1:11 p.m. the Board entered into Executive Session  
3 with Ronald K. Rouse, Esquire, Board Counsel, to have  
4 attorney-client consultations and for the purpose of  
5 conducting quasi-judicial deliberations. The Board  
6 returned to open session at 1:21 p.m.]

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8 MR. ROUSE:

9 Pursuant to Section 708(a)(5) of the  
10 Sunshine Act, the Board entered into  
11 Executive Session with Board counsel to  
12 have attorney-client consultations and  
13 for the purpose of conducting quasi-  
14 judicial deliberations.

15 The Board has returned back from  
16 Executive Session where the Board had  
17 attorney-client consultations with Board  
18 Counsel.

19

\*\*\*

20 Adjournment

21 CHAIRMAN PASQUARELLA:

22 Do I have a motion to adjourn?

23 MR. WENTZEL:

24 So moved.

25 CHAIRMAN PASQUARELLA:

1                   Is there a second?

2 MR. SMELTZER:

3                   I'll second.

4 CHAIRMAN PASQUARELLA:

5                   The motion is to adjourn. All in favor,  
6                   say aye. Any opposed, say nay.

7 [The motion carried unanimously.]

8   \*\*\*

9 [There being no further business, the State Board of  
10 Certified Real Estate Appraisers Meeting adjourned at  
11 1:22 p.m.]

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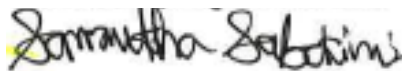
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## CERTIFICATE

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.



Samantha Sabatini,

Minute Clerk

Sargent's Court Reporting  
Service, Inc.

STATE BOARD OF CERTIFIED  
REAL ESTATE APPRAISERS  
REFERENCE INDEX

August 12, 2021

	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	10:32	Official Call to Order
14		
15	10:32	Roll Call
16		
17	10:32	Introduction of Public Members
18		
19	10:36	Approval of Minutes
20		
21	10:37	Report of Prosecutorial Division
22		
23	10:47	Report of Board Counsel
24		
25	11:03	Appointment - Ray Michalowski, Esquire, Consent Agreement and Orders Process
26		
27		
28	12:14	Appointment - Kimberly A. Mattis, Director, Bureau of Finance and Operations Finance Review
29		
30		
31		
32	12:56	Report of Board Counsel (cont.)
33		
34	1:04	Report of Board Administrator
35		
36	1:05	Matters for Discussion
37		
38	1:11	Executive Session
39	1:21	Return to Open Session
40		
41	1:22	Adjournment
42		
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