State Board of Certified Real Estate Appraisers September 30, 2021

BOARD MEMBERS:

Joseph D. Pasquarella, Chairman, Professional Member

Jeffrey L. Walters, Vice Chairman, Professional Member

Mark V. Smeltzer Sr., Secretary, Professional Member - Absent

John D. Ausherman, Professional Member David Matthews, 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

Merna T. Hoffman, Esquire, Deputy Attorney General, Office of Attorney General Designee

Paul H. Wentzel Jr., Senior Legislative Director,
Department of Banking and Securities
Designee

BUREAU PERSONNEL:

 Ronald K. Rouse, Esquire, Board Counsel Ray Michalowski, Esquire, Senior Board Prosecution Liaison

Kristel Hennessy Hemler, Board Administrator Andrew LaFratte, MPA, Executive Policy Specialist, Department of State

State Board of Certified Real Estate Appraisers September 30, 2021

ΑI

ALSO PRESENT:

Teresa Cochran, Executive Director, Assessors' Association of Pennsylvania

Michelle Czekalski Bradley, CGA, AQB-certified USPAP Instructor; Chair, Appraisal Standards Board Jen Smeltz, Republican Executive Director, Senate Consumer Protection & Professional Licensure Committee

Jerry J. Livingston, Democratic Executive Director, Senate Consumer Protection & Professional Licensure Committee

Marlene A. Wilson, Executive Director, House Professional Licensure Committee

Renee Reynolds, Director, State Tax Equalization Board Scott DiBiasio, Manager of State and Industry Affairs, Appraisal Institute

23 | Carrie Bollinger 24 |

4 * * * 1 2 State Board of Certified 3 Real Estate Appraisers 4 September 30, 2021 * * * 5 6 [Pursuant to Section 708(a)(5) of the Sunshine Act, at 9:00 a.m. the Board entered into executive session with Ronald K. Rouse, Esquire, Board Counsel, to have 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

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   was being recorded, and those who continued to
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   participate were giving their consent to be recorded.]
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        The regularly scheduled meeting of the State
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   Board of Certified Real Estate Appraisers was held on
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   Thursday, September 30, 2021. Joseph D. Pasquarella,
   Chairman, Professional Member, officially called the
   meeting to order at 10:32 a.m.
        Paul Wentzel, Secretary of Banking and Securities
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   designee, was not present at the commencement of the
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   meeting.
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   Roll Call
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   [Joseph D. Pasquarella, Chairman, Professional Member,
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   requested a roll call of Board members.]
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   Approval of minutes of the August 12, 2021 meeting
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   CHAIRMAN PASQUARELLA:
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                  The next item on the agenda is the
2.0
                  approval of the minutes.
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                       Do I have a motion to approve the
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                  minutes?
2.3
   MR. AUSHERMAN:
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                  I make a motion to approve the minutes.
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   CHAIRMAN PASQUARELLA:
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6 Do I have a second? 1 2 MR. STOERRLE: 3 Second. 4 CHAIRMAN PASQUARELLA: 5 All in favor of approving the minutes? 6 Any opposed? Hearing none. The motion carries to approve the minutes. [The motion carried unanimously.] 9 10 Report of Prosecutorial Division 11 [Ray Michalowski, Esquire, Senior Board Prosecution 12 Liaison, noted no consent agreements to report. He 13 addressed his attendance at R-DAY held by the Realtors 14 Association of Metropolitan Pittsburgh in September. 15 He mentioned being invited to teach real estate, along 16 with a panel of other attorneys, but also had the pleasure in the afternoon of attending a seminar 17 18 presented by Michelle Bradley and Mark Smeltzer on 19 appraisal to the real estate audience. 2.0 Mr. Michalowski commented that the Realtors 21 Association includes both appraisers and real estate 22 agents. He noted all real estate agents and no 23 appraisers in the audience, stating there would be 2.4 much value to additional interaction between the two

professions at the educational level. He informed the

Board that Mr. Smeltzer and Ms. Bradley did a
wonderful job of dispensing as much information as
they could in 1 hour, mostly Q&A and a short
presentation by each of them.

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Mr. Michalowski commented that it was eye opening to see how much of a disconnect there was, sort of a mythological understanding of the law by a lot of real estate agents, including lack of entertaining the appraisal management companies (AMCs) and knowing the difference between one side of a bank and another as far as loan origination versus underwriting.

Mr. Michalowski noted there to be a good audience size but certainly not the majority of real estate agents in Pennsylvania. He recommends striving toward both of the professions interacting in a way that is instructive to the other.

Chairman Pasquarella thanked Mr. Michalowski for sharing the information, noting he was also unaware of a disconnect between the professions. He suggested those active in education or active with appraisal chapters or even the Assessors' Association of Pennsylvania (AAP) may want to use this as a topic within their organizations. He commented that he would suggest the topic to the Philadelphia Chapter.

Mr. Michalowski mentioned representing the

Commission numerous times for both the Pennsylvania

Association of Realtors and various realtor

associations but they are typically interested in

prosecution for real estate. He mentioned that he has

not really seen appraisal be presented at those and

will pass it along to the Board the next time he gets

an invitation for it to be passed to stakeholders.

Mr. Michalowski will also mention the advantages of other presentations to the people inviting him as well. He noted the presentation was not really a prosecutorial type of thing but more of a practice type of issue, stating there were many individuals on the Board and people they know who do education.]

* * *

15 Report of Board Counsel

16 MR. ROUSE:

Item 2 on the agenda is a Final Adjudication and Order in the Matter of BPOA v. Raleigh J. Chesley, Case No. 20-70-001584, which was a matter discussed in executive session.

Regarding the Final Adjudication in the Matter of <u>BPOA v. Raleigh J.</u>

<u>Chesley</u>, I believe the Board would entertain a motion to adopt the

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9 Adjudication and Order as presented by 1 2 Board counsel and to direct Board 3 counsel to prepare the Board's Final 4 Order. 5 Is there such a motion? MR. STOERRLE: 6 I make the motion. MR. ROUSE: Is there a second? 10 MR. WAGGONER: 11 I second that motion. 12 MR. ROUSE: 13 Any discussion? All those in favor, say 14 aye. All those opposed, say nay. 15 [The motion carried unanimously.] 16 17 MR. ROUSE: 18 Item 3 on the agenda is a Motion to Deem 19 Facts Admitted in the Matter of BPOA v. 20 Michael Christopher Definis, Case No. 2.1 20-70-008367. 22 Regarding the Matter of BPOA v. 2.3 Michael Christopher Definis, which was 2.4 discussed in executive session, I 25 believe the Board would entertain a

1 motion to grant the Motion to Deem Facts

2 Admitted and to direct Board counsel to

3 prepare the Adjudication and Order in

4 accordance with the discussion in

5 executive session.

Is there such a motion?

7 MR. AUSHERMAN:

8 I so move.

9 MR. ROUSE:

Is there a second?

11 MR. MCFARLANE:

12 I second that motion.

13 MR. ROUSE:

Any discussion? All those in favor, say

aye. All those opposed, say nay.

16 [The motion carried unanimously.]

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18 Report of Board Counsel - Miscellaneous

19 | [Ronald K. Rouse, Esquire, Board Counsel, addressed

20 the Appraiser Qualifications Board (AQB) changes

21 adopted to the Real Property Appraiser Qualification

22 | Criteria. He stated AQB adopted a new edition of the

23 Real Property Appraiser Qualification Criteria on

24 August 24, 2021, which will take effect on January 1,

25 2022.

Mr. Rouse addressed updates to the new edition of AQB Criteria, where synchronous courses will now be considered the equivalent to in-person classroom courses, and synchronous courses will no longer require a delivery mechanism approval under the AQB criteria.

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Mr. Rouse noted that an alternative course delivery mechanism approval will be established for asynchronous courses, meaning asynchronous courses would not just require International Distance Education Certification Center (IDECC) approval, but there would be another source as well other than IDECC that could be used as a course delivery mechanism approval system.

Mr. Rouse noted hybrid courses would have to meet the requirements of both synchronous and asynchronous requirements and qualifying and continuing education courses may use remote proctoring, including biometric proctoring.

Mr. Rouse reminded the Board of prior discussion regarding exposure drafts, noting those matters have been approved by the AQB. He asked whether the Board wanted him to draft a proposed annex for their regulations to include the items regarding synchronous and asynchronous and hybrid course delivery to be

consistent with AQB, stating it would be appropriate to have Board regulations reflect that change.

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Mr. Rouse noted the Board received correspondence from the Assessors' Association of Pennsylvania related to this matter concerning certified Pennsylvania evaluator (CPE) distance education.

Teresa Cochran, Executive Director, Assessors'
Association of Pennsylvania, thanked the AQB for
allowing AAP to continue the distance education. She
stated AAP offers synchronous classes through Zoom
that have been beneficial for them and will also be a
great benefit to their members going into 2022.

Ms. Cochran commented that the continuing education classes offered by AAP would be covered but requested confirmation on whether or not the distance learning is still an okay method for their qualifying classes.

Mr. Rouse asked the Board whether they want him to also draft a proposed annex for the certified Pennsylvania evaluators consistent with what AQB has stated regarding distance education.

Chairman Pasquarella commented that clarity trumps everything, and it would be an excellent opportunity to draft the annex to address the situation.]

13 1 MR. ROUSE: 2 Would the Board entertain a motion to 3 direct Board counsel to draft a proposed annex regarding distance education for 4 5 both appraisers and certified 6 Pennsylvania evaluators consistent with what the AQB has described in its AQB Criteria, which will take effect January 8 9 1, 2022? 10 CHAIRMAN PASQUARELLA: 11 I make that motion. 12 MR. ROUSE: 13 Is there a second? 14 MR. WAGGONER: I'll second that motion. 15 MR. ROUSE: 16 17 Any discussion? All those in favor, say 18 aye. All those opposed, say nay. 19 [The motion carried unanimously.] * * * 20 21 [Ronald K. Rouse, Esquire, Board Counsel, informed the 22 Board that he would provide a proposed annex for 2.3 discussion at the next meeting. 24 Ms. Cochran commented that the asynchronous

method is out of the realm of possibility for AAP as

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far as expenses, and the biggest issue is getting
clarity on qualifying classes. She stated there were
more people than ever taking advantage of classes with
AAP, and AAP was the only organization currently
offering those classes.
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Ms. Cochran noted the importance of making it as easy as possible for counties to be able to get individuals online in their assessment offices. She stated there are quite a number of counties either in the middle of preparing for a reassessment or thinking about getting ready for a reassessment and having those individuals come online is very valuable to AAP. She noted AAP is also facing a shortage of workers just like anybody else in the United States, so anything they can do to help counties would be great.

Mr. Rouse noted the issue of remote proctoring would also be addressed in the annex since AQB is authorizing remote proctoring for qualifying and continuing education courses.]

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21 [Paul Wentzel, Secretary of Banking and Securities 22 designee, entered the meeting at 10:49 a.m.]

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24 Report of Board Counsel - Other

25 MR. ROUSE:

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This is the Petition for Reinstatement

of Matthew Moore, identified as Case

Nos. 09-70-01110 & 09-70-02873. It has

a new Case No. 21-70-015415.

I believe the Board would entertain a motion to direct Board counsel to prepare a Final Order consistent with discussions in executive session.

Is there such a motion?

- 10 MR. AUSHERMAN:
- I so move.
- 12 MR. ROUSE:

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- 13 Is there a second?
- 14 MR. STOERRLE:
- 15 Second.
- 16 MR. ROUSE:
- Any discussion? All those in favor, say
- aye. All those opposed, say nay.
- 19 [The motion carried unanimously.]
- 20 ***
- 21 Report of Board Counsel Regulatory Discussion
- 22 | [Ronald K. Rouse, Esquire, Board Counsel, referred to
- 23 the annex for 16A-7026 regarding Act 88 amendments to
- 24 the Assessors Certification Act. He noted a second
- 25 exposure draft of 16A-7026 was released to

1 stakeholders by email on August 12, 2021, for review.

- 2 He reported no written comments were received
- 3 concerning the second exposure draft on the amendments
- 4 to the regulations to make them consistent with the
- 5 | amendments to the Assessors Certification Act.]
- 6 MR. ROUSE:
- Would the Board entertain a motion to
- 8 adopt the proposed annex and to direct
- 9 Board counsel to move forward with the
- 10 regulatory process by drafting the
- 11 preamble?
- 12 CHAIRMAN PASQUARELLA:
- 13 I'll make that motion.
- 14 MR. ROUSE:
- 15 Is there a second?
- 16 MR. AUSHERMAN:
- 17 I second.
- 18 MR. ROUSE:
- 19 Any discussion? All those in favor, say
- aye. All those opposed, say nay.
- 21 [The motion carried unanimously.]
- 22 ***
- 23 Report of Board Chairman No Report
- 2.4 ***
- 25 Report of Board Administrator

17 [Kristel Hennessy Hemler, Board Administrator, 1 provided the proposed 2023 and 2024 meeting dates for 2 3 the Board's review and approval.] 4 CHAIRMAN PASQUARELLA: 5 Could we have a motion to approve the meeting dates for the Board for 2023 and 6 7 2024? MS. BROWN: 9 So moved. 10 CHAIRMAN PASQUARELLA: 11 Do I have a second? 12 MR. MATTHEWS: Second. 13 14 CHAIRMAN PASQUARELLA: 15 Any discussion? All in favor of the 16 motion to approve, say aye. Any 17 opposed? 18 [The motion carried unanimously.] * * * 19 20 Matters for Discussion 21 [Ronald K. Rouse, Esquire, Board Counsel, addressed 22 licensed appraiser trainee supervisor allowance. 23 stated a licensed appraiser trainee can have multiple 24 supervisors but a licensed appraiser trainee can only 25 have one supervisor per assignment. He stated Board

regulations were amended so the Board can follow AQB Criteria in appraiser qualification matters.

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Mr. Rouse referred to AQB Criteria under the trainee real property appraiser section, where it states that the trainee appraiser is permitted to have more than one supervisory appraiser, but a supervisor may not supervise more than three trainee appraisers at one time. He stated the trainee appraiser can only have one supervisory appraiser per assignment, as that person will directly supervise and control the trainee appraiser's work on that assignment.

Chairman Pasquarella commented that there is only a place for one supervisor with the current system when the trainee registers the supervisors that he or she will be working under and requested more information and discussion.

Ms. Hemler stated the applications were not online yet and are still PDF documents that have to be filled out by the licensed appraiser trainee and supervisor. She explained that there can be multiple supervisors for a licensed appraiser trainee, but when it is time for the licensed appraiser trainee to fill out the forms for their work experience, they will have to group the supervisors in one particular group.

Ms. Hemler noted that one supervisor will be

listed with all of the assignments that the licensed appraiser trainee performed with that one supervisor and then they would fill out another group of documents for the other supervisors.

Michelle Czekalski Bradley, CGA, AQB-certified
USPAP Instructor; Chair, Appraisal Standards Board,
thanked the Board for discussing appraiser trainee and
supervisors on record. She mentioned that the topic
came up at an Appraisal Institute Convention, where
Pennsylvania-based appraisers were under the
impression that a trainee could only have one
supervisor for the entire training experience. She
noted indicating that to be incorrect at the meeting,
although several people in the room believed that to
be so.]

17 Miscellaneous

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[Ray Michalowski, Esquire, Senior Board Prosecution Liaison, referred to the Board's approval of Mr. Rouse drafting the regulation to allow distance education to continue as the remote version. He informed everyone of House Bill 1849 that would do almost exactly the same thing under the Real Estate Licensing and Registration Act. He stated they have a temporary waiver that has allowed the same kind of distance

1 education and want to make it permanent.

Mr. Michalowski mentioned that the bill is sponsored by Representative Polinchock, noting it is always faster to get things done through legislation than through the regulatory process. He believed the Pennsylvania Association of Realtors (PAR) is aware of House Bill 1849, which seems to be almost exactly the same changes the Board is talking about promoting for both assessors and appraisers.

Mr. Michalowski commented that the Board cannot get that into legislative form but professional associations and organizations may want to attempt that because of the similar issues, where they would like the advantages of remote education that has been available and are trying to make it permanent.]

* * *

17 | Correspondence

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[Ronald K. Rouse, Esquire, Board Counsel, referred to correspondence from the Assessors' Association of Pennsylvania regarding the CPE Exam and CPE Distance Education.

Ms. Cochran commented that a lot of their teaching is based on the *Property Assessment* Valuation (*PAV*) book that is published by the International Association of Assessing Officers (IAAO). She

mentioned that IAAO is no longer going to be providing any updates. She noted that Board's testing agency

PSI Services LLC (PSI) use a lot of that content to draw their questions for the CPE licensing exam. She requested information on what to do in the future years because there is nothing comparable to replace the PAV book by IAAO.

Ms. Cochran stated IAAO was considering merging the PAV book with another textbook but would be a long process. She asked whether the Board is aware of what PSI uses to put together the tests for the CPE Exam and whether they have any plans to use other tests if PAV no longer is available and not published.

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Ms. Cochran mentioned AAP is deciding whether or not to continue using PAV or put together their own course materials. She noted there are a lot of questions regarding AAP moving forward.

Mr. Rouse informed Ms. Cochran that the Board cannot provide an answer because the contract with PSI is ending next year around June or July. He noted being in the process of sending out a request for quotes very soon in order to create a contract with a company to provide appraiser and assessor exams. He mentioned that the Board would offer information in the future regarding which company will be providing

1 | the exam.]

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3 Introduction of Public Members

4 [Joseph D. Pasquarella, Chairman, Professional Member,

5 requested an introduction of public members.]

7 Public Session

8 [Scott DiBiasio, Manager of State and Industry

9 Affairs, Appraisal Institute, thanked the Board for

10 addressing the need to propose new rules to adopt the

11 AQB requirements regarding distance education and

12 remote proctoring. He stated the Appraisal Institute

13 | had the same thought regarding Representative

14 | Polinchock's House Bill 1849 but may not need to if

15 the Board is going to address it via rules.

16 Mr. DiBiasio commented that it would be

17 preferable to have something in the statute but that

18 the bill is far down the legislative path at this

19 point and they may not be able to do that. He noted

20 having it in rules is equivalent and looks forward to

21 seeing the rules and offering any comments they have

22 | at the appropriate time.

Chairman Pasquarella thanked the public for

24 joining the meeting today, noting their input and

25 | interest in the Board is greatly appreciated.]

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   Adjournment
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   CHAIRMAN PASQUARELLA:
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                   I will ask for a motion to adjourn
 5
                   today's meeting.
 6
                        Do I have a motion to adjourn?
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   MR. WENTZEL:
                   So moved.
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   CHAIRMAN PASQUARELLA:
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                  Do I have a second?
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   MR. AUSHERMAN:
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                   Second.
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   CHAIRMAN PASQUARELLA:
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                   Any discussion? All in favor of
15
                   adjournment, say aye. Any opposed?
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   [The motion carried unanimously.]
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    [There being no further business, the State Board of
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   Certified Real Estate Appraisers Meeting adjourned at
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   11:13 a.m.]
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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.

CERTIFICATE

Sommetho Sabolini

Samantha Sabatini,
Minute Clerk
Sargent's Court Reporting
Service, Inc.

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		September 30, 2021	
	TIME	AGENDA	
	9:00 10:30	Executive Session Return to Open Session	
	10:32	Official Call to Order	
	10:32	Roll Call	
	10:33	Approval of Minutes	
	10:34	Report of Prosecutorial Division	
	10:38	Report of Board Counsel	
	10:53	Report of Board Administrator	
	10:54	Miscellaneous	
	11:03	Correspondence	
	11:06	Introduction of Public Members	
	11:07	Public Session	
	11:13	Adjournment	