

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

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

MEETING OF:

**STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS**

TIME: 9:04 A.M.

BOARD ROOM C
One Penn Center
2601 North Third Street
Harrisburg, Pennsylvania 17110

Wednesday, August 8, 2018

1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 August 8, 2018

5 ***

6 The regularly scheduled meeting of the State
7 Board of Certified Real Estate Appraisers was held on
8 Wednesday, August 8, 2018. D. Thomas Smith, Chairman,
9 Professional Member, officially called the meeting to
10 order at 9:04 a.m. Martha H. Brown, Esquire, was not
11 present at the commencement of the meeting. A roll
12 call was taken.

13 ***

14 [Heidy M. Weirich, Board Administrator, reviewed the
15 emergency evacuation procedures for One Penn Center.]

16 ***

17 Approval of Minutes of the May 10, 2018 meeting

18 CHAIRMAN SMITH:

19 Could we have approval of the May 10,
20 2018 minutes?

21 MR. ROTHMAN:

22 So moved.

23 MR. BRINK:

24 Second

25 CHAIRMAN SMITH:

1 Any discussions or corrections? All in
2 favor?

3 [The motion carried unanimously.]

4 ***

5 Report of Prosecutorial Division

6 [Ray Michalowski, Esquire, Board Prosecution Liaison,
7 presented the Consent Agreement for File No. 15-70-
8 02046.]

9 ***

10 Report of Board Counsel

11 [Thomas A. Blackburn, Esquire, Senior Counsel-in-
12 Charge, on behalf of Jacqueline A. Wolfgang, Esquire,
13 Board Counsel, noted the July 2018 Regulatory Status
14 Report. Mr. Blackburn discussed Proposed Rulemaking
15 (16A-7022) regarding the publishing of Federally
16 Mandated Revisions on July 7, 2018. He noted
17 favorable comments when the Proposed Rulemaking was
18 published from the Appraisal Subcommittee (ASC) and
19 the Appraisal Institute.

20 Mr. Blackburn stated that the Independent
21 Regulatory Review Commission (IRRC) has the
22 opportunity to comment within the next 30 days through
23 September 5, 2018. IRRC and the Legislative Oversight
24 Committee may also comment on the rulemaking.

25 Mr. Blackburn noted Governor Wolf's Executive

1 Order 2017-03, which removes unnecessary barriers to
2 the licensing process. Mr. Blackburn noted the
3 Annex to Certified Pennsylvania Evaluators (16A-7018),
4 which relates to the proposed rulemaking that the
5 Board previously approved.

6 Mr. Blackburn specifically discussed Section
7 36.261 regarding the continuing education requirements
8 for assessors. He stated that current regulations
9 require 28 hours for renewal purposes. The Board was
10 asked to consider reducing that requirement from 28 to
11 20 hours of continuing education for renewal purposes.

12 Mr. Howe stated that the Assessors' Association
13 of Pennsylvania was contacted relative to the proposed
14 reduction in the continuing education requirement from
15 28 hours to 20 and were not opposed to maintaining 28
16 hours requirement.

17 Mr. Howe stated with a reduction to 20 hours, the
18 7-hour Uniform Standards of Professional Appraiser
19 Practice (USPAP) requirement and 2-hour state law
20 requirement were maintained, but the continuing
21 education would be reduced to 11 hours, which would
22 not be adequate. He stated that the actual USPAP
23 requirement is 7 hours plus 2 hours relative to the
24 state's rules and regulations, the 9 that are
25 mandatory.]

1 MR. ROTHMAN:

2 I make the motion to not to change.

3 CHAIRMAN SMITH:

4 Mr. Rothman has a motion not to change
5 the current hours. I have a motion. Do
6 I have a second?

7 MR. BRINK:

8 I'll second.

9 CHAIRMAN SMITH:

10 Do we have any discussion?

11 [The Board discussed the motion.]

12 CHAIRMAN SMITH:

13 We have a motion. We have a second.

14 All in favor? Opposed?

15 [The motion carried unanimously.]

16

17 [Thomas A. Blackburn, Esquire, Senior Counsel-in-
18 Charge, on behalf of Jacqueline A. Wolfgang, Esquire,
19 Board Counsel, discussed House Bill 863 regarding
20 broker price opinion (BPO), which was passed by the
21 General Assembly and signed by Governor Wolf as Act 75
22 of 2018. Mr. Blackburn noted the effect of permitting
23 broker price opinions and the need to discuss the
24 necessity to amend the Appraisal Management Company
25 (AMC) Regulation in Section 36.434 to acknowledge BPOs

1 in appropriate situations.

2 Mr. Hartman discussed a provision in the bill
3 that rescinded any inconsistencies in the AMC Act or
4 Appraisal Act.

5 Ms. Updegrave noted a section drafted by legal
6 counsel that repeals that particular section
7 prohibiting BPOs in the AMC legislation law. It is
8 already by statute effective August 28, 2018.

9 Mr. Blackburn stated the bill exclusively repeals
10 the Real Estate Appraiser certification Act to an
11 extent inconsistent with the bill. Mr. Blackburn and
12 Ms. Wolfgang will review and make recommendations to
13 the related to Section 36.434.

14 Mr. Blackburn noted the AMC National Registry
15 fee. Ms. Weirich stated the AMC National Registry fee
16 will be collected with the next renewal in June 2019.
17 She noted that the Appraisal Subcommittee (ASC)
18 changed their standards, and the \$25 fee per each
19 appraiser will be collected every year, which will be
20 May 1 through April 30.

21 Ms. Weirich commented that ASC requires the Board
22 to designate a senior official to collect and upload
23 information to the National Registry.]

24 MS. WEIRICH:

25 I need the Board to vote to elect me to

1 be that senior official.

2 MR. WENTZEL:

3 So moved.

4 CHAIRMAN SMITH:

5 Do I have a second?

6 MR. BRINK:

7 I second.

8 CHAIRMAN SMITH:

9 All in favor? Opposed?

10 [The motion carried unanimously.]

11 ***

12 Appraisal Subcommittee Preliminary Compliance Review

13 of Pennsylvania's Appraiser Regulatory Program

14 [Chairman Smith noted the preliminary report from ASC

15 and the Board's response from July 24, 2018. Mr.

16 Blackburn mentioned the challenge in Pennsylvania to

17 meet the one-year deadline for resolving cases.

18 Mr. Michalowski discussed the nondisciplinary

19 remediation agreement to replace the first-time

20 minor-to-moderate warning letter below fraud or

21 repeated offenses or intentional misdeeds type of

22 consent agreement. He stated these matters will be

23 reviewed by the Probable Cause Screening Committee in

24 conjunction with the prosecution division in a private

25 non-Sunshine meeting. He reviewed the directives

1 included in the remediation agreements, as well as the
2 reporting requirements for the National Data Bank. He
3 noted that the prosecution side will be using the
4 current version of the national guidelines developed
5 by the Appraisal Foundation as a guide to determine
6 which cases go to the Probable Cause Committee.
7 Members of the Probable Cause Committee would be
8 recused from further consideration of the matters that
9 would come before the Board for final determination.

10 Mr. Michalowski noted a lack of expert coverage
11 for the state, noting that multiple listing service
12 (MLS) is starting to merge and form a larger MLS,
13 which makes their data more available. He also noted
14 a small backlog of cases from 2016 as a result of
15 difficulties with reaching the experts.

16 Mr. Blackburn discussed the concern that
17 Pennsylvania statutes, regulations, and policies are
18 not in compliance with the federal requirements and
19 the rulemaking published as proposed earlier this
20 summer was a significant step in addressing that. He
21 discussed preparing a written policy on reporting to
22 the ASC registry into writing and will bring that back
23 to the Board at a later time.

24 Ms. Weirich reviewed her work with the ASC and IT
25 department to set up a system that will electronically

1 update the national registry with changes in status or
2 disciplinary action.

3 Mr. Blackburn noted a Motion to Deem Facts
4 Admitted and a Consent Agreement for discussion during
5 Executive Session.]

6 ***
7 Report of Board Chairman - No Report

8 ***
9 Report of Board Administrator
10 [Heidy M. Weirich, Board Administrator, noted an
11 announcement regarding the Appraiser Qualifications
12 Board (AQB) criteria changes effective May 1, 2018,
13 for review.

14 Ms. Weirich addressed unique identifier numbers
15 for appraisers on the national registry that replace
16 Social Security numbers.

17 Ms. Weirich requested approval to attend the 2018
18 Fall Association of Appraiser Regulatory Officials
19 (AARO) Conference in Washington, DC, October 19-22,
20 2018.]

21 MS. WEIRICH:

22 I need a vote for Jacquelyn and I and
23 possibly a Board member to attend the
24 Fall AARO Conference in Washington, DC.

25 MR. ROTHMAN:

1 So moved.

2 MR. WENTZEL:

3 Second.

4 CHAIRMAN SMITH:

5 All in favor? Opposed?

6 [The motion carried unanimously.]

7 ***

8 Matters for Discussion

9 [Thomas A. Blackburn, Esquire, Senior Counsel-in-
10 Charge, on behalf of Jacqueline A. Wolfgang, Esquire,
11 Board Counsel, noted Item No. 17 for discussion during
12 Executive Session.

13 Ms. Weirich noted the need for an item bank
14 review for the exam questions to confirm the accuracy
15 of the information.]

16 MR. ROTHMAN:

17 I make a motion the motion that we allow
18 PSI to come in to review our exam
19 questions.

20 CHAIRMAN SMITH:

21 I have a motion. Do I have a second?

22 MR. WENTZEL:

23 Second.

24 CHAIRMAN SMITH:

25 All in favor? Opposed?

1 [The motion carried unanimously.]

2 ***

3 Miscellaneous

4 [Steve Howe, CPE, Assessors' Association of
5 Pennsylvania, discussed PSI exam phases, noting a
6 preliminary meeting and second phase that informs the
7 assessors group of the processes and the reviewing of
8 the questions. He stated the third phase is the
9 actual review of the questions for comment, clarity,
10 correction, and update. He noted a webinar scheduled
11 for late August.

12 Mr. Hartman noted the Appraisal Institute's
13 comments on rulemaking. He discussed incorporating
14 the AQB requirements by reference rather than by
15 statute. He noted that legislatively the Appraisal
16 Institute would be trying to get a statute of
17 limitations for appraisers similar to that of
18 surveyors in Pennsylvania. Surveyors have a five-year
19 statute of limitations and appraisers are unlimited.

20 Mr. Hartman stated many members destroy their
21 work files after the USPAP-required record retention
22 of either five or seven years. The residential side
23 of the industry is seeing companies applying
24 deficiency judgments from loans that failed from 2009-
25 2011 and suing appraisers for improper preparation on

1 the appraisal, and the appraiser does not have the
2 work file to defend themselves.

3 Mr. Hartman discussed evaluations and whether the
4 Board would consider evaluations to be appraisals. He
5 stated lenders are asking for a much more abbreviated
6 product. He also stated evaluations in Pennsylvania
7 are being performed by individuals who are not
8 appraisers, typically accounting firms or independent
9 evaluation consultants who are non-licensed.

10 Mr. Blackburn stated such activity that falls
11 squarely within the definition of appraiser under
12 Pennsylvania law.

13 Mr. Hartman noted complaints of a two-month wait
14 from submitting the application until being permitted
15 to take the exam and offered assistance from the
16 Appraisal Institute. Ms. Weirich referred to the
17 Pennsylvania Licensing System (PALS). Trainees are
18 not in the system and must submit paper applications,
19 which results in the processing delay.

20 Ms. Updegrave discussed House Bill 863 and
21 thanked the Board for their help regarding that piece
22 of legislation. She stated the Real Estate Commission
23 is reviewing prelicensure because the law becomes
24 effective August 28, 2018. Ms. Updegrave introduced
25 and welcomed Jack Gombach as the liaison with this

1 Board and the Real Estate Commission.]

2 ***

3 [The Board recessed from 10:17 a.m. until 10:22 a.m.]

4 ***

5 [Martha H. Brown, Esquire, entered the meeting at
6 10:22 a.m.]

7 ***

8 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
9 10:22 a.m. the Board entered into Executive Session
10 with, Thomas A. Blackburn, Esquire, Senior Counsel-in-
11 Charge, on behalf of Jacqueline A. Wolfgang, Esquire,
12 Board Counsel, for the purpose of conducting quasi-
13 judicial deliberations. The Board returned to open
14 session at 11:18 a.m.]

15 ***

16 MOTIONS

17 MR. BLACKBURN:

18 While in Executive Session, the Board
19 conducted quasi-judicial deliberations
20 concerning the Consent Agreement
21 presented this morning at File No. 15-
22 70-02046 and the matter of BPOA vs.
23 James Edward Lignelli, File No. 17-70-
24 04534.

25 Also, while in Executive Session,

1 the Board considered the Request for
2 Approval of Continuing Education Credit
3 of Douglas Sheaffer. I understand there
4 will be some motions.

5 MR. ROTHMAN:

6 I move to adopt the Consent Agreement
7 and Order negotiated by the
8 Commonwealth's Prosecuting Attorney in
9 the settlement of the following matter:
10 Commonwealth of Pennsylvania Bureau of
11 Professional and Occupational Affairs
12 vs. John D. McDermott, File No. 15-70-
13 02046.

14 CHAIRMAN SMITH:

15 We have a motion. Do we have a second?

16 MS. BROWN:

17 Second.

18 CHAIRMAN SMITH:

19 Any discussion? All in favor? Opposed?

20 [The motion carried unanimously.]

21 ***

22 MS. BROWN:

23 In the matter of the Bureau of
24 Professional and Occupational Affairs
25 vs. James Edward Lignelli, File No. 17-

1 70-04534, I move that the Board grant
2 the Motion to Deem Facts Admitted and
3 Enter Default and instruct Board Counsel
4 to draft adjudication in accordance with
5 the discussion held in Executive
6 Session.

7 MR. ROTHMAN:

8 Second.

9 CHAIRMAN SMITH:

10 Any discussion? All in favor? Opposed?

11 [The motion carried unanimously.]

12 ***

13 MS. BROWN:

14 In the matter of correspondence from
15 Douglas Sheaffer, I move that the Board
16 permit Mr. Sheaffer to credit the CE he
17 took on March 22, 2018, to be used for
18 the 2017-2019 renewal cycle.

19 CHAIRMAN SMITH:

20 Motion. Do I have a second?

21 MR. WENTZEL:

22 Second.

23 CHAIRMAN SMITH:

24 Any discussion? All in favor? Opposed?

25 [The motion carried unanimously.]

1 ***

2 Adjournment

3 CHAIRMAN SMITH:

4 Motion to adjourn?

5 MR. WENTZEL:

6 So moved.

7 MR. ROTHMAN:

8 Second.

9 CHAIRMAN SMITH:

10 Thank you for coming.

11 [The motion carried unanimously.]

12 ***

13 [There being no further business, the State Board of
14 Certified Real Estate Appraisers Meeting adjourned at
15 11:20 a.m.]

16 ***

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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.



Haley J. Neumeister,

Minute Clerk

Sargent's Court Reporting
Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX
August 8, 2018

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

TIME	AGENDA
9:04	Official Call to Order
9:04	Roll Call
9:05	Approval of Minutes
9:05	Report of Prosecutorial Division
9:10	Report of Board Counsel
9:45	Report of Board Administrator
9:50	Matters for Discussion
9:52	Miscellaneous
10:17	Recess
10:22	Return to Open Session
10:22	Executive Session
11:18	Return to Open Session
11:18	Motions
11:20	Adjournment