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

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

MEETING OF:

**STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS**

TIME: 9:04 A.M.

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

Thursday, April 11, 2019

1 State Board of Certified
2 Real Estate Appraisers
3 April 11, 2019
4
5

6 BOARD MEMBERS:
7

8 D. Thomas Smith, Chairman, Professional Member
9 Jeffrey L. Walters, Vice Chairman, Professional
10 Member
11 Joseph D. Pasquarella, Secretary, Professional
12 Member
13 Martha H. Brown, Esquire, Secretary of the
14 Commonwealth designee, Office of Chief Counsel
15 Zachery Everidge, Office of Attorney General designee
16 Eric M. Lehmayr, Professional Member
17 William F. Rothman, Professional Member - Absent
18 Paul H. Wentzel Jr., Senior Legislative Director,
19 Department of Banking and Securities
20
21

22 BUREAU PERSONNEL:
23

24 Jacqueline A. Wolfgang, Esquire, Board Counsel
25 Ray Michalowski, Esquire, Board Prosecution Liaison
26 Timothy A. Fritsch, Esquire, Board Prosecutor
27 Heidy M. Weirich, Board Administrator
28
29

30 ALSO PRESENT:
31

32 Larry Shubert, CPE, President, Assessors' Association
33 of Pennsylvania
34 Daniel A. Bradley, Chief Appraisal Officer,
35 McKissock LP
36 Steve Howe, CPE, Assessors' Association of
37 Pennsylvania
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1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 April 11, 2019

5 ***

6 The regularly scheduled meeting of the State
7 Board of Certified Real Estate Appraisers was held on
8 Thursday, April 11, 2019. D. Thomas Smith, Chairman,
9 Professional Member, officially called the meeting to
10 order at 9:04 a.m. A roll call was taken.

11 ***

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

14 ***

15 Approval of Minutes of the March 6, 2019 meeting

16 CHAIRMAN SMITH:

17 Approval of minutes for the
18 March 6, 2019 minutes.

19 MR. LEHMAYER:

20 So moved.

21 MR. WALTERS:

22 Second.

23 CHAIRMAN SMITH:

24 Any discussion or changes? All in
25 favor? Opposed?

1 [The motion carried unanimously]

2

3 Report of Prosecutorial Division

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

5 presented the Consent Agreement for File No. 17-70-

6 10954.]

7

8 Report of Board Counsel

9 [Jacqueline A. Wolfgang, Esquire, Board Counsel, noted

10 matters for deliberation during executive session.

11 She also noted the Regulatory Status Report and

12 provided updates regarding the General Revisions.

13 Ms. Wolfgang requested the Board vote to adopt

14 the Preamble for 16A-7022.]

15

16 CHAIRMAN SMITH:

17

Could I get a motion?

18

MR. LEHMAYER:

19

I move to go forward with what you have

20

put together.

21

CHAIRMAN SMITH:

22

I have a motion. Do I have a second?

23

MR. WALTERS:

24

Second.

25

CHAIRMAN SMITH:

1 Any discussion? All in favor? Opposed?

2 [The motion carried unanimously]

3 ***

4 [Ms. Wolfgang updated the Board on the exposure draft
5 for 16A-7018 regarding a decrease in continued
6 education for certified Pennsylvania evaluators. The
7 exposure draft was sent out on April 4, 2019. She
8 noted that the public comments received thus far were
9 a little more in favor of not supporting a decrease in
10 continuing education. The comments will be reviewed
11 at the Board's next meeting.

12 Ms. Wolfgang addressed House Bill 1032 and Senate
13 Bill No. 491, which had been proposed in past sessions
14 and would add two additional Board members to the
15 Board and require the two Board members to be
16 certified Pennsylvania evaluators.

17 Ms. Wolfgang discussed House Bill 1033 and Senate
18 Bill 492, which clarifies that revaluation company
19 personnel directly responsible for the valuation of
20 real property must not only complete the educational
21 requirements pursuant to the act but must also be
22 certified Pennsylvania evaluators.

23 Ms. Wolfgang noted that the bill extends the
24 certified Pennsylvania evaluator (CPE) certification
25 requirements to any individual employed by a

1 revaluation company or by a contractor of a county or
2 a revaluation company who is directly responsible for
3 the development of a property valuation model. The
4 bill also prohibits revaluation company personnel from
5 determining value of real property or developing
6 property valuation models unless that individual is
7 certified by the Board as a CPE.

8 Ms. Wolfgang also noted that the bill provides
9 clarification by modifying the definition of CPE and
10 revaluation company and by adding definitions for
11 property valuation model and revaluation company
12 personnel.]

13 ***

14 Report of Board Chairman

15 [D. Thomas Smith, Chairman, Professional Member, noted
16 the Appraiser Qualifications Board (AQB) comment
17 request regarding Practical Applications of Real
18 Estate Appraisal (PAREA). He stated AQB was seeking
19 an alternate to the traditional supervised trainee
20 model for gaining appraisal experience. AQB requested
21 the Board's input by June 1, 2019.

22 Chairman Smith stated AQB has a concern with the
23 lack of supervisors and is developing a model to
24 assist individuals who do not have supervisors to get
25 approved as licensed appraisers.

1 Chairman Smith addressed virtual training that
2 allows individuals to go through the process of
3 actually conducting an appraisal online with an
4 assigned supervisor.

5 Ms. Wolfgang stated the Board will need to
6 consider the requirement in conjunction with the
7 Board's regulations that require 50-75% of experience
8 to be in the actual preparation of real estate
9 reports, which includes interior and exterior
10 inspections. She noted that the Board's new
11 regulations in their final form will adopt AQB
12 criteria. When PAREA is set into place, the Board may
13 need to provide additional clarity on virtual
14 training.

15 Ms. Wolfgang discussed the differences between
16 Board regulations and AQB Criteria, noting that AQB
17 was not as stringent with respect to supervisors. She
18 stated the Board's experience requirements will mirror
19 the AQB except the Board kept the actual preparation
20 of appraisal report requirement, which is a state
21 requirement. She also noted other areas where the
22 Board is more stringent and referred to the original
23 preamble for reference.

24 Mr. Lehmayr questioned the use of virtual
25 training and asked whether the shortage of supervisors

1 is from a geographical area or pervasive throughout
2 the country. Chairman Smith commented that it was
3 geographical and noted states where appraisers drive
4 hundreds of miles to take a comparable photo. He
5 noted that the banking industry does not have
6 appraisers, which it makes it difficult for people to
7 get loans for mortgages when appraisers are not
8 available.

9 Ms. Wolfgang explained that the current AQB
10 proposal contemplates a supervisor, even when
11 utilizing virtual training. She stated the Board is
12 certainly empowered to be more restrictive with the
13 training requirements.

14 Ms. Wolfgang noted discussion at the Association
15 of Appraiser Regulatory Officials (AARO) Meetings
16 concerning shortages of people willing to supervise
17 and the length of time it takes to train. She also
18 noted a controversy as to whether there really is a
19 shortage and whether there are statistics on the
20 matter.

21 Mr. Walters commented that the shortage was
22 possibly in high-growth markets, where the speed and
23 pace of loans and mortgage documents are so quick that
24 the supply of appraisers cannot accommodate the need.
25 He believed moving too fast was a recipe for trouble,

1 and there would be an associated backlash.

2 Daniel A. Bradley, Chief Appraisal Officer,
3 McKissock, addressed Practical Applications of Real
4 Estate Appraisal (PAREA). Mr. Bradley stated
5 McKissock was not working on PAREA modules. He
6 explained that it was not a replacement for the
7 current system of supervisor trainee but an
8 alternative for a certain percentage of hours. He
9 noted a demonstration at the AARO Conference in Denver
10 in May, which will also be livestreamed.

11 Mr. Bradley commented that taking the practical
12 application's course would not allow 100% of
13 experience hours and would limit it to a certain
14 percentage. He stated the idea was to help
15 individuals obtain a certain percentage of hours to be
16 more marketable to an actual supervisor because of
17 knowing the basic responsibilities of an appraiser.

18 Mr. Bradley explained that the Foundation will
19 probably create the course and will license it to
20 education providers or whoever would want to
21 participate. He commented that it could include
22 external appreciation, external obsolescence, income
23 approach, market decline, and much more.

24 Mr. Bradley noted that the Appraisal Foundation
25 was currently working on its development, and AQB is

1 the entity, along with others to create the
2 simulation.

3 Chairman Smith referred to the first exposure
4 draft of a proposed interpretation of the Real
5 Property Appraiser Qualification Criteria. He stated
6 effective January 1, 2015, the AQB Real Property
7 Appraiser Qualification Criteria mandated
8 qualification requirements for supervisory appraisers.
9 He noted that AQB was requesting comments before
10 May 3, 2019.

11 Chairman Smith stated the AQB received comments
12 related to some state appraiser regulatory agencies'
13 interpretations of certain disciplinary sanctions in
14 the supervisory appraiser requirement section of the
15 criteria, so AQB was changing some of the language.

16 Ms. Wolfgang discussed the Board's final
17 rulemaking package (16A-7022-Federally Mandated
18 Revisions) that adopt the AQB language, where the
19 supervisory appraiser shall not have been subject to
20 the disciplinary action within the last three years
21 that affected the supervisory appraiser's legal
22 ability to engage in appraisal practice.

23 Ms. Wolfgang discussed the AQB's current exposure
24 draft that interprets supervisory disciplinary action
25 and indicated the Board may need to review its

1 regulations if the AQB adopts the change with regard
2 to the supervisory appraiser requirement.

3 Mr. Wentzel questioned whether the Independent
4 Regulatory Review Commission (IRRC) would accept
5 adoption by reference. Ms. Wolfgang commented that
6 generally IRRC is certainly reviews proposed
7 regulations for an unlawful delegation of authority.
8 However, the AQB is authorized by Congress to develop
9 appraiser qualification standards. IRRC did not
10 comment with regard to the Board's adoption of AQB
11 standards.

12 Mr. Wentzel referred to a matter with mortgage
13 servicing regulations, where IRRC would not allow
14 adopting by reference and all of the regulations had
15 to be written out. Ms. Wolfgang discussed similar
16 circumstances when there is a federal requirement.]

17

18 Report of Board Administrator

19 [Heidy M. Weirich, Board Administrator, updated the
20 Board on the Appraisal Management Company (AMC)
21 National Registry Application fee and the renewal.
22 Ms. Weirich stated that the information technology
23 (IT) department was working on developing those forms
24 for the new system and hopeful for the distribution
25 for renewals in the near future.]

1

2 Matters for Discussion

3 [D. Thomas Smith, Chairman, Professional Member, noted
4 today as his last meeting. He also noted the need for
5 election of a new chairman, vice chairman, and
6 secretary.]

7

8 CHAIRMAN SMITH:

9

I make a recommendation for Joseph
10 Pasquarella for chairman. Is there a
11 second or anybody else who would like to
12 be nominated for chairman?

13 MS. BROWN:

14

I second that.

15 CHAIRMAN SMITH:

16

Any discussion? All in favor? Opposed?

17

Joe, congratulations. You're chairman.

18

[The motion carried unanimously]

19

20 CHAIRMAN SMITH:

21

Jeff Walters is current vice chairman.

22

I would give a nomination for that if

23

Jeff would accept.

24 MR. LEHMAYER:

25

Second.

1 CHAIRMAN SMITH:

2 Second, Eric. Any other nominations for
3 vice chairman? None. Any discussion?
4 All in favor? Opposed? Jeff,
5 congratulations. You're vice chairman.

6 [The motion carried unanimously]

7 ***

8 CHAIRMAN SMITH:

9 Do we have any suggestions for
10 secretary? Eric, would you like to be
11 nominated for secretary? Any other
12 nominations for secretary?

13 Can I get a second for Eric for
14 secretary?

15 MR. PASQUARELLA:

16 I'll second that.

17 CHAIRMAN SMITH:

18 Any discussion? All in favor? Opposed?
19 Congratulations Eric. You're secretary.

20 [The motion carried unanimously]

21 ***

22 Public Comment/Discussion

23 [Larry Shubert, CPE, President, Assessors' Association
24 of Pennsylvania, referred to the last meeting, where
25 the Board chose to not change the credits from 28 to

1 20 and questioned what changed since that meeting.

2 Ms. Wolfgang commented that the Board decided to
3 distribute an exposure draft to obtain comments and
4 feedback.

5 Mr. Shubert questioned whether the Assessors'
6 Association of Pennsylvania (AAP) would be able to
7 examine those responses. Ms. Wolfgang stated all of
8 the comments would be discussed in open session. She
9 suggested that Mr. Shubert attend the Board meeting.

10 Mr. Shubert read AAP's letter to the Board
11 regarding amending the continuing education hour
12 requirement for certified Pennsylvania evaluators from
13 28 to 20 hours.]

14

15 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
16 9:48 a.m. the Board entered into Executive Session
17 with Jacqueline A. Wolfgang, Esquire, Board Counsel,
18 for the purpose of conducting quasi-judicial
19 deliberations. The Board returned to open session at
20 11:18 a.m.]

21

22 MOTIONS

23 MS. WOLFGANG:

24 Pursuant to Section 708(a)(5) of the
25 Sunshine Act, the Board entered into

1 executive session with Board Counsel for
2 the purpose of having attorney-client
3 consultations and conducting
4 quasi-judicial deliberations in the
5 following matters:

6 Consent Agreement File No. 17-70-
7 10954; BPOA vs. Robert Donald Graham;
8 BPOA vs. Jon A. Deluzio; and the
9 applications of Derek DeFine, Jennifer
10 Louise Hornichak, and Alex Scott
11 Lafferty.

12 I believe the Board would consider
13 a motion at this time. I do want to
14 note for the record, however, that the
15 Board will not be voting on the
16 applications of Jennifer Louise
17 Hornichak and Alex Scott Lafferty. The
18 Board instead has provided the Board
19 administrator with instructions as to
20 how to proceed.

21 MR. LEHMAYER:

22 I move to adopt the Consent Agreement
23 and Order negotiated by the
24 Commonwealth's prosecuting attorney in
25 settlement of the following matter:

1 Commonwealth of Pennsylvania Bureau of
2 Professional and Occupational Affairs,
3 File No. 17-70-10954.

4 CHAIRMAN SMITH:

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

6 MR. WALTERS:

7 Second.

8 CHAIRMAN SMITH:

9 Any discussion? All in favor?

10 [The motion carried unanimously. The Respondent's
11 name for File No. 17-70-10954 is Karen E. Moyer.]

12 ***

13 MS. BROWN:

14 In the matter of BPOA vs. Robert Donald
15 Graham, File No. 18-70-000467, I make a
16 motion that the Board grant a Motion to
17 Deem Facts Admitted and instruct Board
18 counsel to draft an Adjudication and
19 Order in accordance with the discussion
20 held in executive session.

21 CHAIRMAN SMITH:

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

23 MR. LEHMAYER:

24 Second.

25 CHAIRMAN SMITH:

1 Any discussion? All in favor? Opposed?
2 [The motion carried unanimously.]

3 ***

4 MR. PASQUARELLA:

5 I move that the Board adopt and issue as
6 its final determination the draft
7 Adjudication and Order presented by
8 Board counsel in the following matter:

9 Commonwealth of Pennsylvania Bureau
10 of Professional and Occupational Affairs
11 vs. Jon A. Deluzio, File No. 16-70-
12 00499.

13 CHAIRMAN SMITH:

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

15 MR. WENTZEL:

16 Second.

17 CHAIRMAN SMITH:

18 Any discussion? All in favor? Opposed?
19 [The motion carried unanimously.]

20 ***

21 MS. BROWN:

22 In the matter of the Application for
23 Certified Residential Appraiser of Derek
24 DeFine, I make a motion that the Board
25 grant the application and that the

1 criminal history disclosed is not a
2 barrier to granting the application.

3 CHAIRMAN SMITH:

4 Motion. Do I have a second?

5 MR. WALTERS:

6 Second.

7 CHAIRMAN SMITH:

8 Any discussion? All in favor? Opposed?

9 [The motion carried unanimously.]

10 ***

11 Adjournment

12 CHAIRMAN SMITH:

13 Motion for adjournment?

14 MR. WENTZEL:

15 So moved.

16 [There was no second to the motion.]

17 ***

18 [Jacqueline A. Wolfgang, Esquire, Board Counsel,
19 thanked Chairman Smith for eight years of service as a
20 great leader, stating that he will be missed.

21 Mr. Bradley also thanked Chairman Smith for his
22 strong, steady leadership and wished him well.]

23 ***

24 [There being no further business, the State Board of
25 Certified Real Estate Appraisers Meeting adjourned at

1 11:22 a.m.]

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CERTIFICATE

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9

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.

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Skyler Hope Wilson,

19

Minute Clerk

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Sargent's Court Reporting

21

Service, Inc.

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STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

April 11, 2019

	TIME	AGENDA
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	9:04	Official Call to Order
11		
12	9:05	Roll Call
13		
14	9:05	Approval of Minutes
15		
16	9:06	Report of Prosecutorial Division
17		
18	9:10	Report of Board Counsel
19		
20	9:15	Report of Board Chairman
21		
22	9:39	Report of Board Administrator
23		
24	9:39	Matters for Discussion
25		
26	9:42	Public Comment/Discussion
27		
28	9:48	Executive Session
29	11:18	Return to Open Session
30		
31	11:18	Motions
32		
33	11:22	Adjournment
34		
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