

1 COMMONWEALTH OF PENNSYLVANIA
2 DEPARTMENT OF STATE
3 BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS
4

5 **F I N A L M I N U T E S**
6

7 MEETING OF:
8

9 **STATE BOARD OF CERTIFIED**
10 **REAL ESTATE APPRAISERS**
11

12 TIME: 10:31 A.M.
13

14 Held at

15 **PENNSYLVANIA DEPARTMENT OF STATE**

16 2601 North Third Street

17 One Penn Center, Board Room C

18 Harrisburg, Pennsylvania 17110

19 as well as

20 **VIA MICROSOFT TEAMS**
21

22 Thursday, April 13, 2023
23
24
25

1 State Board of Certified
2 Real Estate Appraisers
3 April 13, 2023
4
5

6 BOARD MEMBERS:
7

8 Joseph D. Pasquarella, Chairman, Professional
9 Member

10 Mark V. Smeltzer Sr., Vice Chairman, Professional
11 Member

12 John D. Ausherman, Secretary, Professional Member

13 William T. Stoerrle Jr., Professional Member

14 Michael McFarlane, Professional Member

15 Randy L. Waggoner, Professional Member

16 Martha H. Brown, Esquire, Secretary of the
17 Commonwealth designee - Absent

18 Paul D. Edger, Esquire, Senior Deputy Attorney
19 General, Office of Attorney General designee

20 Paul H. Wentzel Jr., Senior Legislative Director,
21 Department of Banking and Securities
22 designee - Absent
23
24

25 BUREAU PERSONNEL:
26

27 Dean F. Picarella, Esquire, Senior Counsel, Counsel
28 Division

29 Ronald K. Rouse, Esquire, Board Counsel

30 Ray Michalowski, Esquire, Senior Board Prosecutor and
31 Board Prosecution Liaison

32 Timothy A. Fritsch, Esquire, Board Prosecutor

33 Kristel Hennessy Hemler, Board Administrator

34 Jessica Zukoski, Law Clerk, Department of State
35
36

37 ALSO PRESENT:
38

39 Charles (Chachi) Angelo, Director of External
40 Affairs,
41 Pennie

42 Teresa Cochran, Executive Director, Assessors'
43 Association of Pennsylvania

44 Scott DiBiasio, Manager, State and Industry Affairs,
45 Appraisal Institute

46 Emme Reiser, Political Programs Manager, Pennsylvania
47 Association of Realtors

48 Mark Kellerman, Assessors' Association of
49 Pennsylvania

50 R. Scott Hartman, SRA, Appraisal Institute

State Board of Certified
Real Estate Appraisers
April 13, 2023

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ALSO PRESENT: (cont.)

Camdon Porterfield, CPE, PR Administrator/CPE at
Evaluator Services and Technology, Inc.
Michelle Bradley, Certified General Appraiser,
Appraiser Qualifications Board Certified Uniform
Standards of Professional Appraiser Practice
Bob Myers, MAI, Appraisal Institute - Philadelphia
Metropolitan Chapter
Jeffrey Carpenter
Tim Booth
James Parker
John B. Taylor
Reid Fox
Thomas Yanchick

1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 April 13, 2023

5 ***

6 [Pursuant to Section 708(a)(5) of the Sunshine Act,
7 at 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 [Ronald K. Rouse, Esquire, Board Counsel, informed
14 everyone that the meeting of the State Board of
15 Certified Real Estate Appraisers was being held in a
16 hybrid format, in person and by livestreaming
17 teleconference, pursuant to Act 100 of 2021, which
18 requires boards to use a virtual platform to conduct
19 business when a public meeting is held.

20 Mr. Rouse also noted that the Board entered into
21 Executive Session with Board Counsel to have
22 attorney-client consultations and for the purpose of
23 conducting quasi-judicial deliberations.]

24 ***

25 The regularly scheduled meeting of the State

1 Board of Certified Real Estate Appraisers was held on
2 Thursday, April 13, 2023. Joseph D. Pasquarella,
3 Chairman, Professional Member, officially called the
4 meeting to order at 10:31 a.m.

5 ***

6 Roll Call/Introduction of Attendees

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

10 ***

11 Approval of minutes of the March 2, 2023 meeting

12 CHAIRMAN PASQUARELLA:

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

15 MR. WAGGONER:

16 So moved.

17 CHAIRMAN PASQUARELLA:

18 Second?

19 MR. AUSERMAN:

20 Second.

21 CHAIRMAN PASQUARELLA:

22 Roll call vote.

23

24 Joseph Pasquarella, aye; Mark Smeltzer,
25 abstain; John Auserman, aye; William

1 Stoerrle, aye; Michael McFarlane,
2 abstain; Randy Waggoner, aye; Paul
3 Edger, aye.

4 [The motion carried. Mark Smeltzer and Michael
5 McFarlane abstained from voting on the motion.]

6 ***

7 Report of Prosecutorial Division

8 [Timothy A. Fritsch, Esquire, Board Prosecutor,
9 presented the Consent Agreement for Case Nos. 21-70-
10 019979 & 22-70-013528.]

11 MR. ROUSE:

12 Regarding the Consent Agreement at item
13 2 on the agenda at Case Nos. 21-70-
14 019979 & 22-70-013528, after discussion
15 in Executive Session, I believe the
16 Chair would entertain a motion to adopt
17 the Consent Agreement.

18 CHAIRMAN PASQUARELLA:

19 Would someone make that motion, please?

20 MR. MCFARLANE:

21 So moved.

22 MR. EDGER:

23 Second.

24 MR. ROUSE:

25 Any discussion. Chairman, do you want

1 a roll call?

2

3 Joseph Pasquarella, aye; Mark Smeltzer,
4 aye; John Ausherman, aye; William
5 Stoerrle, nay; Michael McFarlane, aye;
6 Randy Waggoner, aye; Paul Edger, aye.

7 [The motion carried. William Stoerrle opposed the
8 motion. Case Nos. 21-70-019979 & 22-70-013528 is the
9 matter of Jeffrey A. Carpenter.]

10 ***

11 Report of Prosecutorial Division

12 [Ray J. Michalowski, Esquire, Senior Board Prosecutor
13 and Board Prosecution Liaison, informed Board members
14 that he would be giving a presentation for the
15 Keystone Chapter of the Appraisal Institute (AI) in
16 April and the Southeast Chapter in June. He noted
17 that he would also be attending an online course on
18 appraiser bias to ensure they are teaching things
19 appropriately, along with Mr. Fritsch and Ms.
20 Zukoski, once approvals are finalized.

21 Chairman Pasquarella thanked Mr. Michalowski for
22 his time and reaching out to the appraisal community
23 and offering critical topics.]

24 ***

25 Report of Board Counsel - Miscellaneous

1 [Ronald K. Rouse, Esquire, Board Counsel, provided an
2 update on The Appraisal Foundation's progress on the
3 recommendations made in the Property Appraisal and
4 Valuation Equity (PAVE) Task Force Report. He stated
5 PAVE issued an action plan on March 31, 2022, with
6 the aim of providing a blueprint for how all
7 Americans could benefit fairly from the equity built
8 through home ownership.

9 Mr. Rouse stated the action plan outlined the
10 historical role of racism and valuation of
11 residential property, examined the forms of bias that
12 could impact property valuation, and described
13 affirmative steps that federal agencies would take to
14 advance equity in the appraisal process.

15 Mr. Rouse stated The Appraisal Foundation
16 released an update of its progress on March 14, 2023,
17 on following its commitment to the PAVE Action Plan
18 by highlighting 10 achievements. First, by updating
19 the 90-minute section of the 7-hour National Uniform
20 Standards of Professional Appraiser Practice (USPAP)
21 course focused on bias and discrimination, in
22 consultation with fair housing law firm, Relman
23 Colfax.

24 Second, creation of the Council to Advance
25 Residential Equity (CARE) to bring previously

1 unrecognized stakeholders with the mission of civil
2 rights, fair housing, or consumer advocacy to the
3 table to provide input on proposed changes to
4 standards and qualifications. Third, institution of
5 a new process for the public to submit comments,
6 questions, and requests for the boards, both the
7 Appraiser Qualifications Board (AQB) and the
8 Appraisal Standards Board (ASB), on any topic at any
9 time.

10 Fourth, The Appraisal Foundation is removing the
11 requirement that a majority of The Appraisal
12 Foundation trustees must be appraisers. Fifth, The
13 Appraisal Foundation has been conducting a
14 comprehensive review of the ethics rule with the
15 advice from Relman Colfax, resulting in proposed
16 changes making it clear that bias and discrimination
17 against protected classes have always been prohibited
18 by USPAP and that USPAP has always required
19 appraisers to comply with applicable fair housing
20 laws.

21 Sixth, The Appraisal Foundation is supporting the
22 adoption of the Practical Applications of Real Estate
23 Appraisal (PAREA) as a simulated training alternative
24 for aspiring appraisers to fulfill their experience
25 requirements in 40 states and counting. Seventh, The

1 Appraisal Foundation is developing a scholarship
2 through the Pathway to Success initiative that would
3 prioritize serving aspiring appraisers who are people
4 of color, veterans, or those who wish to work in
5 underserved communities.

6 Eighth, Mr. Rouse stated The Appraisal Foundation
7 is proposing changes to the AQB criteria that would
8 require fair housing education for incoming and
9 existing credential holders. Nineth, The Appraisal
10 Foundation is also designing resources for consumers
11 to learn more about the appraisal process and how to
12 proceed if they need to make a complaint. Finally,
13 The Appraisal Foundation is publishing a report of
14 the Automated Valuation Model (AVM) Task Force, which
15 makes recommendations on potential standards for
16 AVMs.

17 Mr. Rouse addressed agenda item number 4, the
18 report on AQB's first exposure draft of proposed
19 changes to the AQB criteria regarding valuation bias
20 and fair housing. He noted prior Board discussion
21 concerning AQB's proposed changes to the criteria,
22 including requiring appraiser candidates to have an
23 8-hour Valuation Bias and Fair Housing Law and
24 Regulations course as part of their required
25 qualifying education by January 1, 2025; all

1 credentialed appraisers would have to take a 7-hour
2 Valuation Bias and Fair Housing Law and Regulations
3 course by December 31, 2025; and as of January 1,
4 2026, certified real estate appraisers would have to
5 take a 4-hour Valuation Bias and Fair Housing Update
6 course during each biennial renewal period as part of
7 the 28 hours of continuing education.

8 Mr. Rouse mentioned that the Valuation Bias, Fair
9 Housing and/or Equal Opportunity currently listed in
10 the AQB criteria as an allowable continuing education
11 topic for appraisers would be renamed Valuation Bias
12 and Fair Housing Laws and Regulations.

13 Mr. Rouse addressed his attendance at AQB's
14 public meeting on March 22, 2023, and provided an
15 overview of the comments received regarding the first
16 exposure draft. He mentioned there was mainly
17 support for the proposed changes to AQB criteria but
18 also concerns about the implementation date being too
19 soon for the Valuation Bias and Fair Housing Law and
20 Regulations course depending on the rulemaking
21 process of each state, noting AQB is taking that into
22 consideration.

23 Mr. Rouse also addressed concern that the
24 implementation date for all credentialed appraisers
25 to have completed the Valuation Bias and Fair Housing

1 Law and Regulations course may not coincide with
2 appraiser licensing renewal cycles. He mentioned
3 that some appraisers objected to having the Valuation
4 Bias and Fair Housing Law Regulations course because
5 they do not perform residential appraisal assignments
6 for a lending institution. He also mentioned that
7 some appraisers asked why everyone needed to take the
8 course and suggested "just get rid of the bad
9 apples."

10 Mr. Rouse informed Board members that AQB
11 accepted the comments and voted on March 22 to
12 release a second exposure draft of proposed changes
13 to the AQB criteria. He commented that he would
14 provide the second exposure draft when available and
15 the AQB would set a new date for a public
16 discussion.]

17 ***

18 Appointment - Assessors' Association of
19 Pennsylvania (AAP)
20 [Teresa Cochran, Executive Director, Assessors'
21 Association of Pennsylvania, presented to the Board
22 to discuss the Valuation Bias and Fair Housing
23 training that may soon be required of certified
24 Pennsylvania evaluator (CPEs). She stated AAP
25 supports the intent of offering the course. She

1 expressed concern with the 4-hour course being part
2 of the 28 hours of continuing education assessors are
3 required to have every 2 years because coupling that
4 with the 7 hours of USPAP and 2 hours of Act 28
5 reduces the ability of AAP to be able to offer
6 elective courses to assessors.

7 Ms. Cochran reported a significant turnover in
8 assessment offices and having a lot of new certified
9 Pennsylvania evaluators (CPE) CPEs. She stated
10 making half of the 28 hours required courses allows
11 every little leeway for courses that are germane to
12 their job. She noted concern with being able to
13 provide quality information to members and making
14 sure they are properly trained.

15 Ms. Cochran asked whether they would consider
16 taking the 4 hours of fair housing training and
17 making that not part of the 28 hours or whether there
18 would be consideration of changing the statute to
19 increase that 28 hours to 32 hours every 2 years if
20 it still is going to be part of their continuing
21 education.

22 Mr. Rouse explained that the Board did not have a
23 discussion of whether or not the requirement would
24 also be a requirement of certified Pennsylvania
25 evaluators. He mentioned that there has not been a

1 vote from AQB about whether it is going to be adopted
2 and asked whether the Board believed the discussion
3 to be too soon.

4 Mr. Smeltzer commented that the requirements are
5 AQB plus the 2 hours, including the 2-hour state law
6 required course. He believed the continuing
7 education for CPEs was the same as certified
8 residential and general appraisers and asked whether
9 the Board could look at the regulation, noting it
10 would have to go through the legislature to allow a
11 different requirement for the CPEs than certified
12 residential and certified general appraisers.

13 Mr. Rouse explained that changing a statute is a
14 legislative function and the Board looks at what is
15 in the statute because that gives the Board the
16 authority and the Board does rulemaking to amend its
17 regulations to be consistent with the authority
18 granted through the statute.

19 Mr. Smeltzer asked whether it would be a
20 legislative or a Board function to make the change
21 and whether the Board has the authority under the
22 current legislation to have one set of requirements
23 for CPEs and a separate one for residential and
24 general appraisers.

25 Mr. Rouse explained that the Board has the

1 authority for appraisers because it states that the
2 Board has to work consistent with AQB criteria but no
3 such thing for CPEs.

4 Mr. Smeltzer commented that the Board would have
5 the authority to add the 4-hour requirement for CPEs
6 as reference by Ms. Cochran.

7 Mr. Rouse noted Mr. Smeltzer to be correct but
8 that it would be a legislative function.

9 R. Scott Hartman, SRA, Appraisal Institute,
10 commented that the Appraisal Institute would strongly
11 object to removing the 4-hour requirement but
12 probably be supportive of adding it legislatively.
13 He mentioned the importance of public trust in the
14 assessment and real estate profession. He noted
15 appraisers have the same problem, where their members
16 would have difficulty and may have to spend money out
17 of their own pocket because employers only pay for 28
18 hours every 2 years.

19 Ms. Cochran commented that AAP would fully
20 support training with the hope of being able to
21 increase the required hours to 32 hours. She
22 mentioned that counties are looking at their budgets
23 every year, and the assessment office seems to be one
24 of the first areas where they look at cutting their
25 education and did not believe it was fair to lump

1 CPEs in with the appraisal industry.

2 Chairman Pasquarella thanked Ms. Cochran and Mr.
3 Hartman for their contributions today.]

4 ***

5 Appointment - Pennsylvania Health Insurance Exchange
6 Authority (Pennie) Presentation

7 [Charles (Chachi) Angelo, Director of External
8 Affairs at Pennie, stated Pennie was formed by
9 bipartisan unanimous legislation with Act 42 of 2019
10 to move away from HealthCare.gov, increase premium
11 savings for Pennsylvanians, and launch a reinsurance
12 program for lower income families. He noted Pennie
13 is the official health care marketplace with a
14 mission to maximize the number of Pennsylvanians with
15 affordable quality health coverage and the only
16 source that connects individuals to financial
17 assistance to reduce the cost of coverage and care.

18 Mr. Angelo explained that Pennie helps
19 individuals and families who do not have access to
20 health care through their employer. He mentioned
21 Pennie operates a no wrong door policy to help
22 individuals to the appropriate program and also works
23 with Medicaid and the Children's Health Insurance
24 Program (CHIP).

25 Mr. Angelo reported 371,516 enrollees through

1 Pennie and that 9 out of 10 Pennie customers qualify
2 for financial assistance. He explained that the
3 health insurance offered through Pennie is high
4 quality and includes 10 essential health benefits
5 from the Affordable Care Act, including medical and
6 dental.

7 Mr. Angelo noted the advanced premium tax credit
8 is immediate and cost-sharing reductions help with
9 copays and deductibles for available plans, including
10 gold, silver, and bronze. He mentioned that
11 individuals may not be aware of Pennie and that the
12 amount of financial assistance is higher than it has
13 ever been.

14 Mr. Angelo stated Pennie wanted to make health
15 insurance purchasing easier by providing self-help
16 and customer service and provided examples of
17 financial assistance. He noted over one-third of
18 Pennie enrollees are between 55 and 64 and early
19 retirees not eligible for Medicare.

20 Mr. Angelo addressed the enrollment period,
21 noting Pennie added an additional month and runs from
22 November 1 to January 15, along with a special
23 enrollment period that runs throughout the year for a
24 qualifying life event. He noted a special enrollment
25 period opens automatically for someone whose income

1 falls below or at 150 percent of the federal poverty
2 scale.

3 Mr. Angelo discussed the Path to Pennie, where
4 someone fills out a form during tax season that the
5 Department of Revenue sends to Pennie and then
6 informs the individual that they are eligible for
7 financial assistance.

8 Mr. Angelo addressed changes to Medicaid
9 redetermination starting in April, where those who
10 were on Medicaid and CHIP were not allowed to be
11 kicked off even if they no longer qualified because
12 of COVID-19 relief efforts.

13 Mr. Angelo referred to the Consolidated
14 Appropriations Act of 2023, where the process would
15 return to normal and anyone ineligible for Medicaid
16 would be sent to Marketplace coverage. Pennie in that
17 sense. He noted that all Medicaid and CHIP
18 recipients must complete an annual renewal to see if
19 they qualify for coverage, noting it would be taking
20 place of the next 12 months.

21 Mr. Angelo explained that the Department of Human
22 Services (DHS) would be sending out communications to
23 individuals 90 days ahead of their renewal with the
24 renewal packet arriving in 60 days and notifying them
25 it is time to complete their renewal packet in 30

1 days. He noted that individuals would be informed
2 whether they are eligible for Medicaid or Pennie.

3 Mr. Angelo noted that anyone ineligible for
4 Medicaid would be automatically transferred over to
5 Pennie, where Pennie could set up their account,
6 basically submit their application for them, and then
7 contact these individuals to choose a plan and stay
8 enrolled. He mentioned that Pennie also reaches out
9 to individuals who did not reply to their Medicaid
10 renewal packet.

11 Mr. Angelo stated Pennie would be doing a lot of
12 advertising over the next year to get the word out.
13 He mentioned that anyone who loses medical assistance
14 (MA) would have 120 days of that special enrollment
15 period to enroll in a plan but are encouraged to
16 enroll within the first 60 days to avoid a gap in
17 coverage.

18 Mr. Angelo stated the change would
19 affect about 3 million Pennsylvanians and wanted to
20 raise the awareness of Pennie and the redetermination
21 process. He encouraged anyone who may come across
22 somebody who lost MA coverage to send them to the
23 Department of Human Services website or Pennie. He
24 also encouraged everyone to become a Pennie helper to
25 receive updates. He mentioned that Pennie is a great

1 option and the easiest way to drive down health care
2 costs because they are Pennsylvania's only access to
3 financial assistance.

4 Mr. Angelo informed Board members that Pennie
5 would be available to attend educational sessions and
6 events, along with having a community partner
7 workgroup that meets the second Friday of every month
8 from 11 a.m. until noon to review general and
9 operational updates. He also provided links for
10 accessing their toolkits.

11 Chairman Pasquarella thanked Mr. Angelo for the
12 presentation.]

13 ***

14 Applications for Review

15 MR. ROUSE:

16 Item 10 on the agenda is the Request
17 for Extension of Approval to Sit for
18 the Certified Residential Real Estate
19 Appraiser Examination of John B.
20 Taylor, Case No. 22-70-004500.

21 This was a matter that was
22 discussed in Executive Session. I
23 believe the Chair would entertain a
24 motion to grant John B. Taylor's
25 Request for Extension of Approval to

1 Sit for the Certified Residential Real
2 Estate Appraiser Examination for 90
3 days.

4 CHAIRMAN PASQUARELLA:

5 Does someone care to make that motion,
6 please?

7 MR. AUSERMAN:

8 I so move that the extension be granted
9 for 90 days.

10 CHAIRMAN PASQUARELLA:

11 Do we have a second?

12 MR. EDGER:

13 I'll second.

14 CHAIRMAN PASQUARELLA:

15 Let's do the roll call.

16
17 Joseph Pasquarella, aye; Mark Smeltzer,
18 aye; John Auserman, aye; William
19 Stoerrle, aye; Michael McFarlane, aye;
20 Randy Waggoner, aye; Paul Edger, aye.

21 [The motion carried unanimously.]

22 ***

23 Review of Requests

24 MR. ROUSE:

25 Item 11 on the agenda is the Licensed

1 Appraiser Trainee Renewal Extension
2 Request for Reid Fox.

3 This was a matter that was
4 discussed in Executive Session. I
5 believe the Chair would entertain a
6 motion to grant the Licensed Appraiser
7 Trainee Renewal Extension Request of
8 Reid Fox at item 11 on the agenda.

9 MR. SMELTZER:

10 I so move.

11 MR. AUSERMAN:

12 I second.

13 CHAIRMAN PASQUARELLA:

14 Thank you.

15
16 Joseph Pasquarella, aye; Mark Smeltzer,
17 aye; John Auserman, aye; William
18 Stoerrle, aye; Michael McFarlane, aye;
19 Randy Waggoner, aye; Paul Edger, aye.

20 [The motion carried unanimously.]

21 ***

22 MR. ROUSE:

23 Item 12 on the agenda is Thomas
24 Yanchick. I believe the Chair would
25 entertain a motion to table this matter

1 of the request of Thomas Yanchick for
2 Extension of a Licensed Appraiser
3 Trainee Renewal.

4 MR. AUSERMAN:

5 I so move that it is tabled until the
6 May meeting.

7 MR. WAGGONER:

8 Second.

9 CHAIRMAN PASQUARELLA:

10 Joseph Pasquarella, aye; Mark Smeltzer,
11 aye; John Auserman, aye; William
12 Stoerrle, aye; Michael McFarlane, aye;
13 Randy Waggoner, aye; Paul Edger, aye.

14 [The motion carried unanimously.]

15 ***

16 Report of Board Counsel - Miscellaneous

17 [Ronald K. Rouse, Esquire, Board Counsel, referred to
18 the fifth exposure draft of proposed changes to
19 USPAP, noting proposed advisory opinions 39 and 40
20 were issued by the Appraisal Standards Board and a
21 copy could be found on The Appraisal Foundation's
22 website at www.theappraisalfoundation.org.

23 Mr. Rouse stated the Appraisal Standards Board
24 is accepting written comments to the exposure draft
25 through April 29, 2023, and should be submitted to

1 www.surveymonkey.com/r/asbcomments or
2 asbcomments@appraisalfoundation.org. He also
3 informed everyone of a webinar on the fifth exposure
4 draft at 1 p.m., noting registration at
5 www.appraisalfoundation.org.

6 Mr. Rouse addressed proposed changes to the
7 fifth exposure draft, including a nondiscrimination
8 section that has been added to the Ethics Rule. He
9 stated the nondiscrimination section has four
10 prohibitions that apply across appraisal disciplines
11 regardless of whether antidiscrimination laws or
12 regulations also apply. He noted the prohibitions
13 apply with respect to an enumerated list of personal
14 characteristics that are drawn from federal
15 antidiscrimination protections including race,
16 ethnicity, color, religion, sexual orientation,
17 gender identity, gender expression, marital status,
18 familial status, age, receipt of public assistance
19 income, or disability of any person.

20 Mr. Rouse stated the four prohibitions in the
21 nondiscrimination section, where an appraiser must
22 not develop and/or report an opinion of value based,
23 in whole or in part, on any of the listed
24 characteristics; an appraiser must not base an
25 opinion of value upon the homogeneity of the

1 inhabitants of the geographic area is relevant for
2 the appraiser; an appraiser must not perform an
3 assignment with bias with respect to any of the
4 listed characteristics; an appraiser must not use or
5 rely upon another characteristic as a pretext to
6 conceal the use of or reliance upon a listed
7 characteristic.

8 Mr. Rouse stated there would be limited
9 permissive language which identifies that an
10 appraiser may use or rely on a protected
11 characteristic if any of the following apply: use or
12 reliance on protective characteristics must not be
13 prohibited by antidiscrimination laws and regulations
14 and the use or reliance on protected characteristics
15 must be essential to the assignment and necessary for
16 credible assignment results.

17 Mr. Rouse noted that an example of when reliance
18 on a protected characteristic may be permitted is in
19 the case of age-restricted housing. He noted the
20 fifth exposure draft also proposes to add advisory
21 opinions 39 and 40, where advisory opinion 39 shows
22 how the Fair Housing Act, Equal Credit Opportunity
23 Act, and the Civil Rights Act of 1886 are relevant to
24 appraisal practice. He stated advisory opinion 39
25 provides examples of how certain actions can violate

1 these laws and also explains the concept of disparate
2 treatment and disparate impact.

3 Mr. Rouse explained that advisory opinion 40
4 provides guidance related to the prohibitions on
5 using particular protected characteristics in
6 developing an opinion of value for residential real
7 property assignments and in the research, analysis,
8 and reporting of location-related data. He noted
9 advisory opinion 40 also provides examples of code
10 words that could be identified as a pretext for
11 discrimination.

12 Mr. Rouse stated the fifth exposure draft
13 proposes to retire the definition of certain words,
14 including assignment elements, misleading, and
15 relevant characteristics. He noted definitions would
16 be modified for appraiser, personal inspection, and
17 workfile.

18 Michelle Czekalski Bradley, Chair, Appraisal
19 Standards Board; CGA, AQB-certified USPAP Instructor,
20 requested comments regarding the fifth exposure draft
21 be submitted by April 29 because the board would be
22 meeting that week. She informed everyone of a
23 virtual public meeting on May 5 and encouraged
24 everyone to sign up for that meeting on The Appraisal
25 Foundation's website at appraisalfoundation.org,

1 where potential changes could be adopted.

2 Ms. Czekalski Bradley pointed out a change from
3 the fourth exposure draft, where the Board was
4 proposing to delete the definition of personal
5 inspection in all prior drafts but proposing to
6 modify the definition in the fifth exposure draft.
7 She also noted a revised advisory opinion 2, which
8 relates to inspections in general.]

9

10 Regulations/Statute

11 [Ronald K. Rouse, Esquire, Board Counsel, informed
12 Board members that he is working on Regulation 16A-
13 7031. He noted there was a change in regulations
14 identified that their regulation regarding appraisal
15 management company (AMC) owner limitations is
16 inconsistent with the federal law and is doing a
17 final-omitted regulation.

18 Mr. Rouse referred to Section 204 of the
19 Commonwealth Documents Law, where the Board is
20 authorized to omit the regular procedures of a
21 proposed rulemaking if the Board finds the specified
22 procedures are impracticable, unnecessary, or
23 contrary to the public interest. He mentioned that
24 they may be able to move it as final omitted since it
25 is an inconsistency with federal law and unnecessary

1 to go through the proposed rulemaking process.

2 Mr. Rouse addressed 16A-7025 regarding fees,
3 noting he received comments from regulatory counsel
4 and would have to review numbers with the Bureau of
5 Finance and Operations (BFO) but would keep the Board
6 posted.

7 Mr. Rouse requested Board approval to bring
8 Regulation 16A-7027 regarding broker price opinion
9 (BPO) back at the next meeting to allow him to
10 address an issue with the surety bond that is also a
11 part of the AMC statute, and the Board approved his
12 request.]

13 ***

14 Matters for Discussion

15 [Ronald K. Rouse, Esquire, Board Counsel, informed
16 Board members that the Appraisal Subcommittee (ASC)
17 has issued a 60-day notice regarding an information
18 collection request for ASC to conduct an Appraiser
19 Profession Survey project. He noted a copy of the
20 notice can be accessed through the Federal Register
21 website at www.federalregister.gov/d/2023-05838.

22 Mr. Rouse stated ASC is requesting public
23 comments be submitted to webmaster@asc.gov by May 22,
24 2023. He mentioned that ASC is seeking approval from
25 the Office of Management and Budget to collect

1 information directly from appraisal professionals who
2 belong to underserved communities. He explained that
3 the Appraiser Profession Survey is expected to
4 provide data to better understand the challenges
5 facing the current appraisal industry, including
6 barriers to entry into the profession as well as
7 appraiser shortages.

8 Mr. Rouse further explained that the objective
9 is to collect new data about real estate appraisers
10 of single-family residential properties to improve
11 ASC's understanding of current demographics of the
12 appraisal profession, barriers to entry, especially
13 women and persons from underserved communities,
14 including people of color, and current trends and
15 patterns of the appraisal practice.

16 Mr. Rouse provided data from the United States
17 Bureau of Labor Statistics in 2022 showing
18 approximately 100,000 property appraisers and
19 assessors, noting approximately 7,600 are persons of
20 color and 7,800 who identified as Hispanic.]

21

22 Report of Board Chairman - No Report

23

24 Report of Board Administrator - No Report

25

1 Conference Reports - No Reports

2

3 Exploratory Committee

4 [Michael McFarlane, Professional Member; Chairman,
5 Exploratory Committee, provided an update of where
6 the committee stands regarding seeking approval to
7 obtain grants. He believed he had all of the
8 necessary elements to submit a pre-application for
9 review and comments from the Appraisal Subcommittee
10 and then hopefully expedite the process as quickly as
11 possible.

12 Mr. McFarlane noted a narrative is required to
13 be associated with some of the ASC forms and provided
14 an overview of the primary topics for which the Board
15 is seeking funding. He stated the Board would be
16 seeking a grant related to the cost of Pennsylvania
17 State Board of Certified Real Estate Appraisers
18 members attending the Association of Appraiser
19 Regulatory Officials (AARO) Conference.

20 Mr. McFarlane mentioned the importance of Board
21 members staying abreast of current empirical
22 information to best administrate and regulate
23 licensees within the Commonwealth of Pennsylvania.
24 He noted AARO Conferences to be the best source of
25 information to collectively stay abreast of industry

1 topics and share experiences with other state boards
2 or regulatory officials.

3 Mr. McFarlane stated the Board would be asking
4 for a grant to upgrade some of their technology,
5 particularly conference room audio, as well as the
6 issuance of Microsoft Surface tablets for each board
7 member.

8 Mr. McFarlane noted the Board would be seeking a
9 bias in appraising grant to subsidize the forthcoming
10 costs related to new mandatory continuing education
11 topics for all licensees under the Board's
12 regulation. He explained that the intent is to
13 establish a fund or scholarship fund at the state
14 level if it is permissible through the ASC and
15 administer funds or grants based on applications to
16 the Board for this type of request.

17 Mr. McFarlane mentioned also seeking to
18 establish a scholarship or grant fund held by the
19 Board to provide grants for individuals in need to
20 offsetting the cost for the Practical Applications of
21 Real Estate Appraisal (PAREA), which goes hand-in-
22 hand with the opportunity to increase market
23 entrance, particularly for individuals from rural
24 areas or underserved communities.

25 Mr. McFarlane stated the Board would also be

1 seeking a grant related to offsetting the cost of
2 USPAP for certified Pennsylvania evaluators.

3 Mr. McFarlane noted Excel documents are
4 available for the Board's review and is essentially
5 asking for \$116,000 from the Appraisal Subcommittee
6 as their initial grant award. He requested a Board
7 vote as to whether now is a good time to submit the
8 grant package for pre-application review.

9 Mr. Rouse asked whether there was any Board
10 discussion or any pre-application package amendments.
11 He addressed his attendance at a State Regulatory
12 Advisory Group Meeting yesterday, noting a discussion
13 about how David Button had a meeting with the
14 International Association of Assessing Officers
15 (IAAO). He noted there is national interest in some
16 type of association with the assessors of the
17 national assessors' association.

18 Mr. McFarlane further explained that this would
19 be the initial grant request but could be modified in
20 any subsequent years and believed the Board should
21 submit the request as soon as possible.

22 Mr. Smeltzer asked whether any consideration was
23 made into sending Ms. Hennessy Hemler, Mr. Rouse, and
24 Mr. Michalowski because there are separate breakout
25 groups for the administrators at the AARO Meeting and

1 believed the Board would benefit.

2 Mr. Michalowski mentioned that a lot of the
3 legal courses were taught separately outside of AARO
4 but seem to have moved to be coincidental with AARO
5 and not offered separately.

6 Mr. Smeltzer commented that AARO has separate
7 breakout sessions for investigators, administrators,
8 and Board attorneys and suggested they be included.
9 He pointed out that The Appraisal Foundation has the
10 association with the assessors' group but does not
11 mean the ASC does. He mentioned that ASC is strictly
12 under the Financial Institutions Reform, Recovery,
13 and Enforcement Act (FIRREA), where The Appraisal
14 Foundation existed before FIRREA and covers
15 everything in appraising, so there are separate
16 standards for developing mass appraisals.

17 Mr. McFarlane informed Mr. Smeltzer that all
18 members of the Coalition of Pennsylvania Real Estate
19 Appraisers (CPREA) have been included in the package
20 and not just the professional members.]

21 MR. ROUSE:

22 Do we have a motion to approve the
23 submission of the pre-application
24 package?

25 MR. AUSHERMAN:

1 I so move.

2 MR. STOERRLE:

3 Second.

4 CHAIRMAN PASQUARELLA:

5 Joseph Pasquarella, aye; Mark Smeltzer,
6 aye; John Ausherman, aye; William
7 Stoerrle, aye; Michael McFarlane, aye;
8 Randy Waggoner, aye; Paul Edger, aye.

9 [The motion carried unanimously.]

10 ***

11 Public Comment/Discussion

12 [R. Scott Hartman, SRA, Appraisal Institute, referred
13 to regulations read that a trainee must have at least
14 1,500 hours of experience in interior and exterior
15 inspections. He mentioned that Mr. Myers, also from
16 the Appraisal Institute, wants to hire a trainee but
17 his practice is primarily right-of-way land and does
18 not have an interior. He asked whether his trainee
19 would be denied if they turned in 2,000 hours of that
20 kind of experience.

21 Mr. Rouse explained that the Board, Board
22 Counsel, and Board office cannot provide an advisory
23 opinion.

24 Bob Myers, MAI, Appraisal Institute, referred to
25 § 36.12(e)(2), where at least 50 percent of the total

1 experience requirement must be in the actual
2 preparation of real estate appraisal reports, which
3 includes physical inspections of the interior and
4 exterior of the subject properties, in accordance
5 with § 36.13.

6 Chairman Pasquarella commented that he could not
7 see a reason why they would be denied because there
8 is no interior of land and would be referring to the
9 inspection. He stated it would not be a place where
10 the Board would deny those hours of credit because
11 there is no interior when inspecting corridors for a
12 right-of-way appraisal.

13 Mr. Myers stated his practice has a lot of
14 contested litigation appraisals, where there is a
15 building and not just land but no interior inspection
16 is granted. He asked what he could tell his trainees
17 to expect up front when they put their application in
18 if they do inspect improved properties but only the
19 exterior. He explained that it is not a drive by but
20 a full exterior but from off-site inspection.

21 Mr. Rouse explained that the Board cannot provide
22 an advisory opinion because the Board does not know
23 what someone is actually presenting without an
24 application for the Board to review and could only
25 direct someone to the statute and the regulation.

1 Mr. Smeltzer mentioned that more people are doing
2 desktop and hybrid appraisals and would be running
3 into the same issue, but their regulation for general
4 states that 1,250 has to include interior inspection
5 out of the 1,500 hours. He noted it to also be an
6 issue for appraisers who specialize in hybrid and
7 desktop appraisals. He referred to a question the
8 Board had about what form those should be utilized
9 because they do not include either an interior or
10 exterior inspection.

11 Chairman Pasquarella commented that it is not
12 applicable for land, air, or mineral rights, because
13 there is nothing interior to look at. He noted the
14 Board cannot speak on improved property because they
15 have to see what is actually being sought after in
16 the application. He mentioned that the Board needs
17 to address hybrid appraisals at some future date.

18 Mr. Smeltzer stated the Board does not review
19 experience hours at the beginning and is reviewed by
20 staff to make decisions. He noted the importance of
21 providing some guidance and direction regarding what
22 form is utilized for a land appraisal because there
23 is a form for interior, exterior, exterior only, and
24 other but asked whether they need one for land.

25 Mr. Rouse explained that any questions staff

1 would have concerning land would then go to the Board
2 for review.

3 Chairman Pasquarella suggested having a
4 discussion regarding hybrids and properties that
5 cannot be inspected at the next meeting. He thanked
6 Mr. Myers and Mr. Hartman for bringing the issue
7 forward, noting the Board would definitely take it
8 into consideration.

9 Scott DiBiasio, Manager, State and Industry
10 Affairs, Appraisal Institute, commented that the
11 Board completed action several months ago on PAREA-
12 related rules but have not been put into the
13 Independent Regulatory Review Commission (IRRC)
14 process. He noted they are getting close to the time
15 when PAREA programs would be available in the
16 marketplace and would like to do everything they can
17 to ensure the rules, regulations, policies, and
18 procedures are in place by the time the programs are
19 available. He asked where they stand in the
20 submission of the rules.

21 Mr. Rouse explained that the packet has not been
22 submitted for the proposed rulemaking to the
23 legislature and IRRC and is still in the process at
24 his office. He mentioned it would then be
25 distributed for publication in the *Pennsylvania*

1 *Bulletin* but are not quite there yet.

2 Mr. Rouse further explained that the legislature
3 and IRRC receive a copy of the proposed rulemaking
4 and then it is published in the *Pennsylvania*
5 *Bulletin*, where the public would be given 30 days to
6 make written comments, and then IRRC is given 30 days
7 to review those comments and make its own comments.
8 He stated it would then go back to his office to
9 determine whether there were any recommended changes
10 based on the public comments and IRRC's review and
11 then be moved to the final rulemaking process.

12 Mr. Smeltzer commented that the initial PAREA
13 programs are supposed to be coming out as early as
14 September of this year and requested information
15 regarding how many states already approved it and
16 where Pennsylvania stands on that list.

17 Mr. DiBiasio explained that there are about 43
18 states that have indicated they would accept PAREA to
19 one degree or another, and Pennsylvania is in that
20 category; however, many states are still in the midst
21 of the rulemaking process and may or may not have
22 everything in place by the time the programs are
23 available.

24 Mr. DiBiasio stated the Appraisal Institute is
25 working with many states to move them along in the

1 rulemaking process and have everything in place to
2 accept PAREA when those programs come online in a few
3 months.

4 Chairman Pasquarella mentioned the importance of
5 the PAREA program and training appraisers properly.
6 He believed PAREA to be a great body of knowledge
7 that the Board should do as much as they can quickly
8 to see it to completion. He thanked Mr. DiBiasio for
9 bringing the matter to the Board's attention.

10 Mr. Smeltzer mentioned that he is looking forward
11 to seeing presentations from McKissock and the
12 Appraisal Institute on PAREA at the AARO Meeting.]

13 ***

14 Adjournment

15 CHAIRMAN PASQUARELLA:

16 Do I have a motion to adjourn this
17 meeting?

18 MR. MCFARLANE:

19 So moved.

20 CHAIRMAN PASQUARELLA:

21 Second?

22 MR. AUSHERMAN:

23 Second.

24 CHAIRMAN PASQUARELLA:

25 All in favor, say aye?

1 [The motion carried unanimously.]

2 ***

3 [There being no further business, the State Board of
4 Certified Real Estate Appraisers Meeting adjourned at
5 12:23 p.m.]

6 ***

7

8 CERTIFICATE

9

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

16

17

18

Benjamin Morrow

19

Benjamin Morrow,

20

Minute Clerk

21

Sargent's Court Reporting

22

Service, Inc.

23

24

25

26

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

April 13, 2023

	TIME	AGENDA
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2		
3		
4		
5		
6		
7		
8		
9		
10	9:00	Executive Session
11	10:30	Return to Open Session
12		
13	10:31	Official Call to Order
14		
15	10:32	Roll Call
16		
17	10:32	Introduction of Public Attendees
18		
19	10:34	Approval of Minutes
20		
21	10:35	Report of Prosecutorial Division
22		
23	10:41	Report of Board Counsel
24		
25	10:51	Appointment - Assessors' Association of Pennsylvania
26		
27		
28	11:00	Appointment - Pennsylvania Health Insurance Exchange Authority (Pennie)
29		
30		
31	11:28	Applications for Review
32		
33	11:31	Review of Requests
34		
35	11:32	Report of Board Counsel (cont.)
36		
37	11:41	Regulations/Statute
38		
39	11:44	Matters for Discussion
40		
41	11:48	Exploratory Committee
42		
43	12:01	Public Comment/Discussion
44		
45	12:23	Adjournment
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49		
50		