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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: 9:08 A.M.

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

Wednesday, May 29, 2019

State Board of Certified
Real Estate Appraisers
May 29, 2019

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BOARD MEMBERS:

Joseph D. Pasquarella, Chairman, Professional Member
Jeffrey L. Walters, Vice Chairman, Professional Member
Eric M. Lehmayr, Secretary, Professional Member
John Ausherman, Professional Member
Martha H. Brown, Esquire, Secretary of the
Commonwealth Designee
Zachary Everidge, Office of Attorney General Designee
William F. Rothman, Professional Member - Absent
Paul H. Wentzel Jr., Secretary of Banking and
Securities Designee

BUREAU PERSONNEL:

Jacqueline A. Wolfgang, Esquire, Board Counsel
Ray Michalowski, Esquire, Board Prosecution Liaison
Caroline A. Bailey, Board Prosecutor
Heidy M. Weirich, Board Administrator

ALSO PRESENT:

Justin Reis, Reis Valuations
Tony Alu, Chief Assessor, Luzerne County, and on
behalf of the AAP
Jessica Zukoski, Law Clerk

1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 May 29, 2019

5 ***

6 The regularly scheduled meeting of the State
7 Board of Certified Real Estate Appraisers was held on
8 Wednesday, May 29, 2019. Joseph Pasquarella,
9 Chairman, Professional Member, officially called the
10 meeting to order at 9:08 a.m. A roll call was taken.
11 Jeffrey L. Walters, Vice Chairman, Professional
12 Member, was not present at the commencement of the
13 meeting.

14 ***

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

17 ***

18 [Joseph Pasquarella, Chairman, Professional Member,
19 noted this was his first meeting as Chair. He
20 introduced John Ausherman as the Board's new
21 Professional Member. The other Board members
22 introduced themselves and provided a brief summary of
23 their professional backgrounds for Mr. Ausherman.]

24 ***

25 [Jeffrey L. Walters, Vice Chairman, Professional

1 Member, entered the meeting at 9:12 a.m.]

2 ***

3 Approval of Minutes of the April 11, 2019 meeting

4 CHAIRMAN PASQUARELLA:

5 May I have a motion to approve the
6 Minutes of the last meeting, April 11?

7 MS. BROWN:

8 I move to approve the Minutes of the
9 April 11, 2019 meeting.

10 MR. WALTERS:

11 Second.

12 CHAIRMAN PASQUARELLA:

13 Any discussion? All in favor? Opposed?

14 [The motion carried unanimously]

15 ***

16 Report of Prosecutorial Division

17 [Caroline A. Bailey, Esquire, Board Prosecutor,
18 presented a Consent Agreement for File No. 18-70-
19 006180.]

20 ***

21 [Ray Michalowski, Esquire, introduced himself as the
22 Board's Prosecution Liaison. He discussed a program
23 adopted for first-time nonfraudulent type offenders.
24 Remediation agreements would be reviewed by two Board
25 members who would be recused from the matter if

1 necessary at a later time. He introduced team member
2 and law clerk, Jessica Zukoski.

3 Ms. Zukoski noted seven private remediation
4 agreements had been approved to date, four of which
5 were completely remediated and three are outstanding.

6 Mr. Michalowski further reviewed the remediation
7 process.]

8 ***

9 Report of Board Counsel

10 [Jacqueline A. Wolfgang, Esquire, Board Counsel, noted
11 matters for deliberation during Executive Session.

12 She had discussion regarding the 16A-7018 Annex,
13 the Certified Pennsylvania Evaluator regulation that
14 proposes to decrease the CE from 28 to 20 hours. She
15 indicated 50 comments were received regarding the
16 exposure draft, 31 against lowering the CE, 16 in
17 support of and 3 neutral. Ms. Wolfgang further stated
18 17 of the 26 licensees' comments were against lowering
19 the hours. Seven (7) were in favor and 2 indifferent.
20 Five stakeholder comments were received, 1 with no
21 opinion and 4 against the proposal.

22 Ms. Wolfgang noted an inquiry received from
23 Marlene Wilson of the Pennsylvania House regarding
24 those statistics.

25 Ms. Wolfgang stated 10 Chief County Assessors

1 were against decreasing the hours and 8 were in favor
2 of the decrease.

3 She stated there was a recurring concern that if
4 the hours were lowered to 20, 7 would be regarding the
5 Uniform Standards of Professional Appraisal Practice
6 (USPAP) and 2 hours would be learning about PA law,
7 concluding that almost half of the hours were not
8 substantive CE.

9 Tony Alu, Chief Assessor, Luzerne County,
10 strongly recommended keeping the 28 CE hours.

11 Ms. Wolfgang noted a report from the
12 Commissioner's Office compared CE and education to
13 other states, and that overall, Pennsylvania required
14 more CE than some of the surrounding states. She
15 further indicated that only 20 hours are required
16 under the statute. There was further discussion
17 regarding the matter.

18 Mr. Michalowski commented that in comparison,
19 some states had a different assessment system, and
20 that Pennsylvania was much more decentralized through
21 the county system. He stated the main issue was
22 whether Pennsylvania was really comparable to the
23 other states.

24 Ms. Wolfgang requested additional time to
25 research where other states are regarding the USPAP

1 requirement and how Pennsylvania compares to other
2 states to ensure that the Board is fully informed
3 before making a decision in the matter.

4 Mr. Alu further commented that Pennsylvania was
5 different from other states and "knowledge is never a
6 bad thing." Board members commented in opposition to
7 a decrease in the number of CE hours.

8 Ms. Wolfgang referred members to the Appraisal
9 Management Company Proposed Annex for further
10 discussion of the definition of appraiser panel and
11 the addition of licensed real estate appraiser
12 language. She noted clarification of owner language
13 and the elimination of AVM language and suggested the
14 definition of Broker Price Opinions (BPOs) be deleted
15 in Section 36.434.

16 Ms. Wolfgang discussed appraisal management of
17 BPOs for use in federally related transactions. Mr.
18 Walters found it ironic that a broker price opinion
19 can be offered by a sales agent who was not a broker.
20 He indicated sales agents are not brokers but are
21 offering broker price opinions and suggested on behalf
22 of the Board that it stipulates that "this is a
23 slippery slope that we're going down."

24 Ms. Wolfgang read into the record Subsection E
25 concerning what a Broker Price Opinion may be prepared

1 for as follows: A Broker Price Opinion may be
2 prepared by a broker, associate broker or sales person
3 only for use in conjunction with a property owned by a
4 lender after an unsuccessful sale at a foreclosure
5 auction, modification of a first or junior mortgage or
6 equity line of credit, a short sale of a property or
7 an evaluation or monitoring of a portfolio of
8 properties.

9 Ms. Wolfgang suggested the Broker Price Opinion
10 in her proposed annex at Section 36.434 be deleted to
11 be consistent with state law. After discussion on the
12 matter, Ms. Wolfgang further suggested that the matter
13 could be taken out of the final omitted rulemaking and
14 instead, be made a separate rulemaking package and put
15 out for comment.

16 Mr. Michalowski commented the BPO Act was fairly
17 well drafted compared to the previous versions that
18 had not passed, and that even though the BPO law was
19 passed, it does not become effective until the Real
20 Estate Commission publishes temporary regulations
21 which it is finalizing right now before working on the
22 full regulations.

23 Mr. Michalowski discussed the complaint process.
24 He noted there are three acts enforced by the State
25 Board of Certified Real Estate Appraisers and the Real

1 Estate Licensing and Registration Act, which is
2 enforced by the Real Estate Commission.

3 Ms. Wolfgang noted, after the Commission
4 publishes the proposed regulations, she will ensure
5 that those regulations are placed on the agenda for
6 review by the Board.

7 Ms. Wolfgang reiterated that discussion should be
8 continued with regard to an AMCs ability to order
9 BPOs and a separate rulemaking package may require
10 modification of the absolution prohibition.]

11 MR. WALTERS:

12 Motion to adopt the annex as modified and
13 discussed in public session with respect
14 to the deletions of the Broker Price
15 Opinion provisions.

16 MR. WENTZEL:

17 Second.

18 CHAIRMAN PASQUARELLA:

19 We have a motion. We have a second?

20 Any discussion? All in favor? Opposed?

21 [The motion carried unanimously.]

22 ***

23 Report of Board Chairman

24 [Joseph Pasquarella, Chairman, Professional Member,
25 referred Board members to information regarding

1 appraisal standards for 2019 Summary of Actions
2 related to USPAP changes.

3 Mr. Walters asked members to review Advisory
4 Opinion One regarding sales history and referred to
5 five suggested scenarios by the Appraisal Foundation
6 Board for further discussion.

7 Justin Reis, Reis Valuations, USPAP instructor,
8 commented that Advisory Opinion One is reviewed in
9 extensive detail in the update class. There was
10 further discussion regarding the matter.

11 Chairman Pasquarella referred members to the
12 Fannie Mae Appraiser Updates for further review and
13 discussion.

14 Ms. Wolfgang had discussion about an issue
15 discussed at the AARO Conference regarding Form 10004P
16 which is a mechanism for an appraiser to do a desktop
17 type of appraisal with unlicensed appraisers doing the
18 inspection component of the appraisal. She questioned
19 the Board regarding whether opining about quality and
20 condition of a property in Pennsylvania constitutes an
21 appraisal. There was further discussion.]

22 ***

23 Report of Board Administrator

24 [Heidy M. Weirich, Board Administrator, reported that
25 appraisal renewals were deployed last Thursday, and

1 that to date 480 have renewed. She stated the system
2 was only charging a renewal fee and not charging the
3 national registry fee but that the contractor is
4 working to resolve the problem. She offered further
5 explanation regarding the matter. It was suggested
6 that an extension be offered for those who get
7 "caught" during these glitches.

8 It was noted the Application for Residential
9 Appraiser of Jane Vitucci would be discussed during
10 Executive Session.]

11

12 Matters for Discussion

13 [Jeffrey L. Walters, Vice Chairman, Professional
14 Member, updated members regarding the recent AARO
15 Spring Conference. He noted he learned a lot and
16 encouraged all members to attend this type of
17 conference regularly. There was further discussion
18 regarding the matters discussed at the meeting
19 including the supervisory appraisal dilemma and the
20 sustainable market value concept.

21 Ms. Wolfgang provided an overview of the special
22 regulatory training part of the AARO Conference that
23 she and Ms. Weirich attended. A date for the AARO
24 Conference next spring will be provided for
25 consideration by Board members.]

1 ***

2 Public Comment/Discussion

3 [An audience member requested information regarding
4 the current number of professional and public
5 vacancies on the State Board. Chairman Pasquarella
6 stated two public and two professional seats would be
7 available shortly. Board members were requested to
8 contact Ms. Weirich regarding any Board member
9 suggestions.]

10 ***

11 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
12 11:06 a.m. the Board entered into Executive Session
13 with Jacqueline A. Wolfgang, Esquire, Board Counsel,
14 for the purpose of conducting quasi-judicial
15 deliberations. The Board returned to open session at
16 12:08 p.m.]

17 ***

18 MOTIONS

19 MS. WOLFGANG:

20 Pursuant to Section 708(a)(5) of the
21 Sunshine Act, the Board entered into
22 executive session with Board Counsel for
23 the purpose of having attorney-client
24 consultations and conducting
25 quasi-judicial deliberations in Consent

1 Agreement File No. 18-70-06180, the CE
2 application of Beach Appraisal Seminars
3 and the application of Jane Vitucci.

4 For the record regarding the
5 application of Jane Vitucci, the Board
6 will not be voting on this matter but
7 instead provided the Board Administrator
8 with instructions as to how to proceed.

9 The Board would entertain motions
10 at this time.

11 MS. BROWN:

12 I move to adopt the Consent Agreement
13 and Order negotiated by the
14 Commonwealth's prosecuting attorney in
15 settlement of the following matter:
16 BPOA vs. Consolidated Analytics, Inc.,
17 File No. 18-70-006180.

18 CHAIRMAN PASQUARELLA:

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

20 MR. EVERIDGE:

21 Second.

22 CHAIRMAN PASQUARELLA:

23 Discussion? Any discussion? All in
24 favor? Any opposed?

25 [The motion carried unanimously. The Respondent's

1 name is Consolidated Analytics, Inc.]

2 ***

3 MR. EVERIDGE:

4 Mr. Chairman, I'd like to make a motion
5 regarding Beach Appraisal Seminars to
6 provide them a letter concerning their
7 residential cost approach seminar to be
8 retroactive to August 19, 2018.

9 MS. WOLFGANG:

10 And just for clarification that would be
11 that the Board approves the application
12 of Beach Appraisal Seminars retroactive
13 to that date.

14 CHAIRMAN PASQUARELLA:

15 Do I have a second?

16 MR. AUSERMAN:

17 I second.

18 CHAIRMAN PASQUARELLA:

19 Any discussion? All in favor? Any
20 opposed?

21 [The motion carried unanimously.]

22 ***

23 Adjournment

24 MR. WENTZEL:

25 Motion to adjourn.

1 CHAIRMAN PASQUARELLA:

2 Do I have a second?

3 MR. WALTERS:

4 Second.

5 [The motion carried unanimously.]

6 ***

7 [There being no further business, the State Board of
8 Certified Real Estate Appraisers Meeting adjourned at
9 12:10 p.m.]

10 ***

11 [The next Board of Certified Real Estate Appraisers
12 meeting is scheduled for July 24, 2019.]

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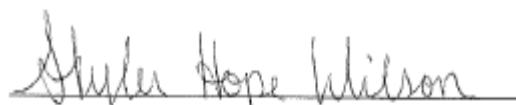
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CERTIFICATE

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



Skyler Hope Wilson,

Minute Clerk

Sargent's Court Reporting
Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

May 29, 2019

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10	9:08	Official Call to Order
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12	9:08	Roll Call
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14	9:12	Approval of Minutes
15		
16	9:13	Report of Prosecutorial Division
17		
18	9:20	Report of Board Counsel
19		
20	10:24	Report of Board Chairman
21		
22	10:43	Report of Board Administrator
23		
24	10:51	Matters for Discussion
25		
26	11:04	Public Comment/Discussion
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28	11:06	Executive Session
29	12:08	Return to Open Session
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31	12:08	Motions
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33	12:10	Adjournment
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