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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: 9:07 A.M.

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

Wednesday, September 11, 2019

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State Board of Certified
Real Estate Appraisers
September 11, 2019

BOARD MEMBERS:

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

BUREAU PERSONNEL:

Jacqueline A. Wolfgang, Esquire, Board Counsel
Ray Michalowski, Esquire, Board Prosecution Liaison
Heidy M. Weirich, Board Administrator
Carolyn DeLaurentis, Esquire, Deputy Chief Counsel,
Prosecution Division
Chris Riley, Legal Intern

ALSO PRESENT:

Steve Howe, Assessors' Association of Pennsylvania
Larry Shubert, Assessors' Association of Pennsylvania
Michelle Bradley, Appraisal Standards Board
Cassidy Shaffer, Licensed Trainee
Lindsay Onuffer, Licensed Trainee
Justin Reis, Reis Valuations RUL, CPREA
Tony Alu, Chief Assessor, Luzerne County, and on
behalf of the Assessors' Association of
Pennsylvania

1 ***

2 State Board of Certified
3 Real Estate Appraisers
4 September 11, 2019

5 ***

6 The regularly scheduled meeting of the State
7 Board of Certified Real Estate Appraisers was held on
8 Wednesday, September 11, 2019. Joseph Pasquarella,
9 Chairman, Professional Member, officially called the
10 meeting to order at 9:07 a.m. A moment of silence was
11 held in honor of the events that occurred on September
12 11, 2001. A roll call was taken.

13 ***

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

16 ***

17 [Chairman Pasquarella requested the introduction of
18 audience members.]

19 ***

20 Approval of Minutes of the May 20, 2019 meeting

21 CHAIRMAN PASQUARELLA:

22 Someone make a motion for the approval of
23 the Minutes.

24 MR. WENTZEL:

25 So moved.

1 MR. AUSERMAN:

2 Second.

3 CHAIRMAN PASQUARELLA:

4 Any discussion? All in favor?

5 [The motion passed unanimously.]

6 ***

7 Appointment

8 [Carolyn DeLaurentis, Esquire, Deputy Chief Counsel,
9 introduced herself to the Board and provided a brief
10 summary of her professional background. She provided
11 information to the Board for Fiscal Year 2018-2019.

12 Ms. DeLaurentis stated during the recent fiscal
13 year 115 cases were opened. As of July 1, 2019, 94
14 cases remain open. During Fiscal Year '18-'19, 37
15 warning letters went out. There were 3 suspensions, 1
16 reprimand, 1 voluntary surrender and 2 revocations
17 issued. She discussed statistics for all the
18 Pennsylvania Boards. She explained the purpose of the
19 Pennsylvania Justice Network (JNET), a criminal
20 justice information system for licensees run by the
21 Governor's Office of Administration. Ms. DeLaurentis
22 also discussed the Pennsylvania Licensing System
23 (PALS).

24 Jacqueline A. Wolfgang, Esquire, Board Counsel,
25 recognized the efforts of Ray Michalowski, Esquire,

1 Board Prosecution Liaison, and his staff for assisting
2 in the development of the nondisciplinary remediation
3 program. Mr. Michalowski reported the Certified Real
4 Estate Appraisers Board has not saturated the
5 Prosecution Division in JNET alerts. He thanked the
6 screening committee members for their timely
7 responses.

8 Ms. Brown commented that the nondisciplinary
9 program has helped to decrease the number of cases and
10 noted the Prosecution Division has been very diligent
11 in moving cases forward. Other Board members had
12 questions and comments regarding the number of
13 Prosecution Division staff members and the number of
14 complaints.

15 A report reflecting the number of cases opened
16 during the first half of the fiscal year would be made
17 available to the Board for review at the November
18 meeting.]

19 ***

20 Report of Board Counsel

21 [Jacqueline A. Wolfgang, Esquire, Board Counsel, noted
22 matters for deliberation during Executive Session.]

23 ***

24 Miscellaneous

25 Concept Paper - Evaluation Standards in USPAP

1 [Ms. Wolfgang referred Board members to the Concept
2 Paper, Evaluation Standards in Uniform Standards of
3 Professional Appraisal Practice (USPAP) for further
4 discussion by Michelle Bradley of the Appraisal
5 Standards Board.

6 Ms. Bradley outlined the idea of the Concept
7 Paper from the Appraisal Standards Board, which she
8 noted related to the development of standards for
9 evaluations. She noted that recently evaluations
10 rather than appraisals were more prevalent, and the
11 Appraisal Standards Board was considering giving
12 appraisers the opportunity to clearly comply with
13 USPAP by complying with the standards. Ms. Bradley
14 explained that evaluations can be performed by both
15 appraisers and nonappraisers.

16 Ms. Bradley stated Pennsylvania is a mandatory
17 state, that appraisers must comply with USPAP. She
18 explained that an evaluation is by USPAP definition an
19 appraisal. There was further discussion regarding
20 both definitions.

21 Ms. Bradley invited Board members to the
22 Appraisal Standards Board meeting and public hearing,
23 which will be held on October 18, 2019, in Washington,
24 D.C.

25 Justin Reis, Reis Valuations RUL, CPREA,

1 commented that in his understanding, if an appraiser
2 conducts an evaluation referred to as an appraisal, it
3 would involve a whole new level of underwriting
4 requirements that the lender must follow. There was
5 further discussion regarding the matter of evaluations
6 being performed with competency.

7 Ms. Bradley noted that the Appraisal
8 Qualifications Board recently issued its first
9 exposure draft for PAREA. It was noted the matter was
10 listed on the agenda for discussion.

11 Paul H. Wentzel Jr., Secretary of Banking and
12 Securities Designee, agreed to check into whether the
13 state charter banks were aware that an appraiser is
14 required to conduct evaluations.

15 Ms. Wolfgang requested that members email their
16 thoughts to her directly by the end of September. She
17 will draft a letter based upon their input. She
18 stated discussion at an open hearing with panelists
19 would be the next step after which the Appraisal
20 Standards Board would issue an exposure draft.

21 Ms. Bradley explained that evaluations are an
22 appraisal, so technically USPAP already has standards
23 in place for an evaluation.

24 Ms. Wolfgang explained, under federal law there
25 are certain real estate related transactions that

1 require the service of an appraiser, and there are
2 certain exceptions that do not require an appraiser.

3 Ms. Bradley stated the idea is to aid appraisers
4 in complying with public trust by following specific
5 standards that will not be in opposition to state law
6 or regulation. There was further discussion regarding
7 the role of PAREA (Practical Applications of Real
8 Estate Appraisal) and the PA Board of Certified Real
9 Estate Appraisers.]

10

11 Sunshine Act/Recusal Guidelines

12 [Ms. Wolfgang referred Board members to the Recusal
13 Guidelines and the Sunshine Act for further
14 discussion.

15 Ms. Wolfgang reminded Board members of the
16 difference between a recusal and an abstention. She
17 requested to be contacted if any Board member had any
18 questions.

19 Ms. Wolfgang requested that Board members review
20 the guidelines for the Sunshine Act that are used in
21 deliberations for official actions.

22 Steve Howe, Assessors' Association of
23 Pennsylvania, requested information concerning the
24 mandatory hours of training. Ms. Wolfgang will follow
25 up with Mr. Howe regarding the matter.]

1 ***

2 Regulations to Discuss

3 Certified Pennsylvania Evaluators - 49 PA. Code

4 Subchapter C

5 [Ms. Wolfgang explained the above regulation would
6 decrease continuing education, that at the last
7 meeting the Board decided not to move forward with the
8 matter based upon feedback received from the exposure
9 draft. She stated, after researching the matter, that
10 only 3 of the 13 states surrounding Pennsylvania and
11 the Northeast area have USPAP CE requirements and only
12 1 required 7 hours of USPAP every 2 years, such as the
13 case in Pennsylvania.]

14 ***

15 Act 41 Implementation

16 [Ms. Wolfgang referred members to the attached Act 41
17 document for further discussion of licensure by
18 endorsement as it concerns appraisers and evaluators.
19 She stated Act 41 would not have an impact on the
20 appraisers and recommended that the Board would not be
21 required to write a regulation.

22 With regard to certified evaluators, Ms. Wolfgang
23 requested comments regarding whether the Board would
24 determine that another state's licensing requirements
25 are substantially equal. Steve Howe, Assessors'

1 Association of Pennsylvania, commented that PA's
2 Certified Pennsylvania Evaluators (CPEs) are trained
3 in PA standards and PA law. Ms. Wolfgang requested
4 available resources be provided to her so the matter
5 can be properly evaluated. Mr. Howe stated the
6 International Association of Assessing Officers (IAAO)
7 may be the best source of information regarding the
8 matter.

9 Ms. Wolfgang asked the Board to offer guidance
10 regarding determining competency should it be
11 necessary. There was further discussion regarding
12 several options.]

13 MS. WOLFGANG:

14 May I have a vote on the competency
15 requirement to include two options: CE
16 and PA exam or having experience in the
17 profession for at least two out of the five
18 years preceding the application and the Pa.
19 exam?

20 MR. AUSHERMAN:

21 So moved.

22 MR. WALTERS:

23 Second.

24 CHAIRMAN PASQUARELLA:

25 All in favor? Opposed?

1 [The motion carried unanimously.]

2

3 16A-7023-Appraisal Management Companies Revisions

4 [Ms. Wolfgang referred Board members to Regulation

5 16A-7023 for further discussion. She noted the Annex

6 was presented for discussion at the last meeting but

7 stated the regulation was mistakenly voted on as an

8 exposure draft. So the rulemaking package with

9 revisions was placed back on the agenda for approval.]

10 MS. WOLFGANG:

11 I'd ask the Board to vote to approve this

12 final rulemaking package so it can be

13 moved along through the regulatory

14 process.

15 MR. AUSHERMAN:

16 I'll make the motion.

17 MR. WALTERS:

18 Second.

19 CHAIRMAN PASQUARELLA:

20 All those in favor? Any opposed?

21 [The motion carried unanimously.]

22

23 General Revisions 16A-7022

24 [Ms. Wolfgang provided an update of the General

25 Revision rulemaking package noting that it will be

1 presented to IRRC on September 19, 2019, and was
2 hopeful it will be approved by the Board at its next
3 meeting.]

4

5 Appraisal Subcommittee

6 ASC Notice for Comment-North Dakota Temporary Waiver
7 Request

8 [Ms. Wolfgang explained that this waiver for a period
9 of five years, if approved, would allow North Dakota
10 to have individuals conduct evaluations of property
11 for FRTs under \$500,000 or one family residential real
12 estate transaction and under \$1 million for
13 agricultural and commercial real estate without having
14 an appraiser conduct same.

15 Ms. Bradley stated the waiver was granted for one
16 year.]

17

18 [The Board recessed from 11:04 a.m. until 11:19 a.m.]

19

20 [Merna Hoffman, Office of Attorney General Designee,
21 exited the meeting during the recess.]

22

23 Report of Board Chairman

24 Raising Commercial Appraisal Threshold Puts U.S.

25 Economy at Greater Risk

1 [Joseph Pasquarella, Chairman, Professional Member,
2 reported that a press release dated July 19, 2019,
3 reported that the threshold for commercial
4 transactions requiring an appraisal was increased from
5 \$250,000 to \$1 million.]

6

7 AQB First Exposure Draft - Practical Applications of
8 Real Estate Appraisal (PAREA)

9 [Chairman Pasquarella noted this draft dated September
10 5, 2019, addresses the lack of supervisors available
11 to trainees with the idea to have an alternative by
12 which a trainee can obtain the training necessary to
13 become a real estate appraiser.

14 Ms. Wolfgang noted that the Board did respond to
15 this matter, and at that time, it voted that PAREA
16 should not be more than 50 percent. She noted this
17 would allow up to 100 percent of PAREA for the
18 residential credential but only 50 percent for the
19 general appraiser. Ms. Wolfgang discussed her
20 concerns regarding the term mentor and discussed the
21 percentages in the current regulations. Lindsay
22 Onuffer, Licensed Trainee, offered comments regarding
23 the matter.

24 Ms. Weirich noted, out of 422, only 269 or 63
25 percent of the trainees renewed.

1 Justin Reis, Reis Valuations RUL, CPREA, as a
2 supervisor, commented that if trainees take the PAREA
3 and obtain some hours, they would have practical
4 experience before coming under his supervision.]

5 MS. WOLFGANG:

6 Does the Board want me to send a comment
7 letter sticking with no less than 50
8 percent and including her concerns about
9 the mentor language?

10 CHAIRMAN PASQUARELLA:

11 Do we have a motion?

12 MR. AUSHERMAN:

13 Motion.

14 MR. WENTZEL:

15 Second.

16 CHAIRMAN PASQUARELLA:

17 All in favor? Any opposed?

18 [The motion carried unanimously.]

19 ***

20 Appraisal Standards Board Considering Creating
21 Standards for Evaluations

22 [Chairman Pasquarella noted the matter was discussed
23 in detail earlier in the meeting. Board members had
24 no further comments.]

25 ***

1 TAF Condemns Raising Residential Real Estate Appraisal
2 Threshold

3 [Chairman Pasquarella noted the matter was also
4 previously discussed. Board members had no further
5 comments.]

6 ***

7 Bunton Concerned About Commercial Threshold

8 [Chairman Pasquarella referred members to commentary
9 provided by the President of The Appraisal
10 Foundation.]

11 ***

12 Report of Board Administrator

13 AARO Fall Conference

14 [Heidy M. Weirich, Board Administrator, requested a
15 motion approving herself, the Board Chairman, a
16 Prosecutor, and possibly the Vice Chairman to attend
17 the Fall AARO (Association of Appraiser Regulatory
18 Officials) Conference to be held on October 18-21,
19 2019, in Washington, D.C.]

20 MR. AUSHERMAN:

21 So moved.

22 MR. WENTZEL:

23 Second.

24 CHAIRMAN PASQUARELLA:

25 Discussion?

1 [There was discussion regarding obtaining approval for
2 attendance by additional Board members. Ms. Weirich
3 noted the ASP panel discussion hearing regarding the
4 evaluation standards is also being held on October 18,
5 2019.]

6 CHAIRMAN PASQUARELLA:

7 All in favor? Any opposed?

8 [The motion carried unanimously.]

9 ***

10 Renewal Update

11 [Ms. Weirich referred to discussion earlier in the
12 meeting regarding renewals. She noted only 30 new
13 residential appraisers and 60 new general appraisers
14 this year compared to last year. There was an
15 increase of 60 trainees from the previous year.]

16 ***

17 2020 CREA Meeting Dates - Tentative

18 [Ms. Weirich stated June 25, 2020, is the tentative
19 date for the audit from the Appraisal Subcommittee.
20 She noted the full Board should be in attendance. The
21 April 2, 2020, Board meeting will need to be
22 rescheduled as this is the first day of the Spring
23 AARO conference.]

24 CHAIRMAN PASQUARELLA:

25 Do we have a motion to approve the 2020

1 Meeting dates?

2 MR. BROWN:

3 I make a motion to approve the 2020
4 Certified Real Estate Appraiser Meeting
5 dates, subject to changing the April 2,
6 2020 date.

7 MR. WALTERS:

8 Second.

9 CHAIRMAN PASQUARELLA:

10 All in favor? Any opposed?

11 [The motion carried unanimously.]

12 ***

13 Matters for Discussion/Correspondence

14 [Ms. Wolfgang noted correspondence regarding a
15 licensed appraiser trainee for discussion in Executive
16 Session. Ms. Weirich was requested to provide an up-
17 to-date number of licensed appraiser trainees.]

18 ***

19 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
20 12:02 p.m. the Board entered into Executive Session
21 with Jacqueline A. Wolfgang, Esquire, Board Counsel,
22 for the purpose of conducting quasi-judicial
23 deliberations. The Board returned to open session at
24 1:03 p.m.]

25 ***

1 MOTIONS

2 MS. WOLFGANG:

3 Pursuant to Section 708(a)(5) of the
4 Sunshine Act, the Board entered into
5 Executive Session with Board Counsel for
6 the purpose of having attorney-client
7 consultations and conducting
8 quasi-judicial deliberations in the
9 following matters: BPOA vs. Robert
10 Donald Graham, Case No. 18-70-000467;
11 BPOA vs. John Bonaventure Sylvester,
12 Case No. 13-70-00325; and BPOA vs.
13 Joseph Riley, File No. 18-70-00485; and
14 the Applications of Richard C. Redmond
15 and Ronald Birkshire, III.

16 I would note for the record that
17 the Board will not be voting on the
18 Applications of Richard C. Redmond or
19 Ronald Birkshire, III, but instead has
20 provided the Board Administrator with
21 instructions on how to proceed.

22 I would also note for the record
23 that Board Member Jeffrey Walters has
24 recused himself from the matter of BPOA
25 vs. John Bonaventure Sylvester.

1 I believe the Board would entertain
2 a motion regarding these matters at this
3 time.

4 MS. BROWN:

5 I move that the Board adopt and issue as
6 its final determination the draft
7 Adjudication and Order as presented by
8 Board Counsel in the following matter:
9 BPOA vs. Robert Donald Graham, Case No.
10 18-70-000467.

11 CHAIRMAN PASQUARELLA:

12 Do I have a second?

13 MR. WENTZEL:

14 Second.

15 CHAIRMAN PASQUARELLA:

16 All in favor? Any opposed?

17 [The motion carried unanimously.]

18 ***

19 MS. BROWN:

20 In the matter of BPOA vs. John
21 Bonaventure Sylvester, Case No. 13-70-
22 00325, I move that the Board adopt and
23 issue as its final determination the
24 draft Adjudication and Order as amended
25 in Executive Session.

1 CHAIRMAN PASQUARELLA:

2 Do I have a second?

3 MR. WENTZEL:

4 Second.

5 CHAIRMAN PASQUARELLA:

6 All in favor? Any opposed?

7 [The motion carried. Board Member Jeffrey Walters
8 recused from deliberations and voting on the motion.]

9 ***

10 MR. WALTERS:

11 I move that the Board adopt and issue as
12 its final determination the draft
13 Adjudication and Order as issued by the
14 Hearing Examiner and that Board Counsel
15 draft and issue an Adjudication and
16 Order to the effect in the following
17 matters: BPOA vs. Joseph Riley, File
18 No. 18-70-00485.

19 CHAIRMAN PASQUARELLA:

20 Do I have a second?

21 MR. AUSERMAN:

22 Second.

23 CHAIRMAN PASQUARELLA:

24 All in favor? Any opposed?

25 [The motion carried unanimously.]

1 ***

2 [Chairman Pasquarella thanked the audience for their
3 involvement in the meeting and expressed the Board's
4 appreciation of their inquiry.]

5 ***

6 Adjournment

7 MR. WENTZEL:

8 Motion to adjourn.

9 CHAIRMAN PASQUARELLA:

10 Do I have a second?

11 MR. WALTERS:

12 Second.

13 [The motion carried unanimously.]

14 ***

15 [There being no further business, the State Board of
16 Certified Real Estate Appraisers Meeting adjourned at
17 1:07 p.m.]

18 ***

19 [The next Board of Certified Real Estate Appraisers
20 meeting is scheduled for October 17, 2019.]

21 ***

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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.



Derek Richmond,

Minute Clerk

Sargent's Court Reporting
Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

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TIME	AGENDA
9:07	Official Call to Order
9:07	Roll Call
9:08	Approval of Minutes
9:11	Report of Prosecutorial Division
9:34	Report of Board Counsel
11:17	Report of Board Chairman
11:53	Report of Board Administrator
12:01	Matters for Discussion
12:02	Executive Session
1:03	Return to Open Session
1:03	Motions
1:07	Adjournment