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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: 9:03 A.M.

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

Tuesday, December 13, 2018

1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 December 13, 2018

5 ***

6 The regularly scheduled meeting of the State
7 Board of Certified Real Estate Appraisers was held on
8 Thursday, December 13, 2018. D. Thomas Smith,
9 Chairman, Professional Member, officially called the
10 meeting to order at 9:03 a.m.

11 William F. Rothman, Professional Member, was not
12 present at the commencement of the meeting. A roll
13 call was taken.

14 ***

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

17 ***

18 Election of Officers

19 CHAIRMAN SMITH:

20 Could we have an election for Chairman?

21 ***

22 [William H. Rothman, Professional Member, entered the
23 meeting at 9:05 a.m.]

24 ***

25 MR. LEHMAYER:

1 I would nominate Jeff Walters as the
2 next Chair.

3 MR. ROTHMAN:

4 I'll second that.

5 CHAIRMAN SMITH:

6 I would not mind serving till April, and
7 if I do not get reappointed, we can deal
8 with it in April. We'll discuss that in
9 January.

10 MR. LEHMAYER:

11 I'd like to withdraw that motion.

12 CHAIRMAN SMITH:

13 You are withdrawing your motion. Do I
14 have a second for that?

15 MR. WENTZEL:

16 Second.

17 CHAIRMAN SMITH:

18 All in favor of that? Opposed?

19 MS. BROWN:

20 I move to table the matter of election
21 of officers until the next Board
22 meeting.

23 MR. WENTZEL:

24 I'll second.

25 CHAIRMAN SMITH:

1 All in favor? Opposed?

2 [The motion carried unanimously.]

3 ***

4 Approval of Minutes of the September 11, 2018 meeting

5 CHAIRMAN SMITH:

6 Approval of minutes for September 11,
7 2018.

8 [The Board discussed corrections to the minutes.]

9 CHAIRMAN SMITH:

10 Any other changes? Could I get a motion
11 to approve the changed minutes of
12 September 11, 2018?

13 MR. ROTHMAN:

14 So moved.

15 CHAIRMAN SMITH:

16 Second?

17 MS. BROWN:

18 Second

19 CHAIRMAN SMITH:

20 All in favor? Opposed?

21 [The motion carried. Eric Lehmayr abstained from
22 voting on the motion.]

23 ***

24 Report of Prosecutorial Division

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

1 presented the Consent Agreement for File No. 17-70-
2 00371.

3 Mr. Fritsch also withdrew a Motion to Deem Facts
4 Admitted regarding BPOA vs. Appraisal and Valuation
5 Services, LLC, File No. 18-70-04165.]

6 ***
7 [Caroline A. Bailey, Esquire, Board Prosecutor,
8 presented the Consent Agreement for File No. 17-70-
9 12841.]

10 ***
11 [Ray Michalowski, Esquire, Board Prosecution Liaison,
12 requested Board approval for investigative training
13 for Mr. Fritsch, and investigative training and a
14 Uniform Standards of Professional Appraiser Practice
15 (USPAP) course for Ms. Bailey.]

16 MR. LEHMAYER:

17 I make a motion to permit Tim Fritsch to
18 continue on for Level III for next year.

19 MS. BROWN:

20 I amend the motion to include Caroline
21 Bailey for Level II plus the USPAP
22 course.

23 MR. ROTHMAN:

24 I'll second.

25 CHAIRMAN SMITH:

1 We have a motion. We have a second.

2 All in favor? Opposed?

3 [The motion carried unanimously.]

4 ***

5 [Ray Michalowski, Esquire, Board Prosecution Liaison,
6 reported that the first set of remedial cases had been
7 reviewed by the Probable Cause Screening Committee and
8 the case numbers were declining.

9 Mr. Michalowski explained the reorganization of
10 the Prosecutorial Division.

11 Mr. Michalowski will be attending the
12 Pennsylvania Association of Realtors (PAR) in order to
13 discuss issues related to appraisals. He noted a PAR
14 request regarding trends and issues for individuals to
15 avoid.

16 Mr. Michalowski discussed the Appraisal
17 Subcommittee (ASC), specifically the expectations of
18 the committee. He discussed pending Consent
19 Agreements. He addressed cases due to incompetence/
20 Malfeasant, noting a 10-year limit on repeaters.]

21 ***

22 Report of Board Counsel

23 [Jacqueline A. Wolfgang, Esquire, Board Counsel, noted
24 the December 2018 Regulatory Status Report for the
25 Board's review. She stated the Schedule of Civil

1 Penalties regulation was still under review by the
2 Department.

3 Ms. Wolfgang will be working on the General
4 Revisions package and revising the Annex pursuant last
5 meeting's discussion.

6 Ms. Wolfgang noted matters for discussion during
7 Executive Session.]

8 ***

9 Report of Board Chairman

10 [D. Thomas Smith, Chairman, Professional Member,
11 referred to the Appraisal Foundation, noting the third
12 exposure draft for the proposed changes for the
13 2020-21 addition of USPAP. Chairman Smith stated
14 comments must be in writing before February 1, 2019.

15 Chairman Smith discussed the increase in the
16 appraisal threshold requirement from \$250,000 to
17 \$400,000 for residential mortgage transactions.

18 Ms. Wolfgang suggested writing a collective
19 comment and checking with the Commissioner's Office
20 and Governor's Office regarding the Board moving
21 forward from a policy standpoint.

22 Mr. Lehmayr noted concerns of serious
23 repercussions in terms of the value of the property
24 that is being appraised. He referred to the matter as
25 a consumer issue due to the risk of additional fraud

1 and incompetence. Chairman Smith commented that
2 county assessment could be utilized with no need for
3 an appraiser.

4 Ms. Wolfgang referred to federal regulations and
5 guidelines for evaluations and level of transactions.
6 She commented that Pennsylvania has added protections
7 regarding evaluations because of the way Pennsylvania
8 defines appraisal. She did not anticipate much of an
9 impact in Pennsylvania, because Pennsylvania is a
10 mandatory state.]

11 ***

12 Report of Board Administrator

13 [Heidy M. Weirich, Board Administrator, addressed the
14 Appraisal Management Company National Registry Form to
15 be completed starting with the renewal in 2019. She
16 attributed the delay in the email blast to the paper
17 application. She commented that the Commissioner's
18 Office directed that the form be provided on the
19 Pennsylvania Licensing System (PALS) and the
20 information technology team (ITT) had to work on the
21 development. She stated the information will be
22 distributed as soon as possible.

23 Ms. Wolfgang explained that Appraisal Management
24 Companies (AMCs) will be required to register with the
25 AMC National Registry as of July 1 and will continue

1 on an annual basis thereafter. She stated the
2 Appraisal Subcommittee (ASC) opened the registry back
3 in July. She noted that Pennsylvania was ahead of the
4 game compared to other states and its regulations were
5 in place.

6 Ms. Wolfgang commented that, under the Policy
7 Statement, the Board would be able to identify the
8 difference between the AMC that meets the federal
9 definition and the AMC that does not meet the federal
10 definition of AMC. She stated AMCs must reevaluate on
11 an annual basis in order to determine if they meet the
12 federal definition and need to register on the AMC
13 National Registry.

14 Ms. Weirich stated the only application currently
15 available on PALS was the Temporary Practice Permit.
16 She also noted the final testing of the AMC
17 application, which will soon be available on the
18 system.]

19

20 Matters for Discussion

21 [Heidy M. Weirich, Board Administrator, referred to a
22 letter from the Appraiser Qualifications Board (AQB)
23 that was withdrawing one of the courses from Hondros
24 Learning. She also stated that courses taken before
25 the date of the withdrawal would be accepted.]

1 ***

2 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
3 9:39 a.m. the Board entered into Executive Session
4 with Jacqueline A. Wolfgang, Esquire, Board Counsel,
5 for the purpose of having attorney-client
6 consultations and conducting quasi-judicial
7 deliberations. The Board returned to open session at
8 11:31 a.m.]

9 ***

10 [Martha H. Brown, Esquire, Secretary of the
11 Commonwealth Designee, Office of Chief Counsel, exited
12 the meeting at 11:31 a.m.]

13 ***

14 MOTIONS

15 MS. WOLFGANG:

16 Pursuant to Section 708(a)(5) of the
17 Sunshine Act, the Board entered into
18 Executive Session with Board Counsel for
19 the purpose of having attorney-client
20 consultations and conducting quasi-
21 judicial deliberations in the following
22 matters:

23 Consent Agreement File No. 17-70-
24 00371; Consent Agreement File No. 17-70-
25 12841; BPOA vs. Joseph Ennis Riley, File

1 No. 18-70-000485; BPOA vs. Eugene Peter
2 Kenworthy, File No. 17-70-10109; the
3 Application of Derek Define.

4 I do want to note for the record
5 that the case of BPOA vs. Appraisal and
6 Valuation Services was withdrawn by
7 prosecution, so the Board did not
8 deliberate that matter.

9 I believe the Board would consider
10 motions at this time.

11 MR. WALTERS:

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 The Commonwealth of Pennsylvania
17 Bureau of Professional and Occupational
18 Affairs, File No. 17-70-00371.

19 CHAIRMAN SMITH:

20 We have a motion.

21 MR. WENTZEL:

22 I'll second that.

23 CHAIRMAN SMITH:

24 I have a second. Any discussion? All
25 in favor? Opposed?

1 [The motion carried unanimously. The Respondent's
2 name is Robert L. Baer.]

3 ***

4 MR. LEHMAYER:

5 I move to adopt the Consent Agreement
6 and Order negotiated by the
7 Commonwealth's prosecuting attorney in
8 settlement of the following matter:

9 The Commonwealth of Pennsylvania
10 Bureau of Professional and Occupational
11 Affairs, File No. 17-70-12841.

12 CHAIRMAN SMITH:

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

14 MR. ROTHMAN:

15 Second.

16 CHAIRMAN SMITH:

17 All in favor? Opposed?

18 [The motion carried unanimously. The Respondent's
19 name is Ryan R. Neve.]

20 ***

21 MR. ROTHMAN:

22 I move the Board will agree to delegate
23 to the Hearing Examiner File No. 18-70-
24 000485. That is the Bureau of
25 Professional and Occupational Affairs

1 vs. Joseph Ennis Riley.

2 CHAIRMAN SMITH:

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

4 MR. LEYMAYER:

5 Second.

6 CHAIRMAN SMITH:

7 Any discussion? All in favor? Opposed?

8 [The motion carried unanimously.]

9

10 MR. WENTZEL:

11 I move the Board grant the motion to
12 Enter Default and Deem Facts Admitted
13 and Board Counsel to issue an
14 Adjudication and Order in accordance
15 with the Board discussions in Executive
16 Session in the matter of the
17 Commonwealth of Pennsylvania Bureau of
18 Professional and Occupational Affairs
19 vs. Eugene Peter Kenworthy, File No. 17-
20 70-10109.

21 CHAIRMAN SMITH:

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

23 MR. ROTHMAN:

24 Second.

25 CHAIRMAN SMITH:

1 Any discussion? All in favor? Opposed?

2 [The motion carried unanimously.]

3 ***

4 CHAIRMAN SMITH:

5 We need a motion to table the
6 Application of Derek Define.

7 MR. WENTZEL:

8 So moved.

9 MR. ROTHMAN:

10 Second.

11 CHAIRMAN SMITH:

12 All in favor? Opposed?

13 [The motion carried unanimously.]

14 ***

15 Adjournment

16 CHAIRMAN SMITH:

17 We have a motion to adjourn?

18 MR. WENTZEL:

19 So moved.

20 MR. ROTHMAN:

21 Second

22 [The motion carried unanimously.]

23 ***

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

1 11:37 a.m.]

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CERTIFICATE

7

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

14

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16



17

Amber Garbinski,

18

Minute Clerk

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Sargent's Court Reporting

20

Service, Inc.

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STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

December 13, 2018

TIME	AGENDA
9:03	Official Call to Order
9:03	Roll Call
9:05	Election of Officers
9:11	Approval of Minutes
9:12	Report of Prosecutorial Division
9:23	Report of Board Counsel
9:26	Report of Board Chairman
9:33	Report of Board Administrator
9:38	Matters for Discussion
9:39	Executive Session
11:31	Return to Open Session
11:31	Motions
11:37	Adjournment