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

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

MEETING OF:

**STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS**

TIME: 9:04 A.M.

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

Thursday, March 29, 2018

1 State Board of Certified
2 Real Estate Appraisers
3 March 29, 2018
4

5 BOARD MEMBERS:
6

7 D. Thomas Smith, Chairman, Professional Member
8 Jeffrey L. Walters, Vice Chairman, Professional Member
9 William Rothman, Secretary, Professional
10 Member
11 Kurt Brink, Public Member - Absent
12 Martha H. Brown, Esquire, Secretary of the
13 Commonwealth designee
14 Zachery Everidge, Office of Attorney General Designee
15 Eric Lehmayr, Professional Member - Absent
16 Joseph Pasquarella, Professional Member - Absent
17 Donna Bayer Rovito, Public Member
18 Paul H. Wentzel Jr., Senior Legislative and Policy
19 Director, Department of Banking and Securities
20 Designee
21
22

23 BUREAU PERSONNEL:
24

25 Jacqueline A. Wolfgang, Esquire, Board Counsel
26 Ray Michalowski, Esquire, Board Prosecutor Liaison
27 Timothy A. Fritsch, Esquire, Board Prosecutor
28 Heidy M. Weirich, Board Administrator
29
30 Kimberly Adams, Chief of Division of Fiscal
31 Management, Bureau of Finance and Operations
32 Julie Snader, Finance and Operations Manager, Division
33 Of Fiscal Management, Bureau of Finance and
34 Operations
35

36 ALSO PRESENT:
37

38 Kristin Montgomery, Assessors' Association of
39 Pennsylvania
40 Tony Alu, Assessors' Association of Pennsylvania
41 Jennifer Shockley, Pennsylvania Association of
42 Realtors
43 Jack R. Gaughen, Pennsylvania Association of Realtors
44 Michelle Bradley, Certified General Appraiser,
45 Appraiser Qualifications Board Certified Uniform
46 Standards of Professional Appraiser Practice
47 Instructor
48 Dan Bradley, Chief Appraisal Officer, McKissock, LP
49
50

1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 March 29, 2018

5 ***

6 The regularly scheduled meeting of the State
7 Board of Certified Real Estate Appraisers was held on
8 Thursday, March 29, 2018. D. Thomas Smith, Chairman,
9 Professional Member, officially called the meeting to
10 order at 9:05 a.m. A roll call was taken.

11 ***

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

14 ***

15 Approval of Minutes of the December 20, 2017 meeting

16 CHAIRMAN SMITH:

17 Could we have approval of minutes for
18 December 20, 2017?

19 MR. WENTZEL:

20 So moved.

21 MR. ROTHMAN:

22 Second

23 CHAIRMAN SMITH:

24 Any discussion? All in favor? Opposed?

25 [The motion carried unanimously.]

1 ***

2 Report of Prosecutorial Division

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

4 presented the Consent Agreement for File No. 16-70-

5 07645.]

6 ***

7 Appointment - 2018 Act 6 Pa General Assembly

8 [Ray Michalowski, Esquire, Board Prosecution Liaison,

9 addressed 2018 Act 6 passed by Governor Wolf on

10 February 15, 2018.

11 Mr. Michalowski explained the Act provided the
12 nonmedical, non-health-related Boards the authority to
13 immediately and/or temporarily suspend a licensee for
14 up to six months to protect the public health and
15 safety. He reviewed the process of other Boards and
16 the role of the Board's Probable Cause Screening
17 Committee for the determination of an immediate and/or
18 temporary suspension of a licensee. Mr. Michalowski
19 stated a licensee may request a hearing within 30
20 days.

21 Mr. Michalowski discussed complying with the
22 Appraisal Subcommittee's rules. He explained the
23 Prosecutorial Division's process for handling such
24 cases using the guidelines provided by the Appraisal
25 Foundation and its committee on disciplinary actions

1 brought before the Board, along with addition of
2 Uniform Standards of Professional Appraisal Practice
3 (USPAP). He also discussed cases that would be
4 excluded from the program including competence issues,
5 fraud, negligence, or a repeated violator. Mr.
6 Michalowski reviewed the confidential health
7 monitoring program.

8 Mr. Michalowski added this process will move the
9 cases faster and offer licensees a remediation
10 process, as well as comply with ASC's requirement of a
11 one-year time frame.]

12 ***

13 Appointment - Bureau of Finance and Operations
14 [Julie Snader, Deputy Director, Bureau of Finance and
15 Operations, introduced herself and Kimberly Adams,
16 Chief of Fiscal Management, Bureau of Finance and
17 Operations.

18 Ms. Snader provided information on the Board's
19 licensee population, which was at 4,609 for Fiscal
20 Year 2017-2018. She compared the license count from
21 Fiscal Year 2015-2016 at 4,735, noting a decrease of
22 126.

23 Chairman Smith requested the announcement of each
24 class. Ms. Snader stated that licensees by class
25 include 1,775 Certified Residential Appraisers, 1,379

1 Certified General Appraisers, 571 Certified
2 Pennsylvania Evaluators, 365 Certified
3 Broker-Appraisers, 161 Appraisal Management Companies,
4 and 358 Licensed Appraiser Trainees.

5 Mr. Wentzel commented on the increase of licenses
6 in Fiscal Year 2014-2015 and the decrease in Fiscal
7 Year 2015-2016. Ms. Weirich noted the requirement of
8 a Bachelor's degree.

9 Mr. Walters questioned demographics regarding
10 age, noting concerns for the group who will be
11 retiring in 10 years. Chairman Smith commented on the
12 number of individuals closer to retirement in this
13 profession and the Licensed Appraiser Trainees at 358
14 as not keeping up with the active numbers.

15 Ms. Snader addressed revenue sources, attributing
16 90 percent to renewals and applications. She referred
17 to Fiscal Year 2015-2016 and 2016-2017 revenue
18 biennial totals. Ms. Snader noted that the last fee
19 increase was in 2003.

20 Ms. Wolfgang referred to the initial application
21 for an Appraisal Management Company (AMC) as \$2,000.

22 Ms. Snader reviewed expenses incurred from direct
23 charges, timesheet charges, and licensee-based
24 charges. She noted expenses for Fiscal Year 2015-2016
25 and Fiscal Year 2016-2017, and the Fiscal Year 2017-

1 2018 budget.

2 Ms. Snader reviewed revenue and expenses of
3 previous years and the anticipated balance at the end
4 of Fiscal Year 2017-2018. She also noted a positive
5 balance through Fiscal Year 2020-2021.

6 Ms. Snader addressed Board member expenses for
7 Fiscal Years 2015-2016 and 2016-2017.]

8 ***

9 [William Rothman, Secretary, Professional Member,
10 exited the meeting at 9:24 a.m. and reentered the
11 meeting at 9:25 a.m.]

12 ***

13 Report of Board Counsel

14 [Jacqueline A. Wolfgang, Esquire, Board Counsel, noted
15 matters for discussion during Executive Session.

16 Ms. Wolfgang noted the March 2018 Status of Cases
17 Report for the Board's review. She also noted the
18 March 2018 Regulatory Status Report, stating that the
19 proposed General Revisions moved to the Office of
20 General Counsel.

21 Ms. Wolfgang addressed regulations that had been
22 drafted by prior counsel, the Assessment of
23 Recordkeeping and Reporting and the Schedule of Civil
24 Penalties, which are still pending at Regulatory
25 Counsel. She noted that Independent Regulatory Review

1 Commission (IRRC) Forms and data have changed and will
2 make revisions to those regulations. Ms. Wolfgang
3 stated any substantive revisions will be voted on by
4 the Board.

5 Ms. Wolfgang noted the ASC audit in May and that
6 ASC Policy Managers will be attending the next Board
7 meeting.

8 Ms. Wolfgang referred to the final redline
9 version of the revised ASC Policy Statement, which was
10 effective March 5, 2018. She noted policy statement
11 was added for AMCs and also for the national registry.

12 She discussed preparation for the AMC audit in May
13 2021, including talking with ASC Policy Managers with
14 respect to procedures and implementing the AMC
15 Regulations and AMC National Registry.

16 Ms. Wolfgang reviewed the Real Property Appraiser
17 Qualification Criteria Summary of Changes. She stated
18 that the Appraiser Qualifications Board (AQB) has been
19 going back and forth with exposure drafts and adopted
20 the most recent version which will become effective
21 May 1, 2018. She noted that the proposed regulations
22 that adopt 2015 AQB criteria are still working their
23 way through the regulatory process; therefore, the
24 Board's current regulations reflect the prior
25 criteria.

1 Ms. Wolfgang reviewed the Board's regulations for
2 residential appraisers, which requires an Associate's
3 degree or 21 college-level credit hours in particular
4 subjects. She discussed the May 1, 2018 criteria,
5 which is an Associate's degree in particular subject
6 areas (business administration, accounting, finance,
7 economics, or real estate).

8 Ms. Wolfgang stated that for residential
9 appraisers, one option for post-secondary education is
10 30 hours of education in particular topics, and the
11 Board's criterion is 21 hours. Therefore, because the
12 Board's current regulations do not meet the minimum
13 criteria, both of these criteria must be implemented
14 by the Board.

15 Ms. Wolfgang addressed another option regarding
16 residential appraiser certification, which allows 30
17 hours of College-Level Examination Program (CLEP)
18 examinations in certain topics or a combination of 30
19 hours of education and CLEP courses. Ms. Wolfgang
20 stated that the Board adopted the AQB criteria by
21 reference in most sections of the Board's proposed
22 regulations and reminded the Board that its intent was
23 to follow the current and future AQB Criteria
24 regarding post-secondary education

25 Ms. Wolfgang discussed the experience component,

1 stating that the Board's regulations are higher
2 standard than the May 1, 2108 minimum criteria. She
3 noted the Board could maintain its experience
4 criteria, which is 2500 hours for residential and 3000
5 hours for general.

6 Ms. Wolfgang stated the AQB Criteria change for
7 general appraisers regarding experience was the
8 completion within an 18-month period compared to the
9 Board's regulation of 24 months. She also noted the
10 residential change from 2500 hours to 1500 hours
11 within a 12-month period compared to the Board's
12 regulation. Ms. Wolfgang discussed options for the
13 Board regarding the experience component.

14 Mr. Bradley clarified that the Bachelor's degree
15 requirement for the certified residential appraiser
16 was not being removed. He discussed the differences
17 in the 2015 criteria and the current criteria. Mr.
18 Bradley noted alternatives such as an associate's
19 degree in a focused area of study or 30 semester
20 credit hours of college-level education in specified
21 topics or a combination of semester credit hours and
22 CLEP exams.

23 Ms. Bradley encouraged the Board to adopt these
24 changes as soon as possible, noting that AQB spent
25 more than two years discussing these changes. She

1 discussed a big rise in many states in applications
2 from 2014. The national statistics reflected that the
3 number of first-time test takers dropped precipitously
4 in 2015 and has been fairly flat ever since, although
5 has recently started to rise.

6 Ms. Brown noted her concerns regarding public
7 protection and whether 1500 hours of appraisal
8 experience was adequate.

9 Ms. Bradley discussed the training period, core
10 curriculum, and the ability to see exam pass and fail
11 rates. She stated a full-time trainee would work 40-
12 50 hours a week with the 2500-hour requirement over 24
13 months and that the new requirement of 1500 hours over
14 a period of 12 months was commensurate with a full-
15 time trainee. Ms. Bradley explained the regulations
16 reflect 50 percent, but the Board can waive its own
17 regulations and announce that the criteria would be
18 decreased to 750 hours.

19 Ms. Wolfgang discussed a decrease in the number
20 of hours for actual preparation of report writing.]

21 MS. WOLFGANG:

22 I think what I'm looking for is a motion
23 to implement the May 1, 2018 criteria
24 with respect to the education and
25 experience components for the

1 residential and general certified
2 appraisers with the exception that the
3 Board will maintain its requirement that
4 50 percent of the experience for both
5 categories must be in actual preparation
6 of appraisal reports.

7 MR. WENTZEL:

8 So moved.

9 MS. ROVITO:

10 Second.

11 CHAIRMAN SMITH:

12 Any discussion? All in favor? Opposed?

13 [The motion carried unanimously.]

14 ***

15 [Jacqueline A. Wolfgang, Esquire, Board Counsel, and
16 Heidy Weirich, Board Administrator, will prepare a
17 proposed notice for an email blast to all licensees.

18 Mr. Walters questioned whether there was anything
19 about college criteria for general appraisers during
20 the AQB discussion. Mr. Bradley stated the general
21 consensus was to not lower the college criteria.

22 Ms. Wolfgang updated the Board on the National
23 AMC registry fee. She stated the application process
24 and collection of the AMC registry fee will start with
25 the June 1, 2019 renewal period. She prepared a

1 notice for the website and a proposed application form
2 to be approved by ASC.

3 Ms. Wolfgang explained that the AMC Registry is
4 similar to the National Registry for appraisers.
5 Currently, appraisers pay a national registry fee to
6 renew their license or apply for a license. She
7 stated the Board collects that money and sends it to
8 ASC, who puts the appraisers on the national registry.
9 Ms. Wolfgang explained that broker-appraisers who do
10 nonfederal transactions are not on the registry.

11 Ms. Wolfgang added that the process will be the
12 same for AMCs. She noted 161 AMCs in Pennsylvania,
13 but not every one of those AMCs will be eligible for
14 the registry. Ms. Wolfgang explained AMCs must meet
15 the federal definition, which is having at least 15
16 appraisers on your panel in Pennsylvania or a total of
17 25 nationally.

18 She stated Pennsylvania did not adopt the federal
19 definition of an AMC under the AMC Registration Act.
20 However, given the parameters of the National
21 Registry, Pennsylvania AMCs must determine if they
22 fall within the definition of a federal AMC to
23 determine eligibility for the registry.]

24 ***

25 [Donna Baver Rovito, Public Member, exited the meeting

1 at 10:04 a.m. and reentered the meeting at 10:06 a.m.]

2

3 Report of Board Chairman

4 [Chairman Smith reviewed questions and answers from
5 the Uniform Standards of Professional Appraiser
6 Practice (USPAP). Chairman noted that USPAP does not
7 require an appraiser to inspect the subject per the
8 scope of work rule. He discussed extraordinary
9 assumption that individuals employ when provided with
10 the results of an inspection of the property completed
11 by someone else.]

12

13 Report of Board Administrator

14 [Heidy M. Weirich, Board Administrator, referred to
15 The Appraisal Foundation's letter regarding the
16 Champions School of Real Estate offering a 7-hour
17 USPAP course in a classroom setting, which actually
18 was a live broadcast. Ms. Weirich stated ASC and AQB
19 requested that the state not approve this.

20 Ms. Wolfgang noted the Board-approved course by
21 the International Distance Education Certification
22 Center.

23 Ms. Weirich noted information on 2018
24 Investigator Training. She stated prosecution was
25 attending and requested to send both or one of the

1 staff.]

2 MS. BROWN:

3 I move to send up to two staff persons
4 to the state Level I Investigator
5 Training, next available in June 2018
6 and the prerequisite online course.

7 CHAIRMAN SMITH:

8 We have a motion.

9 MR. ROTHMAN:

10 Second.

11 CHAIRMAN SMITH:

12 Any discussion? All in favor? Opposed?

13 [The motion carried unanimously.]

14 ***

15 [Heidy M. Weirich, Board Administrator, noted the
16 Survey of Practical Applications of Real Estate
17 Appraisal Experience. Ms. Wolfgang stated the
18 exposure drafts from AQB included a component of
19 practical applications, referring to it as a way to
20 gain experience electronically. At this point, more
21 research was needed, and this was their way of getting
22 information from the Boards related to the practical
23 application component.

24 The Board answered survey questions.]

25 ***

1 Matters for Discussion

2 [Heidy M. Weirich, Board Administrator, noted the
3 Pennsylvania Licensing System (PALS) Memo. Ms. Brown
4 addressed PALS, which is the online licensing system.
5 She stated paper applications would be processed in-
6 house. PALS will soon be up and running from the
7 public's point of view.]

8 ***

9 [The Board recessed from 10:22 a.m. until 10:27 a.m.]

10 ***

11 [Pursuant to Section 708(a)(5) of the Sunshine Act, at
12 10:27 a.m. the Board entered into Executive Session
13 with Jacqueline A. Wolfgang, Esquire, for the purpose
14 of having attorney-client consultations and conducting
15 quasi-judicial deliberations. The Board returned to
16 open session at 11:39 a.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 the

1 following matters: BPOA vs. Karen E.
2 Moyer, File No. 17-70-10954; the
3 applications of Randy W. Neal, Shaquille
4 Tyshelm Carter, Martin Alexander
5 Froehlich, and Mark Bars. The Board
6 also considered the application of
7 Melissa Fahr, which was an application
8 that was added by the Board
9 Administrator. That was an application
10 for an evaluator.

11 The Board also considered the
12 Consent Agreement listed on Item No. 2
13 of the agenda. I believe the Board
14 would entertain a motion at this time.

15 MR. WALTERS:

16 I'm making the motion that we grant the
17 application for Randy Neal.

18 CHAIRMAN SMITH:

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

20 MR. WENTZEL:

21 Second.

22 CHAIRMAN SMITH:

23 Any discussion? All in favor? Opposed?

24 [The motion carried unanimously.]

25

1 MR. ROTHMAN:

2 I move to adopt the Consent Agreement
3 and Order negotiated by the
4 Commonwealth's Prosecuting Attorney
5 concerning the following matter:
6 Commonwealth of Pennsylvania Bureau of
7 Professional and Occupational Affairs
8 vs. Patrick Henry Carr, File No. 16-70-
9 07645.

10 CHAIRMAN SMITH:

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

12 MR. WENTZEL:

13 Second.

14 CHAIRMAN SMITH:

15 Any discussion? All in favor? Opposed?

16 [The motion carried unanimously.]

17 ***

18 MS. BROWN:

19 In the matter of BPOA vs. Karen E.
20 Moyer, File No. 17-70-10954, I make a
21 motion that the Board grant the Motion
22 to Deem Facts Admitted and Entry of
23 Default and instruct Board Counsel to
24 draft an adjudication in accordance with
25 the discussions held in Executive

1 Session.

2 CHAIRMAN SMITH:

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

4 MR. ROTHMAN:

5 Second.

6 CHAIRMAN SMITH:

7 Any discussion? All in favor? Opposed?

8 [The motion carried unanimously.]

9 ***

10 MS. WOLFGANG:

11 Regarding Shaquille Tyshelm Carter, the
12 Board will not be voting on this
13 application at this time. Instead, the
14 Board provided Board Counsel with
15 specific instructions on how to proceed
16 with this application.

17 ***

18 MR. ROTHMAN:

19 Number 17, I move to grant the
20 application of Martin Alexander
21 Froehlich to be a Certified Residential
22 Appraiser.

23 CHAIRMAN SMITH:

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

25 MS. WENTZEL:

1 Second.

2 CHAIRMAN SMITH:

3 Any discussion? All in favor? Opposed?

4 [The motion carried unanimously.]

5 ***

6 MS. BROWN:

7 I move that the application of Melissa
8 Fahr for a Certified Pennsylvania
9 Evaluator, that the criminal history she
10 has disclosed does not bar her from
11 licensure or certification.

12 CHAIRMAN SMITH:

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

14 MR. ROTHMAN:

15 Second.

16 CHAIRMAN SMITH:

17 Any discussion? All in favor? Opposed?

18 [The motion carried unanimously.]

19 ***

20 MS. BROWN:

21 In the matter of Mark Bars' Application
22 for a Temporary Practice Permit, I make
23 the motion that the criminal history
24 disclosed does not bar his application
25 for a practice permit.

1 CHAIRMAN SMITH:

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

3 MR. WALTERS:

4 Second.

5 CHAIRMAN SMITH:

6 Any discussion? All in favor? Opposed?

7 [The motion carried unanimously.]

8 ***

9 Public Comment

10 [Michelle Bradley, Certified General Appraiser,
11 informed the Board of an Appraisal Standards Board
12 discussion draft on the foundation's website. She
13 noted the next ASB Meeting for Friday, April 20, 2018,
14 which will be livestreamed for the first time.

15 Ms. Bradley stated the Appraisal Standards Board
16 was considering changing the reporting options again
17 and desired clarification from users and appraisers as
18 to changing the reporting options to one from the two.

19 Ms. Bradley requested clarification regarding
20 applying under the new AQB criteria effective May 1,
21 2018.]

22 ***

23 Adjournment

24 CHAIRMAN SMITH:

25 Any other discussion? Meeting

1 adjourned. Thank you.

2 [There was no second to the motion.]

3 ***

4 [There being no further business, the State Board of
5 Certified Real Estate Appraisers Meeting adjourned at
6 11:45 a.m.]

7 ***

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11

CERTIFICATE

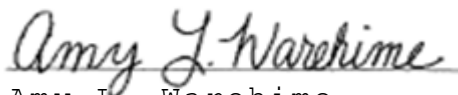
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13 I hereby certify that the foregoing summary
14 minutes of the State Board of Certified Real Estate
15 Appraisers meeting, was reduced to writing by me or
16 under my supervision, and that the minutes accurately
17 summarize the substance of the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

19

20

21



22

Amy L. Warehime,

23

Minute Clerk

24

Sargent's Court Reporting

25

Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX
March 29, 2018

	TIME	AGENDA
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2		
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7		
8		
9	9:04	Official Call to Order/Roll Call
10		
11	9:06	Approval of Minutes
12		
13	9:06	Report of Prosecutorial Division
14		
15	9:09	Appointment - PA General Assembly 2018 Act 6
16		
17		
18	9:22	Appointment - Budget Review Presentation
19		
20	9:33	Report of Board Counsel
21		
22	10:08	Report of Board Chairman
23		
24	10:09	Report of Board Administrator
25		
26	10:22	Recess
27	10:27	Return to Open Session
28		
29	10:27	Executive Session
30	11:39	Return to Open Session
31		
32	10:40	Motions
33		
34	11:44	Matters for Discussion
35		
36	11:45	Adjournment
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