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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  
VIA VIDEOCONFERENCE**

TIME: 10:31 A.M.

Thursday, November 4, 2021

1                    State Board of Certified  
2                    Real Estate Appraisers  
3                    November 4, 2021  
4  
5

6 BOARD MEMBERS:  
7

8 Joseph D. Pasquarella, Chairman, Professional  
9 Member

10 Jeffrey L. Walters, Vice Chairman, Professional  
11 Member

12 Mark V. Smeltzer Sr., Secretary, Professional  
13 Member

14 John D. Ausherman, Professional Member

15 William T. Stoerrle Jr., Professional Member

16 Michael McFarlane, Professional Member

17 Randy L. Waggoner, Professional Member

18 Martha H. Brown, Esquire, Secretary of the  
19 Commonwealth designee - Absent

20 Merna T. Hoffman, Esquire, Deputy Attorney General,  
21 Office of Attorney General Designee

22 Paul H. Wentzel Jr., Senior Legislative Director,  
23 Department of Banking and Securities  
24 Designee  
25

26 BUREAU PERSONNEL:  
27

28 Ronald K. Rouse, Esquire, Board Counsel

29 Dean F. Picarella, Esquire, Senior Board Counsel

30 Ray Michalowski, Esquire, Senior Board Prosecution  
31 Liaison

32 Caroline A. Bailey, Esquire, Board Prosecutor

33 Kristel Hennessy Hemler, Board Administrator

34 Andrew LaFratte, MPA, Executive Policy Specialist,  
35 Department of State

36 Kimberly A. Mattis, Director, Bureau of Finance and  
37 Operations

38 Julie Snader, Deputy Director, Bureau of Finance and  
39 Operations, Department of State

40 Amanda Richards, Fiscal Management Specialist 2,  
41 Bureau of Finance and Operations

42 Marc Farrell, Deputy Director, Office of Policy,  
43 Department of State  
44

45 ALSO PRESENT:  
46

47 Teresa Cochran, Executive Director, Assessors'  
48 Association of Pennsylvania

49 Scott DiBiasio, Manager of State and Industry Affairs,  
50 Appraisal Institute

1 \*\*\*

2 State Board of Certified

3 Real Estate Appraisers

4 November 4, 2021

5 \*\*\*

6 [Pursuant to Section 708(a)(5) of the Sunshine Act, at  
7 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 Meeting Instructions

14 [Kristel Hennessy Hemler, Board Administrator,  
15 provided instructions to be followed during the  
16 virtual meeting.]

17 \*\*\*

18 [Ronald K. Rouse, Esquire, Board Counsel, informed  
19 everyone that the meeting of the State Board of  
20 Certified Real Estate Appraisers was being held by  
21 teleconference pursuant to the act of September 30,  
22 2021, also known as Act 73 of 2021, which extends the  
23 waiver of the physical presence requirement in Section  
24 4(i) of the Real Estate Appraisers Certification Act  
25 until March 31, 2022.]

1 Mr. Rouse also informed everyone that the meeting  
2 was being recorded, and those who continued to  
3 participate were giving their consent to be recorded.

4 Mr. Rouse noted the Board entered into Executive  
5 Session with Board counsel to have attorney-client  
6 consultations and for the purpose of conducting quasi-  
7 judicial deliberations.]

8 \*\*\*

9 The regularly scheduled meeting of the State  
10 Board of Certified Real Estate Appraisers was held on  
11 Thursday, November 4, 2021. Joseph D. Pasquarella,  
12 Chairman, Professional Member, officially called the  
13 meeting to order at 10:31 a.m.

14 \*\*\*

15 Roll Call

16 [Joseph D. Pasquarella, Chairman, Professional Member,  
17 requested a roll call of Board members.]

18 \*\*\*

19 Approval of minutes of the September 30, 2021 meeting

20 CHAIRMAN PASQUARELLA:

21 Do I have a motion to approve the  
22 minutes?

23 MR. AUSHERMAN:

24 I so move that the minutes be approved.

25 CHAIRMAN PASQUARELLA:

1                   Second?

2 MR. STOERRLE:

3                   Second.

4 CHAIRMAN PASQUARELLA:

5                   Any discussion. Hearing none. All in  
6 favor of approving the minutes of the  
7 meeting of September 30, 2021, say aye.

8                   Any opposed, say nay. Hearing none.

9                   The motion carries.

10 [The motion carried unanimously.]

11   \*\*\*

12 Report of Prosecutorial Division

13 [Caroline A. Bailey, Esquire, Board Prosecutor,  
14 presented the Consent Agreement for Case No. 20-70-  
15 001583.

16           Mr. Rouse noted page 4 paragraph 5 under summary  
17 of discipline should be amended from a \$3,300 civil  
18 penalty to a \$2,800 civil penalty.

19           Mr. Stoerrle asked whether someone who took the  
20 Uniform Standards of Professional Appraiser Practice  
21 (USPAP) requirement to satisfy the agreement would  
22 also have to take it again in the current cycle.

23           Ms. Bailey explained that any continuing  
24 education (CE) taken to satisfy the previous renewal  
25 period CE requirement is for that CE period and then

1 the applicant would have to take the additional  
2 required courses again.

3 Mr. Michalowski further explained that someone  
4 cannot really take them twice in a two-year period  
5 because the applicant would be taking the same course  
6 twice and would have to take one during the current  
7 period and take an equivalent or 20 hours for the last  
8 period. He noted someone would have to take the  
9 update this time and take an additional 7 hours of  
10 some sort of an elective so it is not duplicative to  
11 get to 56 hours for this time period.

12 Chairman Pasquarella stated that it is the  
13 Board's understanding that if a new updated course was  
14 not offered during that same cycle that the applicant  
15 would have to retake the course the applicant already  
16 took in the following cycle, assuming a more recent  
17 course was not developed.

18 Mr. Smeltzer commented that the applicant would  
19 have to do an update to the update at the end of 2022,  
20 instead of coming up with a new 7 hour at the end of  
21 2022. He noted the way it was explained was someone  
22 would have to take the same course twice in a regular  
23 period.

24 Mr. Michalowski noted it can be worded in the  
25 future, where if the course is updated during that

1 period, the applicant would have to take both versions  
2 because he does not know that the cycles necessarily  
3 correspond with when the applicant would change the  
4 update course and would have to take an additional if  
5 not. He commented that the applicant should not be  
6 taking the same course and will look into that going  
7 forward and make the proper language changes to  
8 accommodate either of those scenarios occurring during  
9 any two-year cycle.

10 Chairman Pasquarella asked whether it is certain  
11 that an applicant would be able to take another  
12 elective rather than take the same class twice. He  
13 noted not being aware that an applicant can take an  
14 elective if there was no update to the USPAP.

15 Chairman Pasquarella noted the Board does not  
16 believe there is an alternative, so the person would  
17 have to take the new 2021 USPAP, which just came out  
18 in October. He mentioned that the Board wanted to  
19 know for certain whether there would not be another  
20 USPAP update during that new cycle, and if someone  
21 cannot go back retroactively and take an older USPAP,  
22 do they take the same USPAP twice or do they take an  
23 elective.

24 Mr. Michalowski stated that language would be  
25 developed so the Board does not have to wait to hear

1 whether a second one would be created and make it  
2 clear that if a second is offered that the applicant  
3 would have to take both, but if only one is offered,  
4 then the applicant would have to take an additional  
5 equivalent number of approved hours in another course.

6 Mr. Smeltzer commented that he was not permitted  
7 to teach the old USAP course once approved to teach  
8 the new one as an instructor. He noted an exposure  
9 draft out for changes that would take effect January  
10 21, 2023. He mentioned discussions related to having  
11 a revision to the updated class that would incorporate  
12 the changes at the end of 2022, so there may be  
13 something new available in the beginning of 2023 for  
14 the current cycle.

15 Mr. Rouse commented that the reason why it would  
16 also be necessary to have them take the update to the  
17 update is because the statute and regulations speak to  
18 them having to take a 7-hour update course on USPAP.]

19 MR. ROUSE:

20 Regarding the Consent Agreement at item  
21 2 on the agenda at Case No. 20-70-  
22 001583, I believe the Board would  
23 entertain a motion to adopt the Consent  
24 Agreement with the amendment on page 4  
25 paragraph 5, amending it such that it



1 states a civil penalty of \$2,800.

2 Is there such a motion.

3 MR. WENTZEL:

4 I make that motion.

5 MR. ROUSE:

6 Is there a second?

7 MR. AUSERMAN:

8 I'll second the motion.

9 MR. ROUSE:

10 Any discussion? Any recusals? Any  
11 abstentions? All those in favor, say  
12 aye. All those opposed, say nay.

13 [The motion carried unanimously. Item 2 is BPOA v.  
14 Christopher David Neal, Case No. 20-70-001583.]

15 \*\*\*

16 Report of Board Counsel - Regulatory Discussion  
17 [Ronald K. Rouse, Esquire, Board Counsel, addressed  
18 the status of 16A-7026 regarding Act 88 of 2020  
19 amendments, noting the Board adopted the second  
20 exposure draft at the September 30, 2021 Board  
21 meeting. He will be drafting the preamble of the  
22 regulation, which is an introductory of statement  
23 regarding the need for the regulation in order to  
24 comply with the Act 88 of 2020 amendments to the  
25 Assessors Certification Act and will state how the

1 regulation impacts licensees.

2 Mr. Rouse also addressed the status of 16A-7029  
3 regarding distance education for certified real estate  
4 appraisers. He will be drafting a proposed annex to  
5 include definitions for "synchronous," asynchronous,"  
6 and "hybrid education" to § 36.1. He noted current  
7 regulations under § 36.11(a), § 36.12a, and § 36.12a(a)  
8 state that distance education courses must comply with  
9 the requirements in the Appraiser Qualifications Board  
10 (AQB) qualification criteria.

11 Mr. Rouse mentioned current regulations under  
12 § 36.11(a)(i), § 36.12a, § 36.12a(a), and § 36.43 may  
13 need to be amended to reflect the corresponding course  
14 delivery methods for synchronous, asynchronous, and  
15 hybrid.

16 Mr. Rouse noted he is also drafting the proposed  
17 annex for 16A-7030 regarding distance education for  
18 certified Pennsylvania evaluators. He also noted  
19 § 36.201, § 36.224, and § 36.263 will probably need to  
20 be amended in order to comply with past discussions of  
21 wanting appraisers and assessors to have the same  
22 requirements for distance education.]

23 \*\*\*

24 Report of Board Counsel - Other

25 [Ronald K. Rouse, Esquire, Board Counsel, addressed

1 the Appraisal Subcommittee (ASC) announcement  
2 regarding legal and policy review of appraisal  
3 standards. He stated that the Appraisal Subcommittee  
4 announced on October 15, 2021, that a consortium of  
5 organizations will perform a comprehensive legal and  
6 policy review of the Uniform Standards of Professional  
7 Appraisal Practice and the Real Property Appraiser  
8 Qualification Criteria to determine whether they, as  
9 currently established, ensure and promote fairness,  
10 equity, objectivity, and diversity in appraisals and  
11 in the training and credentialing of appraisers.

12 Mr. Rouse informed the Board that funding from  
13 the ASC, USPAP, and AQB criteria will be reviewed  
14 against fair housing, fair lending, and civil rights  
15 law. He noted consortium members will include the  
16 National Fair Housing Alliance, Better Mortgage  
17 Corporation, and Steve Dane, who is an expert on fair  
18 housing and civil rights law.

19 Mr. Rouse also noted the review will look at the  
20 process for training and retaining new members of the  
21 profession and consider barriers to entry that  
22 proportionately impact people of color and women.]

23 \*\*\*

24 Applications for Review

25 MR. ROUSE:

1                   Regarding the Application to Sit for the  
2                   Certified Residential Real Estate  
3                   Appraiser Examination of Jason Sheraw,  
4                   which is Case No. 20-70-008217, item 7  
5                   on the agenda.

6                   This was a matter that was  
7                   discussed in Executive Session, and  
8                   regarding that matter, I believe the  
9                   Board would entertain a motion to defer  
10                  a vote on that matter.

11                  Is there a motion to defer a vote  
12                  on this application?

13 MR. AUSERMAN:

14                  I make a motion to defer a vote at this  
15                  time.

16 MR. ROUSE:

17                  Is there a second?

18 MR. MCFARLANE:

19                  Second.

20 MR. ROUSE:

21                  Any discussion? All those in favor, say  
22                  aye. All those opposed, say nay. Any  
23                  abstentions?

24 [The motion carried unanimously.]

25

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1 Matters for Discussion

2 [Joseph D. Pasquarella, Chairman, Professional Member,  
3 referred to appraisal management company (AMC) fees.  
4 He mentioned prior Board discussion, noting Mr.  
5 McFarlane's terrific job regarding the survey of the  
6 AMC fees. Mr. McFarlane will be discussing AMC fees  
7 during the Bureau of Finance and Operations (BFO)  
8 presentation later in the meeting.]

9 \*\*\*

10 Report of Board Chairman - No Report

11 \*\*\*

12 Report of Board Administrator

13 [Kristel Hennessy Hemler, Board Administrator,  
14 provided an update regarding experience logs for  
15 licensed appraiser trainees and residential appraisers  
16 upgrading to a general appraiser. She noted the  
17 experience logs are on the Department of State website  
18 and are now writable PDFs.]

19 \*\*\*

20 Correspondence

21 [Ronald K. Rouse, Esquire, Board Counsel, referred to  
22 correspondence from McKissock regarding remote  
23 proctoring of exams. He stated McKissock partnered  
24 with MonitorEDU to provide live technology-based  
25 proctoring of final exams via webcam as an additional

1 alternative option to in-person proctoring.

2 Mr. Rouse mentioned that it requires test takers  
3 have access to two cameras for a remote proctor to  
4 view the test taker and a remote proctor to view the  
5 room. He stated that McKissock wanted to know whether  
6 the Board accepts this method of proctoring. He noted  
7 new AQB criteria states that remote proctoring is  
8 acceptable for exams and Board regulations point to  
9 complying with AQB criteria.]

10 MR. ROUSE:

11 Is there a motion for the Board office  
12 to respond to McKissock stating this is  
13 an acceptable form of remote proctoring?

14 MR. SMELTZER:

15 I'll so move.

16 MR. ROUSE:

17 Is there a second?

18 MR. STOERRLE:

19 Second.

20 MR. ROUSE:

21 Any discussion? All those in favor, say  
22 aye. All those opposed, say nay. Any  
23 abstentions?

24 [The motion carried unanimously.]

25

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1 Appointment - Bureau of Finance and Operations Fee  
2 Increase Update Proposal and Annual Finance Review  
3 Presentation

4 [Kimberly A. Mattis, Director, Bureau of Finance and  
5 Operations, addressed the licensee population, noting  
6 the Board's licensee population goes down right after  
7 renewals and rebounds back up. She compared the  
8 current licensee population at 4,174 with FY19-20 at  
9 4,358 licensees, noting a decrease of 184 licensees.

10 Ms. Mattis reported biennial revenue from the  
11 last two fiscal years is \$1,220,000 with the bulk of  
12 revenue coming from renewals at 92 percent of the  
13 revenue and applications. She noted the Board renews  
14 in June of odd years, and their last fee increase was  
15 in 2003.

16 Mr. Smeltzer requested more information  
17 concerning the negative in the licensee list.

18 Ms. Mattis explained that the national registry  
19 fee taken in also has to be sent back out, and because  
20 the Board renews so close to the end of the fiscal  
21 year, if there is any kind of discrepancy in terms of  
22 the money collected in one year but yet was paid out  
23 to the national registry in the following year, it  
24 creates a unique negative number and that is exactly  
25 what happened.

1 Ms. Mattis addressed administrative costs, noting  
2 an increase in expenses during a renewal period  
3 because of an increase in administrative costs. She  
4 mentioned Board member expenses decreased because  
5 nobody is currently traveling.

6 Ms. Mattis stated that legal costs are broken  
7 into true legal costs and enforcement and  
8 investigation costs. She mentioned prosecution  
9 expenses trended upward slightly during the first  
10 quarter, but there was not anything problematic in  
11 terms of actual finances themselves.

12 Ms. Mattis addressed revenues and expenses and  
13 the importance of looking at the Board's bottom line.  
14 She mentioned FY21-22 was a nonrenewal year, so  
15 revenue is much lower. She noted the Board is being  
16 proactive in addressing the need for a fee increase  
17 early and providing Mr. Rouse time to prepare the  
18 regulation package.

19 Mr. Ausherman requested information regarding  
20 Board member expenses prior to COVID.

21 Ms. Mattis stated that 2019 was more of a normal  
22 year, \$6,130.09 was spent in FY17-18, and \$8,999 in  
23 FY18-19. She mentioned FY19-20 is a normal number for  
24 the Board because one of the biggest things the Board  
25 does is attend the Association of Appraiser Regulatory



1 Officials (AARO) Conference, which happened in FY19-20  
2 and is why FY20-21 is much lower.

3 Ms. Mattis addressed the budget for this year of  
4 \$25,000, noting the number is high because it is  
5 important that Board members have the functionality  
6 for learning opportunities and will go back into the  
7 restricted account for the following year if not used.

8 Mr. Smeltzer addressed his attendance at the AARO  
9 Convention this year, noting discussion regarding the  
10 Appraisal Subcommittee providing grants to different  
11 boards that include grants to send representation to  
12 the AARO Conferences and other things as well. He  
13 mentioned that ASC offered to send someone to speak to  
14 the Board about grants and how the process works. He  
15 requested information of whether there is any  
16 prohibition in the state against having a grant from  
17 the ASC to cover some of these expenses.

18 Ms. Mattis deferred to Mr. Rouse and will circle  
19 back with their contract attorneys to make sure they  
20 are allowed to accept money to reimburse the Board for  
21 travel expenses or to sponsor Board members to go to  
22 the AARO Conferences.

23 Mr. Rouse commented that he would report back to  
24 the Board after further researching the Gift Ban.

25 Mr. Smeltzer further explained that the Appraisal

1 Subcommittee would provide grants for the Board to  
2 work with state college systems to develop programs to  
3 bring more diversity into the appraiser profession and  
4 assist with training.

5 Ms. Mattis stated that she would reach out to Mr.  
6 McMurry for his review with an email and carbon copy  
7 to Mr. Rouse to keep him looped in regarding the  
8 findings.

9 Mr. Smeltzer also offered to provide contact  
10 information of who is in charge of the grants from the  
11 ASC and works with other states across the country.

12 Mr. Michalowski added that travel expenses have  
13 been paid for and approved through the Governor's  
14 Office through The Appraisal Foundation, which is the  
15 semi-governmental sister to the Appraisal  
16 Subcommittee, whereas the Appraisal Subcommittee is a  
17 federal agency.

18 Mr. Michalowski stated expenses had been approved  
19 in the past for The Appraisal Foundation to pay for  
20 training for prosecutors and board members to go to  
21 training. He noted it to be a different process than  
22 a grant and a direct pay subsidization of travel and  
23 registration fees. He mentioned that the two entities  
24 are related and both created by the same law, although  
25 they are separate entities.

1 Ms. Mattis addressed the updated BFO fee increase  
2 proposal. She mentioned prior discussion regarding  
3 fees in surrounding states, noting documents prepared  
4 by Mr. McFarlane and the policy office.

5 Ms. Mattis explained that the fee package is a  
6 representation of how much biennial revenue versus  
7 projected biennial expenses are coming in. She stated  
8 the Board is looking at an \$11,000 surplus, but the  
9 surplus will not hold going into the future years.

10 Ms. Mattis provided a broad representation of  
11 revenues and expenses going back to 2013, where the  
12 Board is in the \$550,000 to \$700,000 range with  
13 expenses at \$534,000 for the last fiscal year.

14 Ms. Mattis addressed the Board's current  
15 financial status through FY27-28. She noted \$568,000  
16 in FY27-28 is borderline of a year's worth of expenses  
17 for the Board, noting the goal is to remain solvent  
18 and have a minimum impact to licensees.

19 Ms. Mattis mentioned looking at application fees  
20 themselves and not touching renewals. She noted not  
21 anticipating any changes for the next renewal in June  
22 2023. She stated that there is no time to get a fee  
23 package that would be in place before that would  
24 happen, so any of the changes they are proposing would  
25 be for the June 2025 renewal.

1 Ms. Mattis addressed application costs and the  
2 cost to process the application. Ms. Mattis noted the  
3 residential appraisers through reciprocity application  
4 fee increases from \$40 to \$90 and the residential  
5 appraiser by exam increases from \$235 to \$338 in FY24-  
6 25.

7 Ms. Mattis stated that nothing is changing on the  
8 renewal side when that is put in with the current  
9 renewal fees and would give a balance of \$690,000 in  
10 FY24-25 at the end of the renewal period.

11 Ms. Mattis addressed a 2 percent increase that  
12 raises the renewal fees by \$5, so everybody paying  
13 \$225 would go to \$230 in June 2025, AMCs would go up  
14 \$20 from \$1,000 to \$1,020, and licensed trainees would  
15 go from \$150 to \$153. She noted the following renewal  
16 cycle would go up another \$5 for the first four  
17 license classes, another \$20 for AMCs, and another \$3  
18 for the licensed appraiser trainees.

19 Ms. Mattis stated that a 2 percent increase in  
20 renewals and changing actual applications to what it  
21 costs to do business is enough to break the decrease  
22 in nonrenewal years. She noted the Board would be at  
23 \$712,000 at the end of period two and projecting it to  
24 be at \$716,000 in FY27-28 and would be enough to keep  
25 the Board in a healthy solvent way.

1 Chairman Pasquarella expressed concern with the  
2 renewal increase of \$5 not taking the fees to levels  
3 of the states that are adjacent to Pennsylvania. He  
4 mentioned the expectation of a huge wave of people  
5 retiring over the next two to five years. He stated  
6 that reductions in the number of renewal fees being  
7 paid by a reduced number of the population within each  
8 one of those sectors with a reduced number of  
9 licensees could create deficit.

10 Chairman Pasquarella also expressed concern with  
11 whether the Board is charging enough since they are so  
12 far below many of the other adjoining states, along  
13 with the anticipated reduction in the number of  
14 licensees, noting certified general appraisers in  
15 Maryland at \$370.

16 Mr. Smeltzer also discussed the anticipated loss  
17 in the number of appraisers nationwide. He mentioned  
18 the decrease in the current licensee population from  
19 FY19-20 from 4,358 to 4,174. He noted broker  
20 appraisers, which was something available to people in  
21 1996, is no longer available and those numbers will  
22 continue to fall. He mentioned that broker appraisers  
23 do not typically move to one of the other licensure  
24 classes and is also a concern that renewals are going  
25 to continue to decrease.

1 Mr. Michalowski commented that there are a number  
2 of individuals who hold both the broker appraiser  
3 license and become certified as general or residential  
4 appraisers and still hold on to their broker appraiser  
5 license, where both licenses will be lost at the same  
6 time if they are a residential/broker appraiser. He  
7 mentioned a 10 percent reduction with those licensees.

8 Chairman Pasquarella commented that based on the  
9 surveys of certified general, certified residential,  
10 and AMC, the Board is at the low end of the range of  
11 all the surrounding states and nationally.

12 Ms. Mattis offered to provide numbers with a 10  
13 percent reduction on the residential appraisers,  
14 general appraisers, and Pennsylvania evaluators and  
15 remove the broker appraisers from the projection.

16 Mr. Smeltzer suggested rerunning the numbers with  
17 a 5 percent reduction every renewal period at 2.5  
18 percent a year or 3 percent a year if that would give  
19 better figures.

20 Chairman Pasquarella disagreed and believed a 10  
21 percent reduction is more realistic, given the average  
22 age of an appraiser and young people going to other  
23 industries within the real estate field that are not  
24 appraisal.

25 Mr. Smeltzer commented that seeing numbers at 3

1 percent or 5 percent a year would be helpful and 10  
2 percent at the worst case scenario would give the  
3 Board a better idea of how to budget going forward.

4 Chairman Pasquarella agreed with running a couple  
5 of different scenarios to see what kind of deficits  
6 there may be and whether there would be enough surplus  
7 to carry the Board in a really tough year where there  
8 could possibly be a massive litigation expense.

9 Chairman Pasquarella asked whether someone could  
10 annualize the certified general appraiser, certified  
11 residential appraiser, and so forth for a common  
12 denominator of an annual cost to each appraiser's  
13 license in other states.

14 Ms. Mattis offered to provide the information.

15 Chairman Pasquarella suggested ranking those with  
16 low-to-high or high-to-low numbers for a good visual  
17 as to where Pennsylvania is with respect to the other  
18 states.

19 Chairman Pasquarella thanked and complimented Ms.  
20 Mattis for her presentation.

21 Ms. Mattis gave 100 percent of the credit to Mr.  
22 LaFratte, who provided the information for all 29  
23 licensing boards.

24 Ms. Mattis will provide the additional options to  
25 Ms. Hemler today.

1 Ms. Mattis mentioned that creating a generalized  
2 percentage increase across all licensing fees is the  
3 easiest sell, but if there is a reason or need to  
4 charge a different fee for AMCs because it is so  
5 disproportionate to what really should be charged, it  
6 can be done and is allowed as long as the reason for  
7 the difference can be explained.

8 Mr. McFarlane provided a comparative analysis of  
9 AMC fees. He stated that no costs associated with  
10 bonds or AMC National Registry fees were included. He  
11 explained that the goal was to identify where  
12 Pennsylvania stands relative to AMC fees, particularly  
13 renewal fees.

14 Mr. McFarlane stated that he established a  
15 primary unit of comparison by annualizing the AMC  
16 fees. He reported a \$125 annualized recurring fee to  
17 be the lowest and several states with a \$2,500  
18 annualized recurring fee for AMC renewals at the  
19 highest. He noted Pennsylvania ranked at \$500 per  
20 year with the average being \$945 and median at \$800.

21 Mr. McFarlane addressed percentiles and tends to  
22 rely on the 10th percentile and 90th percentile  
23 because everything outside of those would be  
24 considered generally an outlier. He stated that  
25 Pennsylvania ranks again in the bottom third in terms



1 of annual recurring fees for license renewal for AMCs.

2 Mr. McFarlane pointed out that Montana has a  
3 breakpoint predicated on the amount of engagements the  
4 AMC conducts in the previous period and allows for  
5 proportional fees relative to how much work they are  
6 doing.

7 Mr. McFarlane reported Pennsylvania is in the  
8 bottom third and arguably could go up a little bit.  
9 He commented that \$500 for an AMC firm on an annual  
10 basis might be a little light relative to  
11 counterparts.

12 Chairman Pasquarella added that the fee is low in  
13 comparison to neighboring states and thinks the Board  
14 could receive some additional funds through the AMCs  
15 based on the survey. He also mentioned that New  
16 Jersey probably has just as many transactions as  
17 Pennsylvania because it is so heavily populated.

18 Mr. Smeltzer suggested increasing the AMC fee  
19 beyond the 2 percent per year to bring them in line  
20 with what other states are charging considering the  
21 number of transactions they perform in Pennsylvania.

22 Mr. Michalowski addressed issues and  
23 investigations with AMCs. He reported seeing a large  
24 number of investigations being initiated by AMC  
25 complaints but does not have a categorization as to

1 the type of complaint. He mentioned that anecdotally  
2 he is seeing more and more, when sending out the  
3 closing letters that they are going out to an AMC,  
4 occasionally to a federal agency with consumers  
5 somewhere in between.

6 Mr. Michalowski mentioned seeing less cases  
7 involving AMCs themselves, simply because the numbers  
8 shrunk as they have merged or went out of business.  
9 He noted the difference between the appraisers and the  
10 appraisal management companies is an appraiser can  
11 only take on so much work, but appraisal management  
12 companies had been merging over the years and were  
13 getting larger and generating more assignments.

14 Mr. Michalowski addressed AMC complaints, where  
15 many of them tend to be reciprocal in nature and take  
16 a lot of work. He noted them AMCs generate a lot of  
17 complaints, a lot of which were closures but do not  
18 generate a lot of cases for themselves individually.  
19 He mentioned the cases resolve more easily because  
20 prosecution does not need expert testimony.

21 Mr. Ausherman commented that AMCs would not have  
22 any issues with increased fees if the fees were based  
23 off of what New Jersey, Ohio, and Maryland charge,  
24 especially in the Pittsburgh area where there have  
25 been a lot of new AMCs branch off in the last few

1 years.

2 Marc Farrell, Deputy Director, Office of Policy,  
3 Department of State, commended the Board for the  
4 discussion, noting they are a model Board in terms of  
5 finances. He stated that Board fees have to be raised  
6 via regulation, which means going to the Independent  
7 Regulatory Review Commission (IRRC) with a rulemaking  
8 package.

9 Mr. Farrell explained that the statutory mandate  
10 ties increases in fees to Board costs, so the Board  
11 has to have enough revenue coming in to cover costs.  
12 He mentioned IRRC will want to know what costs went up  
13 and expressed a concern with the reason being that  
14 other states charge more. He mentioned that the  
15 Department is constantly looking at every boards'  
16 finances, and the Board has the ability to adjust  
17 things six years out.

18 Chairman Pasquarella asked whether the reduction  
19 in the number of management companies through their  
20 mergers could be introduced, where there are fewer but  
21 larger AMCs, but the Board has the same costs because  
22 cost does not necessarily go up but the revenue is  
23 anticipated to go down.

24 Mr. Farrell mentioned that it would be helpful to  
25 quantify it and if it is not too speculative as to the

1 number of mergers and lowering of the number of  
2 overall AMCs.

3 Mr. Michalowski suggested contacting some of the  
4 other states to see what they use to justify their  
5 rate increases, where there might be additional ways  
6 to add solid industry trend-type reasons for the  
7 increase. He mentioned a lot of articles where AMCs  
8 are a large part of why there is a decrease in the  
9 number of appraisers because they take a chunk out of  
10 the appraiser's fee.

11 Mr. Michalowski commented that the AMC is making  
12 the appraiser go back out and make two or three  
13 different versions of an appraisal and creating an  
14 environment, where an appraiser is getting paid less  
15 and doing more work.

16 Chairman Pasquarella mentioned that the AMC fee  
17 number could have been wrong from the beginning, where  
18 the states had a higher fee from the beginning and it  
19 would be interesting to see just to get the facts  
20 straight.

21 Mr. Smeltzer suggested placing the AMC issue on  
22 the agenda for the next meeting so anyone from an AMC  
23 who wishes to attend the meeting could see the agenda  
24 and have someone attend the meeting to discuss any  
25 issues.]

\*\*\*

1 Correspondence

2 [Ronald K. Rouse, Esquire, Board Counsel, addressed  
3 correspondence from the Assessors Association of  
4 Pennsylvania (AAP) regarding precertification  
5 education and concern of whether the McKissock course  
6 provides the required credit hours if someone needs to  
7 sit for the certified Pennsylvania evaluator (CPE)  
8 examination. He noted that AAP states that it offers  
9 four weeks of CPE courses that are broken out into  
10 four main categories, and at the end of the program,  
11 the candidate has enough credits to sit for the exam.  
12

13 Mr. Rouse provided a response, where candidates  
14 are able to take courses that have been approved by  
15 the Board in general. He stated that as long as the  
16 Board has approved the courses, candidates may take it  
17 and the candidates must keep track of their course  
18 hours to make sure they comply with the qualification  
19 requirements of the Assessors Certification Act.

20 Mr. Rouse mentioned that people who want to know  
21 what courses they can take that have been approved by  
22 the Board can find the information on the Board's  
23 website at [www.dos.pa.gov/real](http://www.dos.pa.gov/real) under "general  
24 information" and "approved education providers."

25 Teresa Cochran, Executive Director, Assessors'

1 Association of Pennsylvania, explained that AAP was  
2 looking for an equivalent to what AAP provides with  
3 McKissock, and it was really difficult to figure out  
4 how that would work. She commented that if it is  
5 going to be the student's responsibility to take  
6 classes in the required course areas and keep track of  
7 their own credit, that is AAP's answer to candidates.

8 Mr. Rouse recommended candidates look at the  
9 statute, Assessors Certification Act, as amended by  
10 Act 88 of 2020 because it will provide everything they  
11 need to be able to sit for the CPE examination.

12 Ms. Cochran thanked the Board, noting some  
13 counties have a shorter time period in order to  
14 receive their CPE and this will help a lot by speeding  
15 things up.]

16 \*\*\*

17 Public Session

18 [Dean F. Picarella, Esquire, Senior Board Counsel,  
19 commented that he monitors the Board meeting to make  
20 sure Board counsel is providing good advice. He  
21 complimented Mr. Rouse for his very good work as Board  
22 counsel.

23 Chairman Pasquarella also expressed the Board's  
24 appreciation and thanked Mr. Rouse for being so well  
25 prepared and well informed.

1 Mr. Michalowski also echoed compliments for Mr.  
2 Rouse.

3 Scott DiBiasio, Manager of State and Industry  
4 Affairs, Appraisal Institute, clarified something  
5 during the discussion in relation to the 7-hour USPAP  
6 update course. He requested clarification on whether  
7 it is the Board's position that in order to renew a  
8 license on July 1, 2023, a licensee will have to  
9 complete both the 2022 USPAP update course that is now  
10 available and the 2023 USPAP update course that The  
11 Appraisal Foundation and AQB are saying may be  
12 available at the end of 2022.

13 Mr. DiBiasio commented that he did not think The  
14 Appraisal Foundation and AQB have made the final  
15 decision as to whether or not they are going to have a  
16 2023 USPAP update course and asked whether a licensee  
17 would have to complete both of those update courses as  
18 part of the mandatory continuing education to renew  
19 their credential on July 1, 2023.

20 Mr. Smeltzer stated that USPAP was updated every  
21 year prior to 2006. He noted the requirement of  
22 taking one USPAP update during the two-year cycle. He  
23 mentioned that with the current regulation, they could  
24 require one USPAP update in this cycle that started  
25 July 1, 2021 and then goes to 2023 and would be

1 similar to what was in place prior to 2006.

2 Mr. DiBiasio suggested making sure licensees are  
3 aware of that so they do not wait until June 15, 2023,  
4 to take their USPAP update course for this cycle,  
5 having missed the 2022 course if they are not required  
6 to have both courses. He commented that no action is  
7 necessary if it is only one course, 2022 or 2023,  
8 whichever is available whenever the licensee wants to  
9 take it; but if it is going to be both those courses,  
10 the licensees need to be made aware of that.

11 Mr. Smeltzer reiterated that he does not think  
12 the regulation allows them to require both and is  
13 written as 28 hours of continuing education, including  
14 a 7-hour USPAP update and 2 hours of state law.

15 Mr. DiBiasio noted that to be consistent with the  
16 AQB criteria, where a licensee has to take a USPAP  
17 update course once every two years.

18 Mr. Smeltzer commented that Pennsylvania has an  
19 easier time than some of the states that require the  
20 USPAP update be taken within six months of the new  
21 USPAP because some of them are going to run into  
22 issues with this.

23 Mr. DiBiasio stated that the one-year extension  
24 of the current version of USPAP and then the back-to-  
25 back USPAP update courses in 2022 and 2023 has caused



1 a lot of chaos amongst other states.

2 Mr. Smeltzer also thanked Mr. Rouse for being a  
3 wealth of knowledge.

4 Chairman Pasquarella agreed that it is the one  
5 USPAP class plus the other requirements. He mentioned  
6 that the confusion lies in an issue where someone had  
7 missed the USPAP class in the previous cycle and wants  
8 to renew their license and need to take the current  
9 one because there is no way to get the old one. He  
10 noted the Board was talking about the person having to  
11 take a new USPAP if one should come out.

12 Chairman Pasquarella also mentioned that Mr.  
13 Michalowski indicated possibly taking an elective  
14 class. He noted the need to research which way the  
15 Board will go and placing that on the agenda for the  
16 next Board meeting to have that fully discussed and  
17 vetted and not confusing people who are taking the  
18 current one to meet a previous cycle's requirement.]

19 \*\*\*

20 Adjournment

21 CHAIRMAN PASQUARELLA:

22 Do I have a motion to adjourn?

23 MR. SMELTZER:

24 I so move.

25 CHAIRMAN PASQUARELLA:

1                   Is there a second?

2 MR. AUSERMAN:

3                   I second.

4 CHAIRMAN PASQUARELLA:

5                   All in favor of adjournment? Any nays?

6                   Hearing none. The meeting is adjourned.

7 [The motion carried unanimously.]

8   \*\*\*

9 [There being no further business, the State Board of  
10 Certified Real Estate Appraisers Meeting adjourned at  
11 12:23 p.m.]

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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.



Samantha Sabatini,

Minute Clerk

Sargent's Court Reporting  
Service, Inc.

STATE BOARD OF CERTIFIED  
REAL ESTATE APPRAISERS  
REFERENCE INDEX

November 4, 2021

	TIME	AGENDA
1		
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	10:33	Approval of Minutes
18		
19	10:34	Report of Prosecutorial Division
20		
21	10:46	Report of Board Counsel
22		
23	10:52	Applications for Review
24		
25	10:53	Matters for Discussion
26		
27	10:55	Report of Board Administrator
28		
29	10:56	Miscellaneous
30		
31	10:56	Correspondence
32		
33	11:00	Appointment - BFO Fee Increase Proposal
34		Update and Annual Finance Presentation
35		
36	12:09	Correspondence (cont.)
37		
38	12:13	Public Comment/Discussion
39		
40	12:23	Adjournment
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