

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES – LICENSING DIVISION
2501 Woodlake Circle, Okemos, Michigan 48864-5955**

BOARD OF REAL ESTATE APPRAISERS

BOARD MEETING MINUTES

March 25, 2008

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Real Estate Appraisers met in Regular Session on March 25, 2008, at the Department of Labor & Economic Growth, Bureau of Commercial Services, 2501 Woodlake Circle, Conference Room 1, Okemos, Michigan. The business meeting was called to order by Chairperson, David Molenaar, at 9:00 a.m.

ROLL CALL

Present:	Marshall Brulez	- Professional Member
	Darius Dynkowski	- Public Member
	Donn Fresard	- Public Member
	Beth Graham	- Professional Member
	Craig Hufnagel	- Professional Member
	David Molenaar	- Professional Member
	John Snyder	- Professional Member
Absent:	Andrew Chamberlain	- Professional Member
Staff:	Joseph Campbell	- Licensing Administrator
	Jean Boven	- Licensing Division Director
	Felicia Badger	- Assistant Licensing Administrator
	Sharon Murphy	- Recording Secretary
	Jim Nelson	- Compliance/Legal/FOIA Unit
	Stephen Gobbo	- Compliance/Legal/FOIA Manager
	Kristie Pfeifer	- Enforcement Division
	Archie Millben	- Enforcement Division Director
	Ann Paruk	- Enforcement Division
	Foye Longworth	- Testing & Education Services
	Sue Sherman	- Testing & Education Services Manager
	Amy Shell	- Policy Specialist
Visitors:	Diane Ahti	- Certified General Real Estate Appraiser
	Andrea Bates	- MAR
	Gerald Svoboda	- Certified General Real Estate Appraiser

AMENDMENTS TO AGENDA

Add items 8.e. Expenses, 8.f. Appraiser Upgrade Application Backlog Update, 8.g. Board Concerns

APPROVAL OF PREVIOUS MINUTES HELD DECEMBER 4, 2007

MOTION: Ms. Graham moved to approve the minutes of December 4, 2007. Mr. Hufnagel seconded the motion, which carried unanimously.

STIPULATIONS

Mark R. Cordrey, 12-01-007367, C#301809

The board reviewed the stipulation in the matter of Mark R. Cordrey who admitted to failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal in that he failed to include an accurate subject cost estimate and other subject data and comparable adjustments.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department within sixty (60) days from the date of mailing of the final order, and make restitution to complainant of \$1,000.00 within sixty (60) days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried by a majority vote, with Mr. Snyder abstaining.

Charles Sarkis Costa, 12-01-070888, C#94690

The board reviewed the stipulation in the matter of Charles Sarkis Costa who admitted to violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Dynkowski moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

Nicole Davis, 12-01-069704, C#301906

The board reviewed the stipulation in the matter of Nicole Davis who admitted to failure to analyze all agreements of sale, options or listings of the subject property; and failure to exercise reasonable diligence in developing or communicating the appraisal.

In accordance with the stipulation, the respondent consents to pay a fine of \$1,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 14 hours of continuing education courses consisting of a 7 hour Sales Comparison Approach course, and a 7 hour Market Data Analysis course, which may not be applied to the continuing education requirement for renewal, to be completed within six (6) months from the mailing date of the final order, and provide proof of completion of the required 14 hours of courses to the department within six months from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall

result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Jerry Allen Dusseau, 12-01-002972, C#303978

The board reviewed the stipulation in the matter of Jerry Allen Dusseau who admitted to failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal in that he failed to include proposed remodeling details and specifications for the subject property; committing substantial errors of omission or commission that significantly affected the appraisal; failure to identify any hypothetical conditions necessary in the appraisal assignment; failure to examine and have available for future examination, plans, specifications or other documentation to identify the scope and character of the proposed improvements in the appraisal; failure to analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal; failure to clearly and accurately set forth the appraisal report in a manner that was not misleading; failure to provide sufficient information in the appraisal report to enable the intended users of the appraisal to understand it properly; failure to clearly and accurately disclose any extraordinary assumption, hypothetical condition or limiting condition that was used in the assignment; failure to summarize sufficient information to identify the real estate involved in the appraisal; failure to state all assumptions, hypothetical conditions and limiting conditions that affected the analyses, opinions and conclusions in the appraisal; failure to summarize the information analyzed, the appraisal procedures followed and the reasoning that supported the analyses, opinions and conclusions in the appraisal; failure to exercise reasonable diligence in developing or communicating the appraisal; failure to include an opinion of defined value of adequately described real property as of a specific date and supported by the presentation and analysis of relevant market information, in that he failed to include accurate and similar comparable properties data; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and immediate revocation of license upon date of Final Order. Failure to comply with all terms and conditions set forth in the stipulation shall result in continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried unanimously.

William F. Holley, 12-01-000861, C#94469

The board reviewed the stipulation in the matter of William F. Holley who admitted to practicing without a current appraisal license; failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal in that he failed to use appropriate comparable properties information and failed to make proper adjustments; failure to include sufficient information in the appraisal report to enable the intended users of the appraisal to understand it properly; failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal in that he failed to accurately identify the

characteristics of the subject property; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$1,500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and permanently surrender his appraisal license within 20 days from the date of mailing of the final order, which shall never be reissued. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Hufnagel moved to accept the stipulation. Mr. Brulez seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

Patrick Vincent Hundley, 12-01-003433, C#301221

The board reviewed the stipulation in the matter of Patrick Vincent Hundley who admitted to failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal in that he failed to make proper comparable adjustments.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 15 hours of continuing education courses involving the Sales Comparison Approach, which may not be applied to the continuing education requirement for renewal, to be completed within six (6) months from the mailing date of the final order, and provide proof of completion of the required 15 hours of courses to the department within six months from the date of mailing of the final order, and if the \$500.00 fine is unpaid after 60 days from the date of mailing of the final order, the fine amount shall be increased to \$1,000.00. Failure to comply with all terms and conditions set forth in the stipulation shall result in suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Brulez moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried unanimously, as Mr. Chamberlain was absent.

Alan Edward Ivany, 12-01-001088, C#305060

The board reviewed the stipulation in the matter of Alan Edward Ivany who admitted to violating a rule of conduct in practicing an occupation.

In accordance with the stipulation, the respondent consents to pay a fine of \$3,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and enroll in continuing education courses in site comp training for minimum period of two years, providing written proof to the department of compliance with each requirement. Failure to comply with all terms and conditions set forth in the stipulation shall result in suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Brulez moved to **reject the stipulation**, as clarification is needed regarding the type, amount, and due date of the additional continuing education requirement, and whether education is in addition to the continuing education requirement for renewal. Mr. Hufnagel seconded the motion, which carried unanimously.

John Wheeler McAnally, 12-01-000155, C#305072

The board reviewed the stipulation in the matter of John Wheeler McAnally who admitted to failure to analyze a listing of the subject property that was current as of the effective date of the appraisal; and for performing appraisal services for which he was not licensed.

In accordance with the stipulation, the respondent consents to pay a fine of \$1,000.00, \$500.00 of which is payable to the State of Michigan within sixty (60) days from the date of mailing of the final order, and the remaining \$500.00 payable to the State of Michigan within 60 days from the sixtieth day of mailing of the final order in accordance with the stipulation. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. The motion failed for lack of support.

MOTION: Mr. Fresard moved to **reject the stipulation** as the proposed fine is not commensurate with the type of violations committed, and the board recommends revocation of respondent's State Licensed Real Estate Appraiser license. Mr. Hufnagel seconded the motion, which carried by a majority vote, with Ms. Graham opposed and Mr. Molenaar abstaining.

David Lee Norris, 12-01-002079, C#303588

The board reviewed the stipulation in the matter of David Lee Norris who admitted to violating a rule of conduct in practicing an occupation.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Hufnagel moved to accept the stipulation. Mr. Snyder seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

Ruben K. Ramon, 12-01-008059, C#300911

The board reviewed the stipulation in the matter of Ruben K. Ramon who admitted to failure to make available to the department upon request, books and records required to be kept; and violating a provision for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$750.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Brulez seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Robert J. Reamer, 12-01-001370, C#302592

The board reviewed the stipulation in the matter of Robert J. Reamer who admitted to failure to include an acknowledgement of the material participation of another individual in preparing the report; and failure to exercise reasonable diligence in developing or communicating the appraisal.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Thomas Patrick Williams, 12-01-000082, Complaint #89478

The board reviewed the stipulation in the matter of Thomas Patrick Williams who admitted to failure to provide sufficient information in the appraisal report to enable the intended users of the appraisal to understand it properly in that the report did not include supporting information for the determination of the land value estimates deducted from the cash prices of the properties used in the sales comparison approach; and failure to describe information analyzed, the appraisal procedures followed and reasoning that supported the analyses, opinions and conclusions in the appraisal report.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 5 hours of continuing education courses to be approved in advance by the department, to be completed within one year from the date of mailing of the final order, and shall not count toward the required hours for license renewal. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Brulez moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried unanimously, as Mr. Chamberlain was absent.

Donald L. Adle, 12-01-001883, C#93416

The board reviewed the stipulation in the matter of Donald L. Adle who admitted to failure to analyze a sale of the subject property that occurred within one year prior to the effective date of the appraisal in that he failed to include transfer of sale of the subject property in an appraisal done for a party with actual knowledge of the sale, because the redemption period had not expired.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 7 hours of USPAP continuing education courses to be completed within 60 days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Hufnagel moved to **reject the stipulation** due to the hand-written additions made on the stipulation, and clarification needed regarding the continuing education requirement stated in the stipulation, as all appraiser licensees are required to take the 7 hour National USPAP course prior to renewal. The board suggested a 15 hour USPAP course be required. Mr. Brulez seconded the motion, which carried by a majority vote, with Mr. Dynkowski opposing, and Ms. Graham abstaining.

Discussion: Mr. Gobbo suggested the board member present at the compliance conference be more specific with their requirements, as they are the expert for the department. Mr. Molenaar requested to review final draft stipulations before they are approved and signed.

Patricia Ann Caldwell, 12-01-002099, C#303980

The board reviewed the stipulation in the matter of Patricia Ann Caldwell who admitted to failure to analyze a listing of the subject property that was current as of the effective date of the appraisal; failure to analyze all sales of the subject property that occurred within three years prior to the effective date of the appraisal; and failure to summarize information sufficiently to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment in that she failed to include accurate property size data

In accordance with the stipulation, the respondent consents to pay a fine of \$3,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 7 hours of Defensive Appraisal Report Writing continuing education courses or similar narrative appraisal report writing course which may not be taken online over the internet, and may not be applied toward the required hours for license renewal, to be completed within 6 months from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Hufnagel moved to accept the stipulation. Ms. Graham seconded the motion, which carried unanimously.

Marcella M. Clark, 12-01-005930, C#303731

The board reviewed the stipulation in the matter of Marcella M. Clark who admitted to rendering appraisal services in a careless or negligent manner in that she committed a series of errors that affected the credibility of the appraisal results by failing to include similar comparable property data and failing to accurately report the intended use of the appraisal; and failure to clearly and accurately set forth the appraisal report in a manner that was not misleading in that she failed to include similar comparable property data.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 40 hours of Advanced Sales Comparison & Cost Approach continuing education courses to be completed within 6 months from the date of mailing of the final order, and shall not count toward the required hours for license renewal. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and

denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Brulez moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried unanimously.

Michael Willie Gomez, 12-01-001106, C#302589

The board reviewed the stipulation in the matter of Michael Willie Gomez who admitted to violating provisions for which penalties are not otherwise prescribed in that he failed to include accurate property and comparable sales data.

In accordance with the stipulation, the respondent consents to pay a fine of \$10,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and be placed on probation for a period of 2 years from the date of mailing of the final order, subject to the following conditions: 1) respondent shall file with the department a fully completed real estate appraiser log, a blank example of which is attached to the stipulated agreement, bi-annually by each succeeding June 30th and December 31st, after the mailing date of the final order, for a period of two years; 2) the department shall promptly transmit each real estate appraiser experience log received from respondent to David Molenaar or his substitute or successor on the board, for review; 3) each real estate appraiser assignment identified by respondent on the experience log is subject to random or selective investigation, monitoring, review and/or formal complaint by the department at any time subsequent to the mailing date of the final order as determined by David Molenaar or his substitute or successor to the board. Failure to comply with all terms and conditions set forth in the stipulation shall result in immediate suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

HEARING REPORTS

MOTION: Mr. Hufnagel moved to receive the following hearing reports. Mr. Dynkowski seconded the motion, which carried unanimously.

The following actions were taken on the hearing reports presented to the Board:

Chris Benjamin, 12-01-002560, C#303275, Docket No. 2007-1049

The board reviewed the hearing report in the matter of Chris Benjamin for failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; and committing fraud, deceit or dishonesty in practicing an occupation.

MOTION: Mr. Dynkowski moved to impose a fine in the amount of \$1,000.00 to be paid to the department within 60 days from the date of mailing of the final order and restitution of \$300.00 paid to complainant within 60 days from the date of mailing of the final order. Ms. Graham seconded the motion, which carried unanimously.

Raquel M. Reyna, 12-01-069819, C#299958, Docket No. 2007-1318

The board reviewed the hearing report in the matter of Raquel M. Reyna for demonstrating incompetence; violating any other provision of the act or rule; failure to perform an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; and demonstrating incompetence in developing or communicating an appraisal.

MOTION: Mr. Hufnagel moved to impose a fine in the amount of \$10,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and continued revocation of licensure. Mr. Dynkowski seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

Raquel M. Reyna, 12-01-069819, C#301224, Docket No. 2007-1315

The board reviewed the hearing report in the matter of Raquel M. Reyna for demonstrating incompetence; violating any other provision of the act or rule; failure to perform an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; and demonstrating incompetence in developing or communicating an appraisal.

MOTION: Mr. Hufnagel moved to impose a fine in the amount of \$10,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and continued revocation of licensure. Mr. Dynkowski seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

Raquel M. Reyna, 12-01-069819, C#302591, Docket No. 2007-1396

The board reviewed the hearing report in the matter of Raquel M. Reyna for demonstrating incompetence; violating any other provision of the act or rule; failure to perform an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; and demonstrating incompetence in developing or communicating an appraisal.

MOTION: Mr. Hufnagel moved to impose a fine in the amount of \$25,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and continued revocation of licensure. Mr. Brulez seconded the motion, which carried unanimously.

Raquel M. Reyna, 12-01-069819, C#303299, Docket No. 2007-1395

The board reviewed the hearing report in the matter of Raquel M. Reyna for demonstrating incompetence; violating any other provision of the act or rule; failure to perform an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; and demonstrating incompetence in developing or communicating an appraisal.

MOTION: Mr. Hufnagel moved to impose a fine in the amount of \$25,000.00 to be paid to the department within 60 days from the date of mailing of the final order, restitution of \$426.00 paid to complainant within 60 days from the date of mailing of the final order, and continued revocation of licensure. Mr. Brulez seconded the motion, which carried unanimously.

Donald Joseph Grogan, 12-01-070003, C#93275, Docket No. 2007-14875

The board reviewed the hearing report in the matter of Donald Joseph Grogan for violating any other provision of the act or rule; failure to perform an appraisal in compliance with USPAP; and violating standards for the development and communication of real property appraisal.

MOTION: Mr. Fresard moved to impose a fine in the amount of \$1,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and successfully complete a 15 hour National USPAP course in addition to the continuing education requirement for renewal within 60 days from the mailing date of the final order, and provide proof of completion of the required 15 hour USPAP course to the department within 60 days from the date of mailing of the final order. Mr. Dynkowski seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

EDUCATION COMMITTEE REPORT

The board received three Education Committee Reports as follows: December 2007, January 2008, and February 2008.

MOTION: Ms. Graham moved to accept the Education Committee reports as presented. Mr. Hufnagel seconded the motion, which carried unanimously.

ITEMS FOR CONSIDERATION FROM BOARD MEMBERS/STAFF

Legislative Update – Amy Shell presented an outline of pending legislative activity for tracking purposes only, stating there were no changes from the last legislative activity report she presented to the board.

Mr. Molenaar inquired regarding progress with the board member composition statute update discussed at the last meeting. Ms. Bates from the Michigan Association of Realtors stated the association is drafting language and seeking a sponsor, and she would provide an email update to Ms. Shell following the meeting today.

Review of Rules for Criteria of Instructors for Prelicensure Courses – Mr. Campbell discussed with board members whether changes should be made to the current Rule 309 (3)(b) which states the current requirements for education instructors, as Ms. Stanton had raised the question at the September 2007 board meeting and requested a rule revision to require instructors to be licensed as certified residential or certified general depending on the subject matter of the courses. Mr. Howes had also requested a rule revision at the March 2007 meeting to allow limited appraisers to teach prelicensure courses, as he currently develops the materials and examinations used to teach course work in his school, but believed he did not qualify to teach based on the current rule. Ms. Shell stated if the department pursues a

rule change of this type, the Office of Administrative Rules will want to know its effect on doing business. Ms. Graham stated she is opposed to changing the current rule, as the current rule ensures that qualified instructors are selected by course sponsors. It was the consensus of the board that the current rule is sufficient as written, and if complaints arise against particular courses or instructors, a written statement describing the problem should be forwarded to the enforcement division for further review.

Testing Services Update – Mr. Longworth presented to the board and department copies of the PSI Real Estate Appraiser Candidate Information Bulletin and pass rate statistics for the first group of candidates to take the new AQB approved examination. The board and department discussed the exam results in regard to the low pass rate, concluding that once candidates obtain the required education under the new criteria, examination scores should improve. Mr. Brulez stated the goal of increasing the education requirements and examination difficulty was to improve the profession. Ms. Boven asked that Mr. Longworth obtain diagnostic exam results for other states in comparison with Michigan, if possible. Mr. Hufnagel asked that the diagnostic exam information be shared with licensees once problem areas of the exams are identified. Mr. Campbell stated the diagnostic exam information could be posted on the web site to better assist examination candidates and licensees, and a notice to review the information could be placed on renewal applications.

Case Review Backlog Update – Mr. Molenaar stated he had contacted board members via email who were delinquent in returning case reviews, some of which were back to 2006, and he reiterated their agreement to comply with the 30 day maximum limit to review and return files to the department. Mr. Hufnagel stated the backlog of case files assigned to him were completed and returned to the department today. Mr. Molenaar advised members with case file backlogs to contact the department if they need assistance or reassignment of any case files. Ms. Badger stated Denise Graves is our Appraisal Subcommittee contact. Ms. Badger reminded the board that the ASC may initiate non-recognition proceedings against Michigan if improvement in resolving complaints in a timely manner is not evident at their next field review of Michigan's real estate appraiser regulatory program.

Expenses – Mr. Molenaar asked the department if board members can be reimbursed for postage costs to return files to the department when conducting case reviews for the enforcement division, or if the department can provide a prepaid postage envelope with each case file for return to the department. Mr. Molenaar explained this has become an increasing problem since last fall when the department began sending the original file to board members for review, some of which require considerable postage due to the volume of material. Mr. Millben stated he would check into it. Mr. Gobbo asked Ms. Shell to describe the paperless board packet system the department is in the process of implementing. Ms. Shell stated it is the department's goal to use electronic data technology for board meeting materials by the end of the year; however, since the technology requires special software and equipment, the process could be delayed due to budgetary constraints. Ms. Shell stated once the scanning system is in place, it may be feasible for enforcement to forward case files on disc instead of mailing entire paper files, which would solve the excessive postage issue.

Update Regarding Appraiser Upgrade Application Backlog – Ms. Badger stated there are no new upgrade applications pending initial review under the previous criteria (pre-2008), and there are about 100 incomplete upgrade applications pending further review or information under the pre-2008 criteria. She stated she is currently performing second reviews on files received on January 28, 2008.

Board Concerns – Ms. Graham asked Ms. Badger to explain the continuing education requirements under the new AQB criteria for licensees who upgrade their appraiser license. Ms. Badger stated to be in compliance with the AQB, a licensee must complete 14 hours of continuing education (including the most recent 7 hour National USPAP appraiser update course) prior to renewal if 185 days or more have passed since the issuance of the upgraded license. Mr. Campbell informed the board that the department is awaiting direction from the Attorney General as to how to address this AQB requirement that is contrary to the current statute and rule that do not require continuing education for the first renewal of an upgraded license.

Board Appointments - Mr. Molenaar stated today was Mr. Brulez's last board meeting. Mr. Brulez stated his last day with Charter One Bank was this Friday, as he is going to a private firm. Mr. Molenaar advised board members to contact him if they knew of public or professional individuals interested in serving on the board, one of which must be employed by a financial institution.

PUBLIC COMMENT

None

NEXT MEETING DATE

The next regularly scheduled meeting of the Board of Real Estate Appraisers will be held on June 17, 2008.

ADJOURNMENT

There being no further business to be brought before the Board at this time, the meeting was adjourned at 11:00 a.m.

David Molenaar /s/
Board Chairperson

6/17/2008
Date

Sharon Murphy /s/
Recording Secretary

6/23/2008
Date