

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

BOARD OF REAL ESTATE APPRAISERS

BOARD MEETING MINUTES

September 29, 2009

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Real Estate Appraisers met in Regular Session on September 29, 2009, at the Department of Energy, 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:	Darius Dynkowski	- Public Member
	Donn Fresard	- Public Member
	Beth Graham	- Professional Member
	Craig Hufnagel	- Professional Member
	Patricia Kelly	- Public Member
	David Molenaar	- Professional Member
	John Snyder	- Professional Member
	Norman Thomas	- Professional Member
Staff:	Sarah Rock	- Acting Licensing Administrator
	Joyce Karr	- Licensing Division Director
	Felicia Badger	- Assistant Licensing Administrator
	Sharon Murphy	- Recording Secretary
	Barrington Carr	- Enforcement Division Director
	Bob Engle	- Enforcement Unit Manager
	Kristie Pfeifer	- Enforcement Division
	Ann Paruk	- Enforcement Division
	Steve Gobbo	- Director - Legal Affairs
	Jim Nelson	- Legal Affairs/FOIA Unit Manager
	Bill Wilhelm	- Legal Affairs/FOIA Unit
	Joseph Berry	- Legal Affairs/FOIA Unit
	Jim Farhat	- Policy Specialist
	Foye Longworth	- Testing & Education Services
Visitors:	Asil Zaya	- Petitioner

INTRODUCTIONS

Mr. Molenaar introduced new board member Norman Thomas of Farmington Hills, representing certified real estate appraisers, appointed for a term commencing July 14, 2009; and reappointments were announced for Darius Dynkowski of Clinton Twp, representing the general

public, and David Molenaar of East Lansing, representing certified residential real estate appraisers, all with terms expiring June 30, 2013. Department staff and board members introduced themselves to Mr. Thomas and welcomed him to the board.

AMENDMENTS TO AGENDA

Legal Affairs removed item 6.d. Deborah Spence, 12-01-005912, C#308229, Docket #2009-339
Add item 8.e. Committee Assignment
Move item 4.a. Petitioner Asil Zaya to follow the Hearing Reports due to his estimated late arrival

APPROVAL OF PREVIOUS MINUTES HELD JUNE 16, 2009

MOTION: Ms. Graham moved to approve the minutes of June 16, 2009. Mr. Hufnagel seconded the motion, which carried unanimously.

PETITION

Asil Zaya, 12-01-007156, Certified Residential Reinstatement Application

Mr. Zaya applied for reinstatement of his Certified Residential Real Estate Appraiser license on June 22, 2009, as his appraiser license had been revoked on March 12, 2009 due to non-compliance with a final order. Mr. Zaya and his attorney were present at the meeting today and addressed the board, stating the conditions of the final order had been met. The board reviewed the application and heard the statements by Mr. Zaya and his attorney.

MOTION: Mr. Fresard moved to grant approval for a relicensure application once Mr. Zaya meets the requirements of relicensure by submitting the relicensure application with applicable fees and proof of completion of required continuing education courses, due to his compliance with the final order. Mr. Hufnagel seconded the motion, which carried unanimously. The department concurred.

STIPULATIONS

James Boudreau, 12-01-006337, C#308503

The board reviewed the stipulation in the matter of James Boudreau who admitted to failure to exercise reasonable diligence in developing or communicating the appraisal of a property.

In accordance with the stipulation, the respondent consents to voluntarily surrender his appraiser license within thirty (30) days of the mailing date of the final order and agrees that the license shall not be restored, reinstated or renewed except that an application for a new license or reinstatement of a license may be submitted to the department and the license must be approved by both the Board of Real Estate Appraisers and the department. 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. Ms. Kelly seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Terry Hanning, 12-01-000614, C#308329

The board reviewed the stipulation in the matter of Terry Hanning who admitted to rendering appraisal services in a careless or negligent manner by committing a series of errors that affected the credibility of the appraisal in that he failed to include complete and accurate property data; failure to analyze comparable sales data as available to indicate a value conclusion in the appraisal when the sales comparison approach was necessary for credible assignment results; 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 \$3,000.00 to the department within sixty (60) days from the date of mailing of the final order. Failure to comply with the final order within sixty (60) days shall result in an additional fine of \$3,000.00, for a total fine due in the amount of \$6,000.00, along with 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. Fresard seconded the motion, which carried unanimously.

Tawnee Phillips, 12-01-002852, C#307893

The board reviewed the stipulation in the matter of Tawnee Phillips 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 within sixty (60) days from the date of mailing of the final order, and successfully complete either a seven (7) hour Appraisal Challenges: Declining Markets and Sales Concessions, or a seven (7) hour Litigation Skills for the Appraiser: An Overview, to be completed within six (6) months from the date of mailing of the final order, which shall not be taken over the internet and may not be applied to the continuing education requirement for 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. Hufnagel moved to accept the stipulation. Ms. Kelly seconded the motion, which carried unanimously.

Mark Reinholz, 12-01-072274, C#308768

The board reviewed the stipulation in the matter of Mark Reinholz who failed to include the statement "Appraisers are required to be licensed and are regulated by the Michigan Department of Labor & Economic Growth, PO Box 30018, Lansing, Michigan 48909" in the appraisal report.

In accordance with the stipulation, the respondent consents to pay a fine of \$1,000.00 to the department within six (6) months from the date of mailing of the final order, and successfully complete at least twenty (20) hours of additional continuing education courses within six (6)

months from the mailing date of the final order, which shall not be taken over the internet and shall not be applied to licensure renewal. 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. Hufnagel moved to accept the stipulation. Ms. Graham seconded the motion, which carried unanimously.

HEARING REPORTS

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

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

Sam McGowan, 12-01-002349, C#308737, Docket #2009-182

The board reviewed the hearing report in the matter of Sam McGowan for failure to prepare an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisals; failure or refusal without good cause to exercise reasonable diligence in developing or communicating an appraisal; and violating a provision of the act or rule for which a penalty is not otherwise prescribed.

MOTION: Mr. Fresard moved to impose a fine in the amount of \$5,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and continued revocation of licensure. Failure to comply with the final order shall result in a continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made. Ms. Graham seconded the motion, which carried by a majority vote with Mr. Molenaar abstaining.

Michele Ramon, 12-01-007215, C#308542, Docket #2009-689

The board reviewed the hearing report in the matter of Michele Ramon for failure to prepare an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal without good cause to exercise reasonable diligence in developing or communicating an appraisal; failure to make available to the department upon request books and records required to be kept under this article; and violating a provision of the act or rule for which a penalty is not otherwise prescribed.

MOTION: Ms. Kelly moved to impose a fine in the amount of \$5,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and immediate revocation of licensure. Failure to comply with the final order shall result in a continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made. Mr. Hufnagel seconded the motion, which carried by a majority vote with Mr. Molenaar abstaining.

Thomas Ring, 12-01-069517, C#304821, Docket #2008-694

The board reviewed the hearing report in the matter of Thomas Ring where no violations were found.

MOTION: Mr. Fresard moved to dismiss the hearing report as the alleged violations were not substantiated. Mr. Hufnagel seconded the motion, which carried by a majority vote with Mr. Molenaar abstaining.

Mark Ward, 12-01-069577, C#308303, Docket #2009-946

The board reviewed the hearing report in the matter of Mark Ward for failure to prepare an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal without good cause to exercise reasonable diligence in developing or communicating an appraisal; and violating a provision of the act or rule for which a penalty is not otherwise prescribed.

MOTION: Mr. Hufnagel moved to impose a fine in the amount of \$3,000.00 to be paid to the department within 60 days from the date of mailing of the final order. Failure to comply with the final order within 60 days from the date of mailing of the final order shall result in immediate revocation of all licenses and an additional fine in the amount of \$3,000.00, for a total fine due of \$6,000.00, and denial of any future applications for licensure, relicensure, or renewal until full compliance is made. Ms. Graham seconded the motion, which carried unanimously.

EDUCATION COMMITTEE REPORT

The board received three Education Committee Reports as follows: June 2009, July 2009, and August 2009.

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

ITEMS FOR CONSIDERATION FROM BOARD MEMBERS/STAFF

Case Review Backlog Update – Mr. Molenaar asked board members to report the status of outstanding case file reviews for the department, and it was reported that there were no outstanding files as of that day.

Legislative Update – Mr. Farhat provided a draft of the proposed rules as discussed at the previous meeting for the board's review. He stated the next step in the process is to send the rules draft to the State Office of Administrative Hearings and Rules for their review.

MOTION: Ms. Kelly moved to accept and support the rules draft as presented. Ms. Graham seconded the motion, which carried unanimously.

Mr. Farhat provided copies of House Bills 4234 and 5313, which update the statute regarding an examination requirement when a license has been lapsed over three years, and professional board member composition requirements as discussed at previous meetings. He stated the first bill was approved by the House in March 2009 and referred to the Senate committee. Mr. Farhat anticipates both bills moving through the legislative process.

2010 Board Meeting Schedule – Mr. Molenaar stated in accordance with the Public Notice provided regarding the 2010 Board Meeting Schedule for the Board of Real Estate Appraisers, the board is scheduled to meet on March 23, June 15, September 28, and December 7, 2010.

Board Concerns – Mr. Longworth presented Michigan examination statistics to board and department staff, outlining the period from when the AQB National Uniform Licensing and Certification examinations went into effect until present. He also provided a handout from The Appraisal Foundation, “National Uniform Licensing and Certification Examinations Program Update” from March 2009, which outlines the Appraisal Qualifications Board’s (AQB) development, implementation, and analysis of the national examinations that became effective January 1, 2008. Mr. Longworth noted the pass rates are improving as candidates obtain the required core curriculum as outlined by the AQB’s 2008 Real Property Appraiser Qualification Criteria, and he also noted the high failure rates were attributed to candidates who qualified for the new examination under the pre-2008 qualifying education criteria whereby they lacked the necessary knowledge to pass the more challenging and rigorous examination. Mr. Longworth stated he has requested the AQB publish national summary statistics for the new examinations and will continue to do so per board member interest.

Ms. Graham discussed the 2-hour Michigan Law Update course which will be required every renewal cycle once the statute is updated, and she stated the course outline should be revised to include more substantial material. Following a discussion by board members and department staff, it was determined Mr. Molenaar and Ms. Graham would meet with staff to further discuss this issue.

Mr. Molenaar stated several certified residential and certified general appraisers contacted him regarding the National Registry not being updated soon enough for them to qualify for FHA registration since the report is not sent to the Appraisal Subcommittee (ASC) until the 15th of each month, and many renewed late through the month of September. Felicia stated she will send a report to the ASC at the close of the late renewal period on September 29, 2009.

Committee Assignment – Mr. Molenaar appointed Mr. Thomas to the experience committee to assist the department with experience reviews for applicants applying for certified general appraiser licenses, replacing Mr. Chamberlain.

ELECTION (Last election held September 16, 2008)

Mr. Molenaar was re-elected as board chairperson, and Ms. Graham was re-elected as board vice-chairperson by unanimous vote.

PUBLIC COMMENT

None

NEXT MEETING DATE

The next regularly scheduled meeting of the Board of Real Estate Appraisers will be held on December 1, 2009.

ADJOURNMENT

There being no further business to be brought before the Board at this time, the meeting was adjourned at 10:30 a.m.

David Molenaar /s/
Board Chairperson

12/1/2009
Date

Sharon Murphy /s/
Recording Secretary

12/1/2009
Date