

**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

December 4, 2007

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Real Estate Appraisers met in Regular Session on December 4, 2007, 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 9:10 a.m.

ROLL CALL

Present:	Marshall Brulez	- Professional Member
	Andrew Chamberlain	- 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
Staff:	Joseph Campbell	- Licensing Administrator
	Jean Boven	- Licensing Division Director
	Felicia Badger	- Assistant Licensing Administrator
	Sharon Murphy	- Recording Secretary
	Bill Wilhelm	- Compliance/Legal/FOIA Unit
	Jim Nelson	- Compliance/Legal/FOIA Unit
	Stephen Gobbo	- Compliance/Legal/FOIA Manager
	Barrington Carr	- Enforcement Division Manager
	Kristie Pfeifer	- Enforcement Division
	Ann Paruk	- Enforcement Division
	Peggy Waugh	- Testing & Education Services
	Foye Longworth	- Testing & Education Services
	Sue Sherman	- Testing & Education Services Manager
	Amy Shell	- Policy Specialist
Visitors:	Andrea Bates	- MAR
	Sheri Huie	- Certified Residential Appraiser

AMENDMENTS TO AGENDA

Add items 7.b. Education Issues; 8.f. Experience Committee

APPROVAL OF PREVIOUS MINUTES HELD SEPTEMBER 18, 2007

MOTION: Mr. Hufnagel moved to approve the minutes of September 18, 2007. Ms. Graham seconded the motion, which carried unanimously.

STIPULATIONS

Charles Albert Mady, 12-01-000479, C#301181

The board reviewed the stipulation in the matter of Charles Albert Mady who admitted to signing an appraisal for a property valuation which did not contain the signature of a supervisory appraiser.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,500.00 to the department within sixty (60) days from the date of mailing of the final order, and make restitution to complainant of \$5,000.00 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. Chamberlain seconded the motion, which carried by a majority vote, with Mr. Hufnagel abstaining.

Gregory L. Mann, 12-01-004606, C#303810

The board reviewed the stipulation in the matter of Gregory L. Mann who admitted to failure to exercise reasonable diligence in communicating an 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 make restitution to complainant of \$250.00 within sixty (60) days of the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in the fine increased to \$2,500.00, suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried unanimously.

Leah Kaye McCann, 12-01-069615, C#302377

The board reviewed the stipulation in the matter of Leah Kaye McCann who admitted to committing substantial errors of omission or commission that significantly affected the appraisal in that she failed to accurately identify the subject property and its zoning; and failure to analyze comparable sales data as available to indicate a value conclusion in 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 40 hours of continuing education courses consisting of the 15 hour two-day National Uniform Standards of Professional Appraisal Practice (USPAP) survey course, with only 7 hours applied to the continuing education requirement for renewal, and the remaining 25 hours of core real estate appraiser courses on topics with course content

limited to any combination of property inspection, cost approach, sales comparison approach, report writing, market data analysis, and/or basic or advanced real estate appraisal practice theory of respondent's choosing, 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 40 hours of courses to the department within six months from the date of mailing of the final order. It is further stipulated that respondent shall not be granted licensure as a certified residential appraiser until January 1, 2009. 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. Snyder moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried by a majority vote, with Mr. Hufnagel abstaining.

Randy Lee McClish Sr, 12-01-004625, C#301180

The board reviewed the stipulation in the matter of Randy Lee McClish Sr. 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, and make restitution to complainant of \$100.00 within sixty (60) days of 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. Chamberlain moved to accept the stipulation. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

P. James Burnor, Jr., 12-01-004778, C#303273

The board reviewed the stipulation in the matter of P. James Burnor, Jr. 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 \$1,000.00 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 unanimously.

Nena Collier, 12-01-007466, C#299361

The board reviewed the stipulation in the matter of Nena Collier who admitted to failure to perform the cost approach properly.

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 continued revocation of appraiser license. 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: Mr. Chamberlain moved to accept the stipulation. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Snyder abstaining.

Chad D. Evans, 12-01-070126, C#95724

The board reviewed the stipulation in the matter of Chad D. Evans who admitted to committing substantial errors of omission or commission that significantly affected the appraisal; rendering appraisal services in a careless or negligent manner in that he committed a series of errors that affected the credibility of the appraisal results; failure to clearly and accurately set forth the appraisal reports in a manner that was not misleading by using the name, signature and license number of another appraiser; performing appraisal services for which he was not licensed; failure to exercise reasonable diligence in developing or communicating the appraisal; and violating provisions for which penalties are not otherwise prescribed.

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 immediate revocation of appraiser license upon the date of mailing of the 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 by a majority vote, with Mr. Molenaar abstaining.

HEARING REPORTS

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

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

Andraos G. Kattouah, 12-01-001970, C#96160, Docket No. 2006-753

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

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

Tammy Renee Schuh, 12-01-008196, C#300712, Docket No. 2007-726

The board reviewed the hearing report in the matter of Tammy Renee Schuh for performing appraisal services for which the individual was not licensed; and violating a rule of conduct.

MOTION: Mr. Chamberlain moved to establish 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 the 7 hour Scope of Work course in addition to the normal continuing education requirements for renewal. Mr. Hufnagel seconded the motion, which carried by a majority vote with Mr. Snyder abstaining.

John Lee Golden Sr, 12-01-005851, C#300588, Docket No. 2007-745

The board reviewed the hearing report in the matter of John Lee Golden Sr. where no violations were found.

Board action was not required since violations were not substantiated.

EDUCATION COMMITTEE REPORT

The board received three Education Committee Reports as follows: September 2007, October 2007, and November 2007.

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

Ms. Graham inquired whether a flyer must be attached to new course applications when applying for course approval, because she would prefer to develop the flyer once course approval is granted. Ms. Waugh stated the statute specifies a flyer must be submitted with all course applications and suggested they use a mock flyer until course approval is received.

Ms. Graham inquired regarding the power point presentation once available online. Mr. Campbell stated it was updated and posted to the appraiser website a few months ago. Ms. Graham asked whether education sponsors could be notified the presentation is available for their use, as some sponsors are giving incorrect information. Ms. Waugh stated she needed email addresses for sponsors to send link to. Mr. Molenaar stated he would receive email addresses and forward to Ms. Waugh.

Ms. Graham inquired regarding prelicensure education taken prior to 2008 and if it will be credited under the new criteria. Mr. Campbell stated that education received prior to 2008 will be reviewed on a case by case basis and the course content must meet core requirements established by the AQB. Ms. Badger is advising new applicants to follow the new AQB education matrix to ensure course approval under new criteria.

ITEMS FOR CONSIDERATION FROM BOARD MEMBERS/STAFF

2008 Board Meeting Schedule - The Board of Real Estate Appraisers is scheduled to meet next year on March 25, 2008, June 17, 2008, September 16, 2008, and December 2, 2008.

Legislative Update – Amy Shell presented an outline of pending legislative activity for tracking purposes only. She stated the rule set 2007-013 passed and will become effective January 1, 2008, amending the rules to be consistent with the new 2008 AQB Criteria. Mr. Hufnagel asked Ms. Shell what the process would be to change the statute regarding board composition, which currently requires three certified general appraisers, one certified residential appraiser, and two state licensed appraisers, with at least one of those six

professional members employed by a state or nationally chartered bank or financial institution. Ms. Boven stated a change in law takes much longer than a rule change and advised board to specify optimal board composition recommended for this statute change. Following a lengthy discussion, the board and department agreed on the rationale for this change, since most state licensed appraisers are applying for higher level licensure which will disqualify many from being on the board.

MOTION: Mr. Hufnagel moved to amend the current statute regarding the board composition to require three certified general real estate appraisers, one certified residential real estate appraiser, and two state licensed ~~or~~ certified residential real estate appraisers, with at least one of the six professional members employed by a state or nationally chartered bank or financial institution, and upgrading members complete their term at their current licensed level. Ms. Graham seconded the motion, which carried unanimously.

The board members and department staff also discussed the value of having a professional association find a sponsor for a change in legislation of this type.

Testing Services Update – Mr. Longworth stated the examination vendor, PSI Services LLC recently received AQB certification to administer the national examination beginning January 1, 2008. Mr. Longworth discussed the 20 item state law portion of the examination that was developed and whether to administer it at each level of licensure. After a lengthy discussion, it was the consensus of the department and board to forego the state law portion of the examination in lieu of requiring the 2 hour appraiser Michigan Law Update course every cycle to all licensees as a requirement for renewal. Mr. Longworth requested the developed state law examination information be made available to education sponsors as a tool in teaching the 2 hour appraiser Michigan Law Update, as much time and effort went into the development of the test bank items. Ms. Graham suggested it be posted to the web as a power point presentation.

MOTION: Ms. Graham moved to eliminate the state law portion of the examination effective January 1, 2008, when the AQB national examination will be administered by PSI Services LLC. Mr. Brulez seconded the motion, which carried unanimously.

MOTION: Mr. Hufnagel moved to require all licensees to complete the 2 hour appraiser Michigan Law Update every cycle (2 years) as a requirement for renewal since the state law portion of the examination will no longer be given. Mr. Snyder seconded the motion, which carried unanimously.

Ms. Shell stated that the rules will need to be promulgated to include this requirement, as the rules currently require the 2 hour appraiser Michigan Law Update every other cycle (4 years).

Case Review Backlog Update – Mr. Molenaar reviewed with board members whether they had outstanding files to review, and reminded them to return files to the department within 30 days of receiving them. He also reminded board members to perform an administrative review of the complaint to determine if violations were committed, not a technical review or collection of additional information regarding the case file. Mr. Carr reminded board members of compliance with ASC Policy Statement 10 requiring adjudication of cases within 12 months from the date of formal complaint, and how important it is for board members to return files to the department as

quickly as possible. Mr. Gobbo stated files that have pending litigation should not be held up but moved along within the 30 day period.

Federal Legislation HR 3837 – The board and department discussed the legislation introduced in the House of Representatives to address the sub-prime lending issue titled HR 3887: The Escrow, Appraisal and Mortgage Servicing Improvements Act, which is expected to pass in the next several months.

Experience Committee – Mr. Molenaar appointed Mr. Brulez to the Experience Committee with Mr. Snyder to assist the department in reviewing application files to determine if the experience requirement has been met.

Board Concerns – The board and department discussed the huge volume of upgrade applications received from applicants trying to make the December 31, 2007 deadline before the 2008 Criteria becomes effective. Michigan adopted the firm date of December 31, 2007, which requires all applicants to submit a complete application file by that date in order to be considered under the current requirements.

PUBLIC COMMENT

Sheri Huie, licensed certified residential real estate appraiser, inquired regarding receiving continuing education credit (as discussed in the previous board meeting) for attending the board meeting today. Mr. Campbell stated he would forward the statutory authority from the Appraisal Subcommittee to the Testing & Education Services office that describes the continuing education credit allowed for board member attendance.

NEXT MEETING DATE

The next regularly scheduled meeting of the Board of Real Estate Appraisers will be held on March 25, 2008.

ADJOURNMENT

There being no further business to be brought before the Board at this time, the meeting was adjourned at 11:15 a.m.

David Molenaar /s/ _____
Board Chairperson

3/25/2008
Date

Sharon Murphy /s/ _____
Recording Secretary

3/25/2008
Date