

**STATE COMMISSION OF REAL ESTATE APPRAISERS, APPRAISAL
MANAGEMENT COMPANIES, AND HOME INSPECTORS
BUSINESS MEETING MINUTES**

DATE: December 12, 2017

TIME: 10:30 a.m.

PLACE: 500 N. Calvert Street
2nd Floor Conference Room
Baltimore, Maryland 21202

PRESENT: Commissioner Steven O'Farrell, Chair
Commissioner George Fair
Commissioner Joseph Berk
Commissioner Terry Dunkin
Commissioner Anatol Polillo
Commissioner Helen Won
Commissioner Mike Ranelli
Commissioner James Smith
Commissioner Harold Huggins
Commissioner Christopher Daniell

ABSENT: Commissioner Derek Owings
Commissioner John Hamilton

OTHERS PRESENT: Patricia Schott, Executive Director
Sloane Fried Kinstler, Assistant Attorney General

Call To Order

Commissioner O'Farrell called the regular meeting of the Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors to order at 11:10 a.m.

Approval of Minutes

The minutes of the business meeting held on October 10, 2017 were approved without corrections. A Motion was made by Commissioner Polillo, seconded by Commissioner Dunkin and by unanimous vote carried that the minutes of the business meeting be approved without corrections.

The minutes of the executive session held on October 10, 2017 were approved without corrections. A Motion was made by Commissioner Dunkin, seconded by Commissioner Smith and by unanimous vote carried that the minutes of the business meeting be approved without corrections.

Real Estate Appraiser Complaint Committee Report

Commissioner Dunkin reported to the Commission that the Appraiser Complaint Committee met prior to the public meeting and reviewed many items of business, which had been placed before the Committee. The disposition of which was as follows:

Complaints - 14 cases were reviewed;
6 cases were dismissed; and
8 cases were tabled.

The Appraiser Complaint Committee met prior to the public meeting in Executive Session, pursuant to General Provisions Article, Md. Code Ann., §3-305(b)(7), to receive the advice of counsel regarding the above-mentioned matters. A Motion was made by Commissioner Dunkin and seconded by Commissioner Polillo that the Commission accept the report and recommendations of the Appraiser Complaint Committee. This motion passed by a unanimous decision.

Appraiser Education/Application Committee Report

Commissioner Dunkin reported that the Appraiser Education Committee met on this date and reviewed 5 courses and approved 5 courses. A Motion was made by Commissioner Huggins, seconded by Commissioner Smith and unanimously carried that the Commission accept the recommendations of the Real Estate Appraiser Education Committee.

Home Inspector Complaint Committee Report

Commissioner Fair reported that the Home Inspector Complaint Committee met prior to the public meeting and reviewed 6 items of business, which had been placed before the Committee. The disposition of which was as follows:

Complaints - 5 cases closed; and
1 was tabled.

The Home Inspector Complaint Committee met prior to the public meeting in Executive Session, pursuant to General Provisions Art., Md. Code Ann., § 3-305(b)(7), to receive the advice of counsel regarding the above-mentioned matters. A Motion was made by Commissioner Smith, seconded by Commissioner Huggins and unanimously carried that the Commission accept the recommendations of the Home Inspector Complaint Committee.

Proposed/Emergency Action under COMAR 09.19.05.01 2016-2017 USPAP

Executive Director Schott reported that the Notice of Proposed Action to adopt the 2018-2019 edition of USPAP was published in the Maryland Register on November 27, 2017 and that Emergency Action was approved on November 27, 2017, which adopts the regulation on January 1, 2018. She recommended that the text of the regulation be amended to include USPAP Standard Rule 4. She explained that the Commission, since its inception, has adopted Standard Rules 1, 2 and 3 of USPAP. In the 2018-2019 edition of USPAP, a change was made that truncated Standard Rule 3 and created a new Standard Rule 4 to include the provision that was removed from Standard Rule 3, Appraisal Review, Reporting. She explained that in all past publications of USPAP, Standard Rule 3 included Appraisal Review, Development and Reporting. In the 2018-2019 edition, Standard Rule 3 includes Appraisal Review, Development, and the new Standard Rule 4 includes Appraisal Review, Reporting.

A Motion was made by Commissioner Dunkin, seconded by Commissioner Huggins and unanimously carried that the Commission amend the proposed text of Regulation .01 under

COMAR 09.19.05 Code of Ethics by emergency and proposed action include Standard Rule 4 in its adoption of the 2018-2019 edition of USPAP. It further granted permission to Ms. Schott to request reproposal of the regulation if it is deemed necessary.

Correspondence

The Commission discussed a letter that it received from Gregory Glover. Mr. Glover requested that the Commission consider adopting all Standards of USPAP, as well as the Advisory Opinions and Frequently Asked Questions (FAQs). Ms. Schott advised the Commission that it only has jurisdiction over Standards Rules 1, 2, 3 and will have jurisdiction over Standard Rule 4, once the 2018-2019 edition of USPAP is adopted. She advised that no other Standard Rules fall under the purview of the Commission. She advised that the Advisory Opinions and USPAP FAQs issued by the Appraisal Standards Board are forms of guidance to illustrate the applicability of USPAP in specific situations and to offer advice for the resolution of appraisal issues and problems. She added that neither is a part of USPAP and that the advice offered may not represent the only possible solution to the issues discussed, and that advice provided may not be applied equally to seemingly similar situations.

The Commission requested that Ms. Schott advise Mr. Glover that the Commission intends to adopt the 2018-2019 USPAP, including the Preamble, Ethics Rule, Competency Rule, Scope of Work Rule, Jurisdictional Exceptions, Supplemental Standards, Definitions and Standards 1, 2, 3 and 4 with all related Standard Rules and Statements on Appraisal Standards. It would not be adopting any other Standard Rules, the Advisory Opinions or the Frequently Asked Questions.

AMC Registry

Ms. Schott advised the Commission that the Final Rule to implement collection and transmission of annual AMC registry fees to the National Registry was published by the Appraisal Subcommittee and became effective on November 24, 2017. After June 2020, the Appraisal Subcommittee will be including a review of the AMC requirements into the State's Compliance Reviews. She advised that it is too late to file any departmental legislative requests for the 2018 legislative session. Therefore, legislation will need to be introduced no later than the 2019 Legislative Session to amend the Commission's statutes to allow it collect and transmit fees and licensing data to the Appraisal Subcommittee pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, similarly as it does for real estate appraisers. She advised that she intends to request prepare and submit a legislative concept sheet to the Office of the Secretary to request to begin the legislative process.

Executive Session

A Motion was made by Commissioner Huggins, seconded by Commissioner Dunkin and unanimously carried that the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors go into executive session at 11:30 a.m. in the 2nd floor conference room, 500 N. Calvert Street, Baltimore, MD 21202, pursuant to § 3-305 (b)(7) of the General Provisions Article, Maryland Annotated Code, in order to consider advice provided by Counsel regarding license applications.

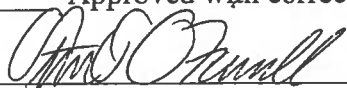
The Commission reconvened its regular meeting at 11:40 a.m. A Motion was made by Commissioner Fair, seconded by Commissioner Dunkin, and unanimously carried that the Commission accept the decisions rendered in Executive Session.

Adjournment

There being no further business to discuss, a Motion was made by Commissioner Dunkin, seconded by Commissioner Smith and unanimously carried that the meeting adjourn. The meeting adjourned at 11:35 a.m.

X Approved without corrections

Approved with corrections



Steven O'Farrell, Chairperson

2/13/18

Date