

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

DATE: December 11, 2018

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, Vice-Chair
Commissioner Joseph Berk
Commissioner Michelle Marzullo
Commissioner Anatol Polillo
Commissioner James Smith
Commissioner Harold Huggins
Commissioner John Hamilton
Commissioner Terry Dunkin

ABSENT: Commissioner Helen Won

OTHERS PRESENT: Patricia Schott, Executive Director
Sloane Fried Kinstler, Assistant Attorney General
Michael Szlachetka, Administrative Specialist
Noraida Lozano, Board Secretary

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 10:35 a.m.

Approval of Minutes

The minutes of the business meeting held on August 14, 2018 were approved without corrections. A Motion was made by Commissioner Huggins, seconded by Commissioner Hamilton and by unanimous vote carried that the minutes of the business meeting be approved without corrections.

Real Estate Appraiser Complaint Committee Report

Commissioner O'Farrell 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 - 13 cases were reviewed;
6 cases were dismissed; and
7 were tabled.

The Appraiser Complaint Committee met prior to the public meeting in closed session, pursuant to General Provisions Article, Md. Code Ann., §§3-305(b)(7) and (8), to receive the advice of counsel regarding the above-mentioned matters. A Motion was made by Commissioner Fair and seconded by Commissioner Hamilton that the Commission accept the report and recommendations of the Appraiser Complaint Committee. This motion passed by a unanimous decision.

Appraiser Education Committee Report

Commissioner O'Farrell reported that the Appraiser Education Committee met on this date and reviewed 9 courses and approved 9 courses. A Motion was made by Commissioner Smith, seconded by Commissioner Marzullo, 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 15 items of business, which had been placed before the Committee. The disposition of which was as follows:

Complaints - 8 cases were closed; and
7 cases were tabled.

The Home Inspector Complaint Committee met prior to the public meeting in Closed 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 Polillo, seconded by Commissioner Huggins, and unanimously carried that the Commission accept the recommendations of the Home Inspector Complaint Committee.

New Business

COMAR 09.19.12 General Regulations

Executive Director Schott advised that the proposed action under 09.19.02 General Regulations was published in the October 12, 2018 issue of the Maryland Register and that more than 45 days had lapsed since its publication, permitting the Commission to take final action to adopt the regulation. She advised that no public comments had been received.

A Motion was made by Commissioner Huggins, seconded by Commissioner Dunkin, and unanimously carried that the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors adopt Regulation .02 under COMAR 09.19.12 General Regulations, as proposed.

COMAR 09.36.01 General Regulations

Executive Director Schott advised that the proposed action under 09.36.01 General Regulations was published in the October 12, 2018 issue of the Maryland Register and that more than 45 days had lapsed since its publication, permitting the Commission to take final action to adopt the regulation.

She advised that no public comments had been received.

A Motion was made by Commissioner Marzullo, seconded by Commissioner Fair, and unanimously carried that the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors adopt Regulation .02 under COMAR 09.06.01 General Regulations., as proposed.

COMAR 09.39.02 General Regulations

Executive Director Schott advised that the proposed action under 09.39.02 General Regulations was published in the October 12, 2018 issue of the Maryland Register and that more than 45 days had lapsed since its publication, permitting the Commission to take final action to adopt the regulation.

She advised that one public comment had been received. She advised that the comment suggested that the Commission consider adding a provision that provides that appraisal management companies have 30 days to notify the Commission of a change of address. After a discussion of the request, the Commission determined to maintain consistency with the similarly proposed actions affecting response time for real estate appraisers and home inspectors, and it would take the suggestion under advisement.

A Motion was made by Commissioner Marzullo, seconded by Commissioner Fair, and unanimously carried that the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors adopt Regulation .01 under COMAR 09.39.02 General Regulations., as proposed.

Closed Session

A Motion was made by Commissioner Fair, seconded by Commissioner Huggins, and unanimously carried that the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors go into closed session at 11:00 a.m. in the 2nd floor conference room, 500 N. Calvert Street, Baltimore, MD 21202, pursuant to §§ 3-305(b)(2), (7) and (8) of the General Provisions Article, Maryland Annotated Code, in order to consider advice provided by Counsel regarding a criminal conviction and a potential litigation matter.

Criminal Conviction

AAG Kinstler presented a matter concerning an applicant's request for a home inspector license who reported a 2017 felony criminal offense. A motion was made by Commissioner Huggins, seconded by Commissioner Smith, and unanimously carried that the Commission deny the applicant's request for a home inspector license based upon the seriousness of the crime and the short length of time since the conviction.

Recommended Decision

AAG Kinstler presented a Recommended Decision rendered by an administrative law judge in Case No.: 18-INSP-09 concerning a home inspector's failure to respond to written communications by the Commission and failure to demonstrate proof of having obtained statutorily-required general liability insurance. A motion was made by Commissioner Marzullo, seconded by Commissioner Smith, and unanimously carried that the Commission accept the findings and conclusions rendered by the administrative law judge recommending the imposition of a civil penalty, with an added provision that the licensee must provide

evidence of having obtained the statutorily-required amount general liability insurance as a condition to continued licensure, to be included in the Proposed Order to be issued in the matter.

A motion was made by Commissioner Fair, seconded by Commissioner Huggins, and unanimously carried that the Commission reconvene its regular meeting at 11:55 a.m. A Motion was made by Commissioner Huggins, seconded by Commissioner Smith, and unanimously carried that the Commission accept the decisions rendered in closed session.

Chairman's Report

Chairman Steven O'Farrell raised the issue of hybrid appraisals. He advised that hybrid appraisals are limited scope appraisals that in some cases allow an individual, who may or may not be a licensed appraiser, to inspect a property. The information provided by that party may be given to an appraiser to use in preparing the remainder of the appraisal report. He stressed that appraisal management companies are only paying appraisers, who are willing to take these assignments, a nominal fee, despite the appraisal assignment requiring the appraiser to incur the same amount of liability and expense as a traditional appraisal.

In keeping with the Dodd-Frank Act and Maryland law, appraisal management companies are required to pay appraisers reasonable and customary fees for appraisal assignments. Since the hybrid assignment is a new appraisal assignment with no customary trend of fees, Commissioner O'Farrell has recommended that the Commission require appraisal management companies to provide the data, analyses and results of how the fee was determined in order to be in compliance with the law and otherwise supports their presumption of paying "reasonable and customary" fees to appraisers for these assignments.

Resignation

Commissioner O'Farrell announced that his term on the Commission expires on December 31, 2018, he is not eligible for reappointment, and had determined that he will not continue to serve until his replacement is appointed. He received gratitude for his service and well wishes for the future from all in attendance.

Ms. Schott advised that an election for Commission officers will be held during the next Commission meeting.

Adjournment

There being no further business to discuss, a Motion was made by Commissioner Fair, seconded by Commissioner Marzullo, and unanimously carried that the meeting adjourn. The meeting adjourned at 12:20 p.m.

Approved without corrections

Approved with corrections

Signature on file

Chairperson

Date