

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

DATE: June 14, 2016

TIME: 10:40 a.m.

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

PRESENT: Commissioner Steven O'Farrell, Chair
Commissioner George Fair
Commissioner Derek Owings
Commissioner Denise Herndon
Commissioner Christopher Daniell
Commissioner Joseph Berk
Commissioner Terry Dunkin
Commissioner Anatol Polillo
Commissioner Harold Huggins
Commissioner Michael Picarello
Commissioner Joseph Norman
Commissioner James Smith

ABSENT: Commissioner Helen Won
Commissioner Mike Ranelli
Commissioner Thomas McLister

OTHERS PRESENT: Patricia Schott, Executive Director
Sloane Fried Kinstler, Assistant Attorney General
Simone Chambers, Board Specialist
Former Commissioner David Brauning
Former Commissioner JD Grewell

Call To Order

Chairman O'Farrell called the regular meeting of the Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors to order at 10:40 a.m.

Introduction of Newly Appointed Members

Executive Director Schott acknowledged and welcomed the newly appointed members James Smith, who is a financial member and Joseph Norman, who is a consumer member. Each member introduced themselves and gave brief details on their professional backgrounds.

Farewell to Commissions David Brauning and JD Grewell

Executive Director Schott presented Citations of Appreciation issued by Kelly Schulz, Secretary of the Department of Labor, Licensing and Regulation to Commissioners Dave Brauning and JD Grewell. She acknowledged their years of service and their unique contributions to the Commission.

Approval of Minutes

The minutes of the business meeting held on April 12, 2016 were approved without corrections. A Motion was made by Commissioner Fair, seconded by Commissioner Owings and by majority vote carried that the minutes of the business meeting be approved without corrections. A motion was made by Commissioner Fair, seconded by Commissioner Owings and by majority vote carried that the minutes of the executive session be approved without corrections. Commissioner Norman abstained from the vote.

The minutes of the business meeting held on May 6, 2016 were approved without corrections. A Motion was made by Commissioner Dunkin, seconded by Commissioner Owings and by majority vote carried that the minutes of the business meeting be approved without corrections. Commissioner Huggins abstained from the vote.

Real Estate Appraiser Complaint Committee Report

Executive Director Schott 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 - 1 case was reviewed;
- 1 case was dismissed; and
- 8 cases were tabled.

The Appraiser Complaint Committee met prior to the public meeting in Executive Session, pursuant to Md. State Gov't Code Ann., § 10-508(a)(7), to receive the advice of counsel regarding the above-mentioned matters. A Motion was made by Commissioner Dunkin and seconded by Commissioner Owings 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 O'Farrell reported that the Appraiser Education Committee met on this date and reviewed 17 courses and 17 were approved. A Motion was made by Commissioner Fair, seconded by Commissioner Huggins 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 14 items of business, which had been placed before the Committee. The disposition of which was as follows:

- Complaints - 1 case was dismissed;
- 1 case is being charged;
- 1 case disposition is pending;
- 7 cases were tabled; and
- 4 cases are awaiting further information.

A Motion was made by Commissioner Berk, seconded by Commissioner Picarello and unanimously carried that the Commission accept the recommendations of the Home Inspector Complaint Committee.

Old Business

Updating Maryland Standards of Practice for Home Inspectors

Commissioner Fair inquired as to the status of regulatory action for the MD Standards of Practice for home inspectors. Assistant Attorney General Kinstler advised that she had a draft version of the recommendations that were offered by JD Grewell. Commissioner Fair advised that he wanted to make additional recommendations to the draft that she provided.

AAG Kinstler advised that once the additional items are added, the Commission may request that Executive Director Schott prepare a regulatory concept sheet and submit it to the Office of the Secretary of the Department of Labor, Licensing and Regulation ("DLLR") for its consideration. If approval from DLLR is granted, the Commission may proceed in the regulatory promulgation process.

New Business

ASC's Preliminary Compliance Review Finding

Executive Director Schott discussed the preliminary findings issued by the Appraisal Subcommittee (ASC) in its Compliance Review of the Maryland appraiser regulatory

program. The Review was provided to each member in advance of the meeting and identified one area of non-compliance concerning supervising appraisers.

The area of non-compliance concerns the Commission's regulations failing to include language, as required by the Appraiser Qualifications Board, stating that in order for an appraiser to be eligible to supervise trainees they must be state-certified "in Maryland" for a minimum of three years. Ms. Schott explained that the Commission had adopted state-certified requirement by policy, but the ASC is requiring that action be taken to amend its regulations to reflect the policy.

Ms. Schott and the Commission expressed their opposition to the requirement in that they strongly believe that the requirement is a barrier to employment for appraisers who are seeking to enter the appraisal profession. Ms. Schott explained that the requirement prohibits an appraiser who is certified in another state, irrespective of the years of being certified, may not supervise trainees in Maryland until they have held a Maryland license for three years.

She advised that the AQB has issued several exposure drafts for potential changes to the Real Property Appraiser Qualification Criteria, including the in-state supervising appraiser requirement. Due to the overwhelming level of opposition to it, the AQB has issued a statement that reflects that it will very likely repeal the state-certified requirement, effective January 1, 2018.

Proposed Action on COMAR 09.19.04.01 Supervising Appraisers

Executive Director Schott requested that the Commission promulgate a regulation under COMAR 09.19.04.01 Supervising Appraisers to amend the existing regulation to clarify that an appraiser must be Maryland state-certified for three years before being eligible to supervise trainees.

A Motion was made by Commissioner Norman, seconded by Commissioner Smith and by majority vote carried that the Commission promulgate an amendment to Regulation .01 under COMAR 09.19.04 Supervising Appraisers and Appraiser Trainees, to require that a certified appraiser hold a Maryland license for three years before being eligible to supervise real estate appraiser trainees. Commissioner Dunkin and Commissioner Huggins opposed the motion.

Legislative Request – Supervising Appraisers §§16-302 and 16-503

Executive Director reported that the ASC, in its Review, identified a minor error in the Commission's statutes that concerns obsolete language that permits licensed appraiser to supervise real estate appraiser trainees.

Executive Director Schott requested that the Commission sponsor a legislative request to amend BOP, Article, §§16-302 and 16-503, Annotated Code of Maryland to eliminate obsolete language that permits licensed appraisers to be supervising appraisers. She

explained that legislative action is needed to amend State law to comply with the federal Appraiser Qualifications Board (AQB) *Real Property Appraiser Qualification Criteria* (Criteria) affecting the qualifications of appraisers who wish supervise trainees, by restricting supervising appraisers to certified residential and certified general appraisers and removing an obsolete provision that permits licensed real estate appraisers to qualify as supervising appraisers.

During the 2007 legislative session, House Bill 1326 altered the term “supervising appraiser” to mean a certified residential or certified general real estate appraiser, pursuant to Business Occupations and Professions Article, §16-101(r). However, in error, additional amendments were not included in the Bill that would have removed the language permitting a licensed appraiser to supervise appraisers, under Business Occupations and Professions Article, §§16-302(d)(2) and 16-503(b)(2). The legislation action went into effect on January 1, 2008 and the Commission is considered to have been in full compliance in-practice with the requirement since that time, but house-keeping legislation is needed to correct the error.

A Motion was made by Commissioner Huggins, seconded by Commissioner Owings and unanimously carried that the Commission take action to remove the words “licensed or” under Business Occupations and Professions Article, §§16-302(d)(2) and 16-503(b)(2), Annotated Code of Maryland.

Executive Session

A Motion was made by Commissioner Huggins, seconded by Commissioner Polillo and unanimously carried that the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors go into executive session at 11:25 a.m. in the 2nd floor conference room, 500 N. Calvert Street, Baltimore, MD 21202. The purpose of the meeting was to receive advice of counsel. The meeting was permitted to be closed pursuant to Md. State Gov’t Code Ann., § 10-508(a)(7).

The Commission reconvened its regular meeting at 11:45 a.m. A Motion was made by Commissioner Huggins, seconded by Commissioner Owings, 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 Huggins, seconded by Commissioner Polillo and unanimously carried that the meeting adjourn. The meeting adjourned at 11:50 a.m.

Approved without corrections

Approved with corrections



Steven O'Farrell, Chairperson

GEORGE FAIR VICE
CHAIR

8/9/16

Date