

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

DATE: June 12, 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 Terry Dunkin
Commissioner Anatol Polillo
Commissioner Helen Won
Commissioner James Smith
Commissioner Harold Huggins

ABSENT: Commissioner John Hamilton
Commissioner Mike Ranelli
Commissioner Christopher Daniell

OTHERS PRESENT: Patricia Schott, Executive Director
Sloane Fried Kinstler, Assistant Attorney General
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 10:40 a.m.

Approval of Minutes

The minutes of the business meeting held on April 10, 2018 were approved without corrections. A Motion was made by Commissioner Smith, seconded by Commissioner Dunkin and by unanimous vote carried that the minutes of the business meeting be approved without corrections. Commissioner Huggins abstained from voting.

Executive Session Minutes

AAG Kinstler advised the Commission that in the future, none of the DLLR occupational and professional licensing boards and commissions will approve the minutes from executive sessions as long as the minutes contain sufficient information about the reasons for and results of a closed session in compliance with Maryland law. Accordingly, if a closed session is called, Ms. Kinstler will ensure that a summary of the matters considered during executive sessions is provided in the business meeting minutes.

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 - 15 cases were reviewed;
- 4 cases were dismissed;
- 2 cases were for technical review;
- 3 cases were referred to precharge review; and
- 6 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 Huggins 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 13 courses and approved 13 courses. A Motion was made by Commissioner Polillo, 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 - 2 cases were closed;
- 2 cases were referred to investigation; and
- 2 cases were 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 Polillo, seconded by Commissioner Smith and unanimously carried that the Commission accept the recommendations of the Home Inspector Complaint Committee.

Appraisal Subcommittee- Final Findings of Review

The Commission discussed the findings issued by the Appraisal Subcommittee ("ASC") from its Compliance Review that was conducted on April 10-12, 2018. The Commission received a final finding of "Excellent", which means the Commission meets all Title XI mandates and complies with all of the requirements of the ASC Policy Statements. It maintains a strong regulatory program

with a very low risk of program failure.

The Commission members and AAG Kinstler thanked Executive Director Schott for her contributions to the success of the Commission's program.

Appraiser Qualifications Criteria

Chairman O'Farrell raised the issue of the recent changes adopted by the Appraiser Qualifications Board (AQB) on May 1, 2018, which affect the education and work experience requirements for licensed, certified residential, and certified general real estate appraisers. The AQB's new criteria reduced the work experience for licensed real estate appraisers from 2,000 hours in no fewer than twelve months to 1,000 hours in no fewer than 6 months. It also removed a 30-semester college education requirement. The AQB's new criteria reduced the work experience for certified residential from 2,500 hours in no fewer than 24 months to 1,500 hours in no fewer than 12 months. It also removed a bachelor's degree requirement and created five new options for obtaining a certified residential license without holding a bachelor's degree.

Option #1 – Hold a bachelor's degree

Option #2 - Associate's Degree in a field of study related to: Business Administration, Accounting, Finance, Economics; or Real Estate

Option #3 - Successful completion of 30-semester hours that cover a minimum of 3 college credits in English Composition, Microeconomics, Macroeconomics, Finance, Algebra, Geometry, or Higher Math, Statistics, Computer Science, Business Law or Real Estate Law and two elective course in Accounting, Geography, Agricultural Economics, or Business Management

Option #4 – Successful completion of at least 30 CLEP semester hours in College Algebra, College Composition, College Composition Modular, College Mathematics, Principles of Macroeconomics, Principles of Microeconomics, Introductory Business Law and Information Systems

Option #5 any combination of Option #3 and Option #4 that includes all of the topics identified in Option #3

Option #6 No college level education is required if an appraiser who has held a licensed real estate appraiser license for a minimum of five years and has no record of any disciplinary action within the immediate five years preceding the date of application for a certified residential certificate.

The AQB's Criteria reduced the work experience requirement for a certified general license from 3,000 hours in no fewer than 30 months to 3,000 in no fewer than 18 months.

Director Schott advised the Commission that no State is obligated to adopt any of the new criteria because for the first time since its inception, the AQB lowered the licensing requirements and States are only obligated to adopt the minimum standards established by the AQB.

Commission O'Farrell presented the members with a proposal that would create a balance between the new AQB Criteria and the Commission's existing requirements. He proposed that the work experience requirement for a licensed real estate appraiser be reduced from 2,000 hours in no less than 24 months to 1,500 hours in no less than 12 months and that there be no college requirement. He proposed that the work experience requirement for a certified residential real estate appraiser be reduced from 2,500 hours in no less than 24 months to 2,000 hours in no less than 18 months and that the Commission adopts the six options adopted by the AQB. He proposed that no changes be made to the criteria for a certified general license.

Commissioner O'Farrell also proposed that the Commission adopt a regulation affecting all levels of licensure and certificate that would require at least 50% of the work experience hours must be in the actual preparation of real estate appraisal reports, which includes physical inspections of the interior and exterior of the subject properties.

A motion to adopt the criteria proposed by Commissioner O'Farrell was made by Commissioner Dunkin, seconded by Commissioner Smith and unanimously carried.

Adjournment

There being no further business to discuss, a Motion was made by Commissioner Fair, seconded by Commissioner Dunkin and unanimously carried that the meeting adjourn. The meeting adjourned at 11:30 a.m.

Approved without corrections

Approved with corrections

Original Signature on file
Steven O'Farrell, Chairperson

8/14/18
Date