



Executive Summary
State Board of Certified Real Estate Appraisers
2601 North Third Street, Harrisburg
January 8, 2009

Present at the regular meeting of the Board were: Chairman Robert McRae, Vice Chairman Daniel Bradley, Paul Kauffman, Valentino Pasquarella, Robert Fischer, Robert Kelly, Martha Brown (Secretary of the Commonwealth's Designee), John Abel (Attorney General's Designee) and Paul Wentzel (Department of Banking Designee). Also present were Board Counsel Christopher McNally and Board Administrator Heidi Weirich.

The following key discussions/actions were taken:

1. The December minutes were approved as submitted.
2. Chairman's Report
 - Chairman McRae reminded the group that the Pennsylvania Association of REALTORS® has invited the Board to participate in a joint forum with the Real Estate Commission later this month. Chairman McRae, Dan Bradley, Paul Kauffman and John Abel plan to attend.
 - Chairman McRae called the Board's attention to the proposed changes to USPAP and the letter that Vice-Chairman Bradley drafted as the Board's response. The proposed change to the ethics rule is a concern. The revision would make it necessary for appraisers to disclose whether or not they completed work on the property within the past six months.

The Board discussed the arbitrary date of six months and whether or not a different timeframe would be more effective. It was decided that there is no perfect timeframe for disclosure. The six month timeframe indicated in the proposed changes is satisfactory.

The Board also discussed whether or not there is a need for this type of disclosure. Most appraisers already avoid conflicts of interest. The main problem lies with large companies where an appraiser would have no idea that someone else in his/her firm had completed an appraisal on said property within the past six months. Neither USPAP nor the Board regulate large appraisal firms. Several members of the Board feel that it is acceptable to make requirements of the appraisers that would force large firms to implement programs that would allow easy access to a database of appraisals completed by the firm. Board Counsel pointed out that the proposed USPAP language does not impose a duty to investigate on the appraiser, but only requires that the appraiser disclose information that he/she already knows.

Vice-chairman Bradley, John Abel and Board Counsel will revise the letter to reflect the Board's deliberations.

3. Administrator's Report

- Heidy noted that the April meeting is on Tuesday the 7th, not on the 9th as listed on the agenda. The meeting room in Erie was not available on the 9th.
- The Department's newsletter is going electronic. It will no longer be available in hard-copy format, but instead will be posted on the website. Instead of annually, the newsletter will be published bi-monthly. There are limits to the number of articles each Board can write and to the number of words in each article. In addition to the newsletter, a link to an updated list of disciplinary actions will be posted. By making the transition to an electronic format, the department hopes to save money and make pertinent information available to appraisers in a timely fashion.

4. Regulations

- The 15-page preamble and final draft of the regulations was distributed to the Board. These documents along with a fee report will be submitted to the review council and deputy chief. The Board should begin thinking of ways to notify current appraisal assistants of the changes.
- Steve Wennberg will review the schedule of civil penalties submitted to the Commissioner by the Board 3-4 years ago at the next meeting. This document needs to be updated.

5. Formal Hearing

Application for Licensure as a General Real Estate Appraiser of John M. Messner. Counsel informed the Board that Mr. Messner was unable to attend the hearing. Mr. Messner asked that the Board reconsider his application based upon documentary evidence. Mr. Messner requested that if the Board is unable to make a final determination at this meeting, that they grant him limited approval for the evaluation of properties under a general appraiser's scope.

Counsel submitted to the Board for consideration correspondence between the Board and Mr. Messner, the order to schedule a hearing and the application of Mr. Messner.

The Board deliberated this case in executive session and instructed the Commonwealth to draft an adjudication order and order of concordance based upon these deliberations.

6. Applications

- State Certified Real Estate Appraiser Reciprocal Application of Andrija Andy Prodanovic. Mr. Prodanovic lives in Illinois and has several reciprocity certifications. He lost his license following two charges of driving under the influence, one in Wisconsin around October 2007, and one in Colorado in February 2007. The Board reviewed letters of good standing from the Ohio Board and the New York Board. The Board provisionally denied the application. Mr. Prodanovic will be advised of his right to a formal hearing.
- Application of Dante Negroni. Following the hearing of Mr. Negroni at the December meeting, the Board asked that the record remain open until clarification regarding Mr. Negroni's ending date of probation period was clarified. Board counsel submitted as evidence a letter from Frank Rooney, Mr. Negroni's parole officer, clarifying that Mr. Negroni has completed his probation period. Also submitted were memorandums of law

from both Mr. Negroni's counsel and the Commonwealth. The record was officially closed. The Board deliberated this case in executive session and determined that Mr. Negroni's criminal record should not serve as a barrier to his application.

- Application of Mellissa Anne Delp. Following the hearing of Ms. Delp at the July meeting, the Board asked that the record remain open until letters from all the clients represented in the sample reports were submitted in order to verify whether or not the checklists were included in each report. The Board reviewed correspondence from Board counsel and Counsel for Ms. Delp along with the transcript from the hearing. The Board deliberated this case in executive session and approved Ms. Delp's application.

7. Matters for Discussion

- The Board discussed the new mortgage e-letter received from the US Department of Housing and Development (HUD) indicating that appraisers will be listed on the Federal Housing Administration (FHA) roster if they meet minimum AQB education and experience requirements. Appraisers can satisfy these requirements at nationally recognized appraisal organizations. The Board has concerns with HUD opening the door for non-certified appraisers to complete FHA loan appraisals. The Board will consider writing a letter stating their concern when the comment period begins.
- PSI is discussing pros and cons of sending test results electronically.

8. Next Meeting – February 12, 2009

The foregoing represents the author's best interpretation of the significant actions and discussions of the Board. Aside from the meeting agenda, the author receives no supporting documentation or materials in advance or during the meeting, nor is the author present during any executive sessions of the Board. Therefore, this summary may not accurately reflect official actions or positions taken. Official minutes of the proceedings may be secured by contacting the Bureau of Professional & Occupational Affairs.

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For further information, contact Sylvia Lacerda, Government Affairs Specialist