



Executive Summary
State Board of Certified Real Estate Appraisers
2601 North Third Street, Harrisburg
July 9, 2009

Present at the regular meeting of the Board were: Chairman Robert McRae, Daniel Bradley, Paul Kauffman, Richard Lam, Valentino Pasquarella, 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. Chairman McRae introduced new Board member Richard Lam.
2. The June minutes were adopted as revised by Board counsel.
3. Report of Prosecution
 - June T. Flynn (File No. 08-70-03971). The respondent is a general appraiser who currently resides in Massachusetts. The respondent completed an appraisal of an apartment complex in Monroe County that was found to be noncompliant with USPAP. The work file was incomplete, there were formatting issues and only one method of assessing value was used. The Commonwealth recommends \$2,000 in civil penalties, \$600 investigative costs, a two-hour ethics course and a five-hour taxation course. The consent agreement presented by the prosecution was deliberated by the Board in executive session and was approved.
 - Dennis Handley (File No. 08-70-09229). The respondent is a general appraiser. In 2006, the respondent completed an appraisal of a property in Pittsburgh that was found to be noncompliant with USPAP. The comparables used were inappropriate resulting in an inflated home price. The Commonwealth recommends \$1,000 civil penalties, \$600 investigative costs, a 15-hour USPAP course and a general sales course. The consent agreement presented by the prosecution was deliberated by the Board in executive session and was approved.
 - Krista Kohasic (File No. 08-70-03012). The respondent is a general appraiser. In 2006, she appraised a mobile home park. The respondent is not certified to appraise commercial properties. The Commonwealth recommends a cease and desist order on completing commercial appraisals until such time as the respondent becomes properly certified. In addition, the Commonwealth recommends \$1,500 civil penalties of which \$500 was already paid. The remainder will be paid in installments of \$500 on July 15 and August 15. The respondent will also pay \$300 investigative costs and complete a 30-hour residential sales and income approach course. The consent agreement presented by the prosecution was deliberated by the Board in executive session and was approved.
 - Dorothea Maher (File No. 07-70-13144). The respondent is a broker/appraiser. She completed an appraisal that was found to be noncompliant with USPAP due to its mix of Broker Price Opinion and Federal Housing Alliance forms. The respondent is undergoing health problems and has agreed to surrender her broker/appraiser

certification. The Commonwealth recommends accepting this offer. The consent agreement presented by the prosecution was deliberated by the Board in executive session and was approved.

- Lisa McKinney (File No. 08-70-08280). The respondent completed an appraisal in Schuylkill County that was found to be noncompliant with USPAP. The comparables were questionable. The range for the appraisal was \$750,000-\$1.6 million. This is high for the area. The Commonwealth recommends \$2,500 civil penalties, \$750 investigative costs, a 15-hour USPAP course and a 30-hour residential sales course. The consent agreement presented by the prosecution was deliberated by the Board in executive session and was approved.
- Peter Kovach, Esq. revisited his previous request for the Board to create broad categories for continuing education violations, with monetary penalties assigned, to assist the prosecutorial division. The Board agreed to place this item on the August meeting agenda if possible.
- It was noted that the U.S. Department of Housing and Urban Development now sends the names of individuals that are flagged by their office to the Board for disciplinary action. In these cases the Board does not have all of the documentation that it is accustomed to and assigning an expert to each case is cost prohibitive. The Board has an opportunity to implement standardized discipline. This topic will also be discussed at the August meeting.

4. Report of Board Counsel

- Counsel distributed a draft of the new reciprocal agreement along with sample letters to the surrounding states asking them to sign the agreement or renew already existing agreements. Counsel noted concerns with whether or not the qualifications of other states are equivalent to that of Pennsylvania. In addition, some states require a license instead of certification. Counsel will create a spreadsheet highlighting the qualification requirements of each state for the Board.
- Michael A. Hodges (File No. 07-70-07238). Counsel submitted an adjudication order as drafted in accordance with the Board's previous discussion. The draft adjudication order was approved.

5. Regulations

- Steve Wennberg, Esq. reported that the Governor's office is still reviewing the Board's regulation packet.
- Steve Wennberg, Esq. distributed a list for the Board to review of educational matters that may or may not require regulation changes in the future. The Board reviewed the list and determined that none of the items require a regulation change.

6. Chairman's Report

- Chairman McRae reported that he has received numerous calls from distraught appraisers claiming that appraisal management companies are destroying their business and asking the Board to take charge of the problem.
- Chairman McRae noted that this is his last meeting as an official member of the Board. He will continue to participate in the meetings for six months, or until another Board member is appointed. There are currently two open seats on the Board. The Chairman

noted that it is important that someone with CPE experience be appointed to allow the Board the benefit of this perspective.

- Chairman McRae called the Board's attention to the memo from Peter Marks noting that a former member must wait one year before testifying in front of the Board as an expert.

7. Administrator's Report

- There were 4,000 renewals. 86% were online. 669 individuals have not yet renewed their certifications.

8. Matters for Discussion

- Michelle Bradley noted that she is in possession of legislation drafted by Representative Dick Stevenson that would regulate Appraisal Management Companies. She is chairing a task force for the Pennsylvania Association of REALTORS® that will review the legislation and work with Representative Stevenson to finalize the language of the bill.
- 92% of first-time test takers failed the residential appraiser test.

9. Next Meeting – August 13, 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