



Executive Summary
State Board of Certified Real Estate Appraisers
2601 North Third Street, Harrisburg
September 11, 2008

Present at the regular meeting of the Board were: Chairman Robert McRae, Vice Chairman Daniel Bradley, 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 Carole Clarke and Board Administrator Heidy Weirich.

The following key discussions/actions were taken:

1. The August minutes were approved as submitted.
2. Report of Prosecution
 - Peter Kovach, Esquire reported that a letter was received from Virginia Gibbs of the Appraisal Subcommittee. In the letter, the Subcommittee notes that the Board has made substantial improvements, especially in diminishing the number of cases on the books. The Board no longer needs to file monthly logs with the Subcommittee. Logs must only be filed quarterly. Board counsel will work with the Commissioner to draft a response letter which will be reviewed by the Board before mailing.
3. Chairman's Report
 - Chairman McRae noted that the Pennsylvania Association of REALTORS® has postponed their Legal and Regulatory Forum with the Real Estate Commission until January.
 - Chairman McRae welcomed the new members of the Board: John Abel, Attorney General's Designee and Paul Wentzel, Department of Banking Designee.
4. Administrator's Report
 - At the last meeting the Board approved funds for two people to attend the AARO conference. Heidy reviewed the conference agenda and noted that the main topic of the sessions is investigation. She is not involved in this issue and wonders if the Board would like to rescind their recommendation that two people attend. Chairman McRae suggested someone from the prosecutorial division attend. Heidy will pursue this option.
 - The Board reviewed the draft budget for 2009. Concerns were raised over the small increase in funds allocated to Board travel. With two new members on the Board, the travel funds need to be increased at a greater rate. Heidy will report this recommendation to the budget office. The final budget will be presented to the Board by the budget office at the November meeting.

5. Regulations

- Steve Wennberg asked the Board to decide whether or not every person assisting with an appraisal in a professional capacity needs to hold a trainee license. The Board deliberated the fact that appraisers often consult professionals in other fields to lend their professional expertise when appraising properties with machinery, equipment and/or special land use. It was determined that only in cases when the person is providing “significant real property appraisal assistance” is a trainee license mandatory.
- Wennberg reported that the following AQB changes will be made, as suggested by the Appraisal Subcommittee:
 - It will be noted that teaching is no longer permitted to be used as qualifying education, only 50% of continuing education requirements can be teaching experience.
 - It will be noted that exams can no longer be challenged.
 - In the list of courses that qualify as the equivalent education for a degree, the AQB term “computer science” class will be used instead of “intro to computer science” class.
- Wennberg noted the following updates to the Regulations:
 - A definition for appraisal trainee was added.
 - A trainee license application process was outlined.
 - Clarification regarding the fact that an examination is not needed to become a trainee was added.
 - A deadline of January 1, 2012 was noted for grandfathering old education.
 - In education requirements, the name “National 15-hour USPAP course” was changed to “National 15-hour USPAP course or equivalent”.
 - A trainee application fee of \$75 was noted. Wennberg spoke with the revenue office regarding the Board’s concerns with the initial amount suggested for the application fee. The initial amount suggested was \$50, the Board found this amount to be low. The revenue office agreed to raise the amount to \$75 based upon the Board’s estimated staff time for application processing of one hour. The application fee cannot cover Board time for hearings or investigation costs resulting from flagged applications. These costs fall under the disciplinary section of the budget and are covered by renewal fees.
 - Wennberg noted that an additional trainee section will be created that notes trainee qualifications, education requirements, classroom hours and subscribed curriculum. This section will be divided into three parts: individuals new to the business applying to become trainees, individuals currently working as appraisal assistants who are applying for a trainee license, and residential appraisers upgrading to general appraisers.
 - Changes were made to the language limiting the trainee to only one supervisor in the course of accumulating experience hours. The text “shall operate under one general appraiser” was changed to read “trainee may not be supervised by more than one supervisor per assignment”.
 - A new section was added under supervisor appraisers outlining supervisor’s obligations and noting the fact that the appraiser must have five years experience to qualify as a supervisor and can only supervise three assistants at a time.
- Concerns were made over the best manner to keep records of the trainees and who is supervising them. Wennberg noted that this is not a regulatory matter, but an internal

administrative issue. The Board discussed whether or not the supervisor's name should be requested on the trainee's application, but concerns were raised regarding the logistics of requiring applicants to report each time their supervisor changed. Instead, the Board decided that the supervisor should notify the Board each time they take on a trainee. This will enable staff to regulate whether or not the supervisor is supervising more than three trainees at a time. Heidi will investigate how other Board's handle this type of situation.

- Wennberg noted that while current assistants are not required to submit an assistant checklist, although it is strongly encouraged, trainees must submit a checklist with all completed appraisal reports if they want to claim the reports in their experience hours. Thus a second checklist, a Trainee checklist, must be created.
- The Board discussed the difficulty in fitting the required "Pennsylvania Certified General/Residential/Commercial Real Estate Appraiser" title on the signature line of reports. It was suggested that instead the Board require only the license number, which is prefixed with GA for General Appraiser, RA for Residential and CA for Commercial. The Board decided that an abbreviated version is acceptable if the entire title does not fit. Only the license number is not sufficient because clients in other states would not understand the acronyms. In addition, supplying license numbers along with signatures opens appraisers up to certification theft.

The Board approved the rulemaking package presented by counsel as amended.

6. Matters for Discussion

- The Board reviewed and approved a reciprocal agreement submitted by the Indiana Board.
- The Board reviewed a draft letter encouraging all state Boards without a reciprocal agreement with Pennsylvania to sign the reciprocal agreement. Attached to the letter will be a copy of the agreement. Maryland will be contacted individually because of their close proximity to Pennsylvania.

7. Applications

- Application for Reciprocal Certification as Real Estate Appraiser for Raymond Dennehy III. The application was denied due to previous disciplinary action taken when Mr. Dennehy reported completion of his continuing education when in fact he had only completed 50% of the education required.

8. Next Meeting – October 15, 2008

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.

Document Date: September 12, 2008.

For further information, contact Sylvia Lacerda, Government Affairs Specialist