

SOUTH CAROLINA REAL ESTATE APPRAISERS BOARD

Synergy Business Park, Kingstree Building
110 Centerview Drive, Kingstree Building, Room 202
Columbia, South Carolina 29210

Minutes

Wednesday, May 14, 2009

10:00 a.m.

Called To Order:

Herbert Sass, Chairman, called the regular meeting of the Real Estate Appraisers Board to order at 10:00 a.m. Other members present for the meeting included: Andrew Johnson, Ann King, Rhonwen Newton, Terrence O'Brien and Carlton Segars.

Staff members participating in the meeting included: Sheridon Spoon, General Counsel, Jay Pitts, Administrator, Angela Scott, Administrative Assistant, Laura Smith, Investigator, Beau Tiller, Education Manager, Sharon Wolfe, Chief Investigator, Office of Investigation and Enforcement, Bill Plunkett, Investigations and Lisa Hawsey, Office of Business and Building.

Others present participating in the meeting included: Kristi Klamet, Appraisal Subcommittee, Neal Fenochietti, Appraisal Subcommittee, Willie King and Bob Dufala.

Herbert Sass, Chairman, announced that public notice of the meeting was properly posted on the bulletin boards at the main entrance of the Kingstree Building and by notice mailed to all requesting persons, organizations and news media in accordance with §30-4-80 of the South Carolina Freedom of Information Act.

Pledge of Allegiance

Members Absences:

NONE

Approval of Minutes:

MOTION:

Mr. Segars moved to approve the November 4, 2008, meeting minutes. Mr. Johnson seconded the motion, which carried unanimously.

Chairman's Remarks: None

Administrator's Remarks:

Staff Update - Mr. Pitts reported that staff is still in the process of trying to fill Laura McDaniel's position, but due to budget cuts they are unable to do so at this time. Laura Smith will be taking over those responsibilities and duties until such time as that position can be filled. Also, Mrs. Smith is still handling upgrades and maintaining the high standard of work in that area.

Mr. Pitts introduced Lisa Hawsey and Angela Scott. He reported that Ann Parris has recently taken on some new responsibilities and Mrs. Lisa Hawsey will be taking over some of the responsibilities that Ms. Parris previously held. Angela Scott will be assisting the Board with the minutes. Mr. Pitts thanked them for their assistance and stated he looked forward to working with them in the future.

Sharon Wolfe, Bill Plunkett and Laura Smith will be attending an Investigation Training Workshop on June 3-6, 2009, sponsored by the Appraisal Foundation and made possible by the ASC; therefore, there is no cost for them to attend.

Update On Licensees - Laura Smith reported the licensing numbers as of today:

2928 Active Appraisers (includes all categories)

464 Apprentices

1110 Certified Residential

53 Apprentices (expires June 30, 2009)

813 Certified General

417 Licensed Appraisers

January 1, 2008 – January 1, 2009 – 53 New Apprentices

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January 2, 2009 – Current – 9 New Apprentices January 1, 2009 – 42 upgrades and 16 pending

Update On Investigations – Mrs. Sharon Wolfe reported the number of investigations as of today:

36 Open Cases in Investigations	20 have been through the IRC
10 Currently pending in legal	17 Cases January 2008 – May 2008
22 Cases – January 2009- May 2009	

Meeting Dates – Mr. Pitts reported the tentative two-day meeting dates. The dates he reported were July 30-31, 2009, or August 27-28, 2009. He asked the Board to notify him by May 15, 2009 as to which dates would be suitable.

Chairman Sass - Chairman Sass thanked Laura Smith and staff for all their help and assistance.

AARO Conference – Mr. Pitts reported that he attended the AARO Conference and it was very beneficial as he received a lot of useful information. He was very impressed with Vickie Ledbetter's report regarding the changes that would be taking place within the ASC. He reported the following information:

- Re-Designing of website (questionnaire on what should be changed and what information the group may want to have input in);
- Re-Designing of the National Registry (make it web base, faster and a more efficient uploading process);
- Field Review Process (changes efficient in January 2009); and
- Jim Parker is the new Director and they are fully staff.

AMC (Appraiser Management Company) – Mr. Pitts reported that Utah and Arkansas have already passed legislation. California, Florida, Minnesota, Mississippi, Hawaii, Montana, Nevada and North Carolina all have pending legislation. Mr. Pitts reported that he spoke with Brandi Pinkston at Consumer Affairs and they are looking forward to regulating AMCs (Appraiser Management Companies).

Advisory Opinions:

NONE

Legislative Update:

NONE

Unfinished Business:

NONE

New Business:

IRC Report for December 10, 2008:

MOTION:

Mr. Segars made a motion to approve the recommendations of the Investigative Review Committee for December 10, 2008. Mr. O'Brien seconded the motion, which carried unanimously.

IRC Report for February 4, 2009:

MOTION:

Mr. Segars made a motion to approve the recommendations of the Investigative Review Committee for February 4, 2009. Mrs. Newton seconded the motion, which carried unanimously.

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IRC Report for May 6, 2009:

MOTION:

Mr. Segars made a motion, to approve the recommendations of the Investigative Review Committee for May 6, 2009. Mr. Johnson seconded the motion, which carried unanimously.

Appraisal Subcommittee – Audit - Kristi Klamet, Appraisal Policy Manager, introduced herself and Neal Fenochietti, Appraisal Policy Manager. Ms. Klamet gave background information concerning Title XI and outlined the procedures followed in conducting the field review and the procedures followed upon the conclusion of the review. She stated that the ASC requested particular information in advance in order to prepare for the review. This information is used to analyze the entire program for compliance with Title XI and the ten policy statements listed in the Annual Report (which will be distributed at a later date).

Ms. Klamet thanked staff for their assistance and cooperation.

Ms. Klamet reported that the ASC conducted a field review in February 2007 and South Carolina was in total compliance.

Ms. Klamet reported the following field review results:

Regulations – Ms. Klamet stated that they found a few minor items in the Regulations that need to be modified.

Enforcement - Ms. Klamet stated the policy statement requires that all complaints be resolved within one year of receipt. She stated the South Carolina Appraisers Board received 170 complaints since the last audit, 40 outstanding complaints and no cases over one year. She stated the only enforcement violation that will appear in the report is the "Do Not Open Cases." These cases should not be destroyed until after the next audit.

Ms. Klamet stated that the complaint files were very well documented and justified. She stated that staff is doing an excellent job.

National Registry – Ms. Klamet stated that the National Registry data and fees are being submitted.

Application Process – Ms. Klamet stated that she and Mr. Fenochietti reviewed the application process and there was one item that must be corrected. A more detailed log listing the actual hours the applicant worked and an explanation must be reported on the report log. This is an actual AQB criteria that becomes effective on January 1, 2008.

Continuing Education – Ms. Klamet reported that the education sections looked great.

Temporary Practice – Ms. Klamet reported that temporary permits have to be issued five (5) days from receipt; fees cannot be more than \$150.00; a method in place for one extension; and they are valid for six (6) months. She reported everything is going well in this area.

Reciprocity – Ms. Klamet reported that she really likes the idea that South Carolina considers applicants from every state. She commended staff for utilizing the National Registry to assure that everything is in order.

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Sufficient Resources – Ms. Klamet reported that they did check to see whether the State had sufficient resources to run their program. The review does not show any problems at this time and staff is doing a very good job. If by chance staff needs additional resource, they may contact the ASC.

New Process – Ms. Klamet reported that ASC has implemented a new process that went into effect on January 1, 2009, that is called a Preliminary Report. The Preliminary Report is a check sheet which lists all the areas that were reviewed. It asks whether the State is in compliance. If the State is not in compliance, it lists the item that is not in compliance. It is a direct communication between ASC director and the Board. The Board has 60 days to respond as to what the Board's plan is to rectify the problem or in some instances the Board has already rectified the problem.

Mr. Fenochietti commended staff for a job well done and stated that the South Carolina staff is very knowledgeable.

Mr. Pitts thanked staff for a job very well done. He stated that staff was very comfortable going into the review and the review was done with a full complimented staff. Laura McDaniel and Ed Coleman were helpful in making the last review successful. The Appraisal Subcommittee is aware that Ms. McDaniels and Mr. Coleman are no longer with the Board. Laura Smith is doing a great job, but has a heavy workload.

Chairman Sass thanked Ms. Klamet and Mr. Fenochietti for coming and thanked staff again for doing a job well done.

Executive Session

None

Disciplinary Hearings

None

Public Comments – Mr. Bob Dufala stated in the matter of a bank requiring an ABM's approval instead of an appraisal for loan approval poses a problem for all realtors, because contracts are signed based on an appraisal. Mr. Bob Dufala stated that he has addressed this matter to Chairman Sass by way of email and the question is what can be done?

Chairman Sass stated that if the contract states that the appraisal should be done, then it should be.

Mr. Andrew Johnson stated that it seems that the bank is calling an appraisal an ABM.

Mr. Segars reported an issue regarding Form 204MC (Market Conditions Report). He stated that Fannie Mae previously required that this form be completed giving basic and statistical information on historical listings; and sales within realtor's market area as it relates to the subject property being appraised. Mr. Segars stated that he submitted the form, and received an email from a representative of Fannie Mae on May 8, 2009. The email stated in regards to 204MC form please remove it from the appraisal. This form is not an approved Fannie Mae form at this time. Once it is approved Fannie Mae will notify everyone. Once an appraiser completes the form with minimum information; the statistics generated could possibly lead to a false and misleading report. He stated that he reported this to the Board for informational purposes.

Beau Tiller asked whether there had been any formal documentation sent out regarding this matter.

Mr. Segars stated no formal information other than the email documentation has been sent out.

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Adjournment

Mr. Segars moved the meeting be adjourned. Mr. O'Brien seconded the motion, which carried unanimously. The May 14, 2009, meeting of the South Carolina Real Estate Appraisers Board was adjourned at 11:35 a.m.

Submitted,

Rhonwen L. Newton

Rhonwen Newton
Secretary