

Minutes

South Carolina Real Estate Appraisers Board

Thursday, January 11, 2017 at 10:00 a.m.

Synergy Business Park, Kingstree Building, Conference Room 105

110 Centerview Drive, Columbia, South Carolina 29210

Meeting Called to Order:

Jake Knight, Chairman, called the meeting of the South Carolina Real Estate Appraisers Board to order at 10:10 a.m. Other members present for the meeting included: Chris Barczak, Rex Casterline, Christopher Donato, and Andrew Johnson.

Mr. Knight announced that public notice of this meeting was properly posted at the S.C. Real Estate Appraisers office, Synergy Business Park, Kingstree Building, and provided to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act.

Staff members participating during the meeting included: Georgia Lewis, Advice Counsel; Erin Baldwin, Office of Disciplinary Counsel; Malcolm Burton, Office of Investigations; Laura Smith, Administrator; Ty'Yona Schofield, Administrative Assistant.

Three public members were present.

Pledge of Allegiance was recited by all present.

Introduction of Board Members and All Other Persons Attending

All board members, staff and public attendees introduced themselves.

Approval of Excused Absences

MOTION:

Mr. Johnson made the motion to excuse the absence of Michael Dodds and Ann King for the reasons given to the Administrator. Mr. Casterline seconded the motion which carried unanimously.

Approval of Agenda:

MOTION:

Mr. Casterline made the motion to approve the Agenda. Mr. Donato seconded the motion which carried unanimously.

Disciplinary Hearings

Case #2015-29

Based upon the Confidentiality Provision Practice Act (40-60-190), this proceeding was closed to the Public. The only exception was for the Advice Counsel that was in the audience to remain and the Office of Investigation and Enforcement.

MOTION:

Mr. Casterline made a motion to enter Executive Session for the purpose of obtaining legal advice with the Administrator remaining present. Mr. Johnson seconded the motion which carried unanimously.

MOTION:

Mr. Casterline made a motion to return back to session from Executive Session. Mr. Donato seconded the motion which carried unanimously.

MOTION:

Mr. Casterline made the motion accept the Memorandum of Agreement as written, and to dismiss the allegation with regards to South Carolina code Section 40-1-110 Subsection 1, Subsection F, Subsection G, and 40-60-110 Subsection 14. As to code 40-60-110 Subsection 19, the Board moved to dismiss with the issuance of a non-disciplinary Letter of Caution as permitted under 40-1-120 Subsection D and advice the Respondent to be careful about documents that are prepared and signed in performance of his duties. Mr. Johnson seconded the motion which carried unanimously.

MOTION:

Mr. Casterline amended the Motion, adding to accept the Memorandum of Agreement as written. Mr. Johnson seconded the motion which carried unanimously.

(This proceeding was recorded by a court report in order to produce a verbatim transcript if requested in accordance with the law.)

Approval of the Minutes from August 18, 2016 meeting

MOTION:

Mr. Casterline made the motion to approve the minutes as amended with the following changes:

- Line 40 change the motion to clarify it included the approval of the agenda with the removal of Case #2015-13.
- Line 102 change to Memorandum of Agreement **and Stipulations**.
- Line 104 should be changed to Standard 1-4(a)
- Line 105 should be changed to Standard 2-1(a).

Mr. Donato seconded the motion which carried unanimously.

Chairman's Remarks

Mr. Knight will restrict remarks at this point. However, he will make comments during discussion of the new and old business sections on the Agenda.

New Business

Approval of the Investigative Review Committee (IRC) Report- Erin Baldwin

The IRC report dated December 14, 2016 was presented for approval. Discussion ensued.

DISMISS

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2016-6	Malcolm Burton	Professional Incompetence.	All complainant allegations reviewed. Standard 3 review appraisal performed. No USPAP violations found.
2016-8	Malcolm Burton	Misconduct and improper comps	All complainant allegations reviewed. Standard 3 review appraisal performed. No USPAP violations found.
2016-9	Malcolm Burton	Improper comps and value dispute. Complainant alleges numerous errors of omission & commission that affect the outcome of the appraisal report. Offered 7 sales that may be better comparables. Disputes value.	All complainant allegations reviewed. Standard 3 review appraisal performed. No USPAP violations found.
2016-17	Malcolm Burton	Value dispute.	All complainant allegations reviewed. Standard 3 review appraisal performed. No USPAP violations found.
2016-31	Malcolm Burton	Sanctioned by other board.	Sanction from other Board was vacated.

MOTION:

Mr. Donato made a motion to approve the IRC report. Mr. Johnson seconded the motion. The votes carried unanimously

Office of Disciplinary Counsel (ODC) Update - Erin Baldwin

OGC Case Load Statistics as of December 22, 2016

Board	Open Cases	Pending actions	Pending CA/MOAs	Pending Hearings	Pending Board Action	Pending Final Orders	Closed
Appraisers		1	0	3	0		4
					Closed Cases on or after 11/2/16		4

Ms. Baldwin gave an update on the cases currently on her desk. Presuming there aren't any issues and this is acceptable by the Board, Ms. Baldwin proposed having a two day meeting scheduled for May 4, 2017 and May 5, 2017 on a rolling docket. Discussion ensued.

Administrators Remarks - Laura Smith

Ms. Smith reminded the Board the Appraisal Subcommittee will be present next month, February 13-17, 2017. Ms. Smith stated the February 17, 2017 Board Meeting will be a regular business meeting, and the Subcommittee will report any of their audit findings. Ms. Smith will be running reports on January 12, 2017, to allow the Subcommittee to begin the Audit before arriving.

Ms. Smith also reminded that March 30, 2017 will be the last date to file with the State's Ethic Commission. Anything received after the last date will be assessed a late fee.

Unfinished Business

Appraisal Management Company (AMC) Bill

Mr. Knight stated the parties still have two issues that they are trying to negotiate before moving to the State House. The two issues remain with the language being used regarding the Board determination of what is reasonable and necessary.

MOTION:

Mr. Casterline made the motion authorizing the Board to continue discussion and emphasizing in particular that the Board is the sole determinate of what is customary and reasonable of Appraisal Services under 40-60-150 as proposed. Mr. Donato seconded the motion. The votes carried unanimously.

Appraisal Fee Study

Ms. Smith informed the Board that Finance has the proposal and they are in the process of putting it out for bid. The Guidance Documents setup by North Carolina has sparked interest here amongst appraisers. Now with the option of VA fees, Ms. Smith wanted the Board to discuss if they wanted to continue moving forward with paying for the fee study, or setting up a procedure using the VA Schedule as the Guidance of what should be paid as far as customary reasonable. Discussion ensued.

MOTION:

Mr. Donato moved with the Administrator remaining present to enter into Executive Session for legal advice. Mr. Casterline seconded the motion which carried unanimously.

MOTION:

Mr. Casterline made the motion to return from Executive Session. Mr. Donato seconded the motion which carried unanimously.

MOTION:

Mr. Casterline made the motion to suspend the previous decision to conduct a Fee study until, and if the Board revisits this in the future. Instead, he instructs staff to prepare for Board approval a Guidance Document on the issue of customary and reasonable compensation of appraisals and that it specifically reference and include factors involved in Section 129E(i) of the Federal Truth and Lending Act, which is in 15USC section 1601, and all Regulations under those to include specifically 12CFR Section 1026.42. Specifically the Board state that Appraisal and Inspection fees for South Carolina Appraisers published by the Department of Veteran Affairs Atlanta Regional Loan Center as a Government Agency fee schedule that AMC's can rely upon it as a presumption of compliance under Federal Law with regards to customary and reasonable compensation for Appraisers. Goal of the Motion is the Board recognizes the VA Fee Schedule as being compliant with Federal requirements as outlined in motion. Mr. Donato seconded the motion which carried unanimously.

Public Comments

None.

Adjournment

Mr. Donato made the motion to adjourn the meeting. Mr. Casterline seconded the motion which carried unanimously. The next Real Estate Appraisers board meeting is scheduled for February 17, 2017.