

MINUTES

South Carolina Real Estate Appraisers Board Meeting

10:00 a.m., October 26, 2011
Synergy Business Park
110 Centerview Drive, Kingstree Building Room 108
Columbia, South Carolina

Wednesday, October 26, 2011

1. Meeting Called to Order

Terrence O'Brien, Chair, called the regular meeting of the Real Estate Appraisers Board to order at 10:04a.m. Other members present for the meeting included, Carlton Segars, Andrew Johnson, Rhonwen Newton, and Joel Norwood.

Mr. O'Brien announced that the meeting was held in accordance with §30-4-80 of the South Carolina Freedom of Information Act by notice mailed to all requesting persons, organizations, and news media. In addition, notice was posted on the bulletin boards at the main entrance of the Kingstree Building.

Staff members participating in the meeting included Jay Pitts, Administrator; Tracey McCarley, Education Coordinator, Laura Smith, Compliance Coordinator; Sheridan Spoon, Advice Counsel; Sharon Wolfe, Investigations and Enforcement; Tom Cullinan, Investigator.

2. Pledge of Allegiance

All present recited the Pledge of Allegiance.

3. Approval of Excused Absences

Mr. Pitts stated that Ann King indicated that she would be in attendance, she may be late.

4. Approval of May 19 & 20, 2011 Board Minutes

MOTION

Mr. Segars made a motion to approve the minutes of May 19 & 20, 2011. Ms. Newton seconded the motion which carried unanimously.

5. Administrator's Remarks

1) Licensure Update – Laura Smith

Number of Licensees as of October 20, 2011

	<u>ACTIVE</u>	<u>INACTIVE</u>	<u>TOTAL</u>
APPRENTICE	179	0	179
LICENSED	263	33	296
CERTIFIED RESIDENTIAL	1114	51	1165
CERTIFIED GENERAL	887	20	907
LICENSED MASS	66	2	68
CERTIFIED RESIDENTIAL MASS	69	1	70
CERTIFIED GENERAL MASS	29	0	29
TOTAL	2607	107	2714

TEMPORARY PERMITS ISSUED IN 2010 – 273 ISSUED IN 2011 – 208

2) Investigations & Enforcement Update – Sharon Wolfe

Cases received January 1, 2011 through October 25, 2011

Case Statuses (Appraiser)

• Active Investigations	30
• Closed	1
• Do Not Open Cases	8
• Pending Board Action	6
• Pending Investigation	8
• Pending IRC	1
TOTAL	54

Cases closed January 1, 2011 through September 14, 2011

• Closed	48
• Do Not Open Cases	8
TOTAL	56

3) License Plate Renewal – Jay Pitts provided documents and information regarding obtaining license plates for Board members.

4) LLR Travel Policy – Jay Pitts provided information regarding the revised LLR Travel Policy for the Board and Administrator travel. Discussion ensued.

5) Appraiser’s Board Budget – Jay Pitts provided the Board with the budget report. Discussion ensued.

6) Report on AARO (Association of Appraiser Regulatory Officials) Conference – Mr. Pitts and Mr. O’Brien attended on October 14-17, 2011 in Washington, D.C. – Terrence O’Brien reported on various issues discussed at the conference.

Mr. Pitts discussed the issue of the May 2011 Appraisers Board audit. The Appraisal Subcommittee audit report reflected one deficiency – lack of staffing. He continued that this issue was raised at the AARO Conference in October. Staffing and funding will be scrutinized at the federal level to ensure the state has sufficient resources to operate the programs. He reported that the program was written up for lack of staffing in the last audit. Mr. Pitts stated that there is one dedicated staff person who handles the day-to-day duties of the appraiser’s board. Historically, the program has received high marks on past audits. High marks, meaning “A” rating. He stressed that the staffing issue must be addressed. Upon receiving the audit report, Mr. Pitts made a request through chain of command at LLR for additional staff. Notification was made in September to the Appraisal Subcommittee as to this request. Mr. Pitts stated that he is waiting to hear from his supervisors regarding this request. Discussion ensued.

Mr. Pitts discussed the issue of reciprocity, a topic at the AARO Conference.

7) Palmetto Appraiser – Terrence O’Brien discussed the newsletter issues such as literary content contributions. Mr. O’Brien expects the newsletter published and emailed by the end of the year.

6. Unfinished Business

AMC Legislation – Jay Pitts reported to the Board that the AMC Legislation was being handled by the Appraisal Institute and it is a two-year legislative process. Mr. Pitts provided the Board with documents referring to others state's registration fees. He expects the legislation to pass by the end of the next session in 2012. Discussion ensued.

7. New Business

1) Approval of National Registry Fees – Jay Pitts provided the Board with the document (Two-Year License Cycle) regarding licensing fees. As a result of Dodd-Frank Reform Act, this allowed the Appraisal Subcommittee to raise Federal Registry Fees from \$25 to \$40. Mr. Pitts stated that all states are required to raise registry fees. He informed the Board that the document provided included the SC statute regarding required fees. He provided the Board with the SC Appraisers Board Regulations which states the Fee Schedule. Referencing to the fee schedule, Mr. Pitts stated that there must be a regulation change. Mr. Pitts in conjunction with Advice Counsel stated that they would review current regulations to see if a change in the regulations is required. The Federal Registry Transmittal fee of \$25 will be raised to \$40. The fee changes will begin January 2012. He stated a continuance may be applied for if issues arise. The Board continued with discussion. Mr. Norwood questioned not raising fees and to absorb the costs. Mr. Pitts informed Mr. Norwood that the monies from registry fees are not credited to the Appraisers Board budget. The monies are paid to the Federal Government. Mr. Pitts suggested the Board consider lowering the licensing fee of \$160 to \$145.

MOTION

Mr. Segars made a motion to approve raising the registry fee from \$25 to \$40. Ms. Newton seconded the motion which carried unanimously.

2) Approval of IRC Report – October 10, 2011

MOTION

Mr. Norwood made a motion to approve the IRC Report. Mr. Johnson seconded the motion which carried unanimously.

3) Allen Hutto, General Counsel and Lobbyist for the Manufactured Housing Institute of South Carolina the trade association that represents the industry in the state. Mr. Hutto discussed the issue of appraiser's unfamiliarity of appraising manufactured homes. He continued that changes in quality and design in recent years have created this issue. In addition, resale of manufactured homes creates issues of providing comparables. Mr. Hutto spoke with the Institute's staff who recommended that he speak with the Appraisers Board about these issues, offer continuing education to appraisers, and file complaints on the bad appraisals.

4) Discussion of BPO's (Broker Pricing Opinion). The Board made a decision to hold off discussion until further information is obtained.

Mr. Pitts informed the Board of the next meeting on February 15 & 16, 2011

8. Adjournment

The meeting of the Appraisers Board adjourned at 11:32 am.