

Minutes  
South Carolina Real Estate Appraisers Board  
Meeting/Hearings  
November 9, 2006

Members Attending: Herbert R Sass, Chairman; Chuck Stone, Vice Chairman; Rhonwen Newton, Secretary; Chris Cochran; and Nancy Johnson  
Absent: Carlton Segars

Staff: Robert L. Selman, ADD; Jay Pitts, Administrator; Ed Coleman, Compliance; Tracey McCarley, Education; Ann Parris, Administrative Assistant; Laura Smith, Investigator; Beau Tiller; Education; Rick Wilson, Assistant Deputy General Counsel; and Shannon Poteat, Advice Counsel (hearings)

Others: Robert J. Dufala, SCAR, Appraisers Section; Andrea Hawkins, Counsel for Chris Cochran and Kenneth Cochran; and Dale Bailey

Call to Order and Freedom of Information Statement

Herb Sass, Chairman, called the meeting to order at 10:05 AM and stated for the record the following Freedom of Information statement. Public notice of this meeting was properly posted at the Real Estate Appraisers Board office, Synergy Business Park, Kingtree Building, Columbia, South Carolina, 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. A quorum was present at all times.

Chairman Sass introduced board members and staff and welcomed everyone to the meeting.

Motion: Minutes of the August 10, 2006, meeting were unanimously approved as written on motion of Mr. Stone and second of Ms. Johnson.

Chairman Sass asked the Board's approval to amend the agenda by moving the hearings before the business section of the agenda. Board members agreed to this request.

Disciplinary Hearings

Christopher L. Cochran, License Number 2111

Case: OGC 06-0007  
OIE: 2006-30

Sheridon Spoon, Office of General Counsel, LLR, presented the terms of the Consent Agreement signed by Mr. Cochran on September 22, 2006. Mr. Spoon outlined the findings of fact, the conclusions of law and the conditions of the Agreement for the Board's review as they make their decision to either accept or reject the Agreement. At the conclusion of Mr. Spoon's presentation, Ms. Hawkins, Respondent's counsel, stated the Agreement was fair.

Chairman Sass stated Mr. Cochran's case was submitted to the Board and that it would be taken under advisement. He called for a motion to go into executive session.

Executive Session 10:15 AM

Motion: Mr. Stone moved to go into executive session to deliberate the facts of the case. The motion was seconded by Ms. Newton. Motion carried.

Return to Public Session 10:27 AM

Motion: Ms. Newton moved to come out of executive session and Ms. Johnson seconded the motion. Motion carried.

Motion: Mr. Stone moved that the Board not accept the Consent Agreement and to refer the case to a hearing officer. Ms. Johnson seconded the motion. Motion carried.

Chris Cochran left the meeting/hearings at this time and did not return.

Chairman Sass called a brief recess at 10:30 AM.

Chairman Sass reconvened the meeting at 10:35 AM. The next case heard was Kenneth Nelson Cochrane.

Kenneth Nelson Cochrane License Number 2111

Case: OGC 06-0006  
OIE: 2005-74

Sheridon Spoon, Office of General Counsel, LLR, presented the terms of the Consent Agreement signed by Mr. Cochrane on September 22, 2006. Mr. Spoon outlined the findings of fact, the conclusions of law and the conditions of the Agreement for the Board's review as they make their decision to either accept or reject the Agreement. At the conclusion of Mr. Spoon's presentation, Ms. Hawkins, Respondent's counsel, stated Mr. Cochrane could not be present today (upon recommendation of his doctor) due to some serious health problems but that the Respondent asks that the Board approve this Agreement.

Chairman Sass stated Mr. Cochrane's case was submitted to the Board and that it would be taken under advisement. He called for a motion to go into executive session.

Executive Session 10:40 AM

Motion: Mr. Stone moved to go into executive session to deliberate the facts of the case. The motion was seconded by Ms. Newton. Motion carried.

Return to Public Session 10:45 AM

Motion: Ms. Newton moved to come out of executive session and Ms. Johnson seconded the motion. Motion carried.

Motion: Mr. Stone moved that the Board not accept the Consent Agreement and to require that Kenneth Nelson Cochrane appear before the Board for a hearing. The motion was seconded by Ms. Johnson and unanimously carried.

Mark McGinley License #1786 10:50 AM  
Case OGC #07-0001; OIE #2005-47

Mr. McGinley was present but not represented by counsel nor did he offer any witnesses. Mr. Spoon outlined the allegations against Mr. McGinley. The Board alleged that Mr. McGinley violated the following provisions of South Carolina state laws and regulations pertaining to the practice of real estate appraisal; South Carolina Code of Laws Section 40-60-140 (13) and (19) (Supp.2005). Mr. McGinley presented his case. At the conclusion of all testimony, Chairman Sass stated that Mr. McGinley's case was submitted to the Board and that it would be taken under advisement. He called for a motion to go into executive session.

Executive Session 11:15 AM  
Motion: Ms. Newton moved to go into executive session and Mr. Stone seconded the motion. Motion carried.

Return to Public Session 11:20 AM  
Motion: Mr. Stone moved to come out of executive session and Ms. Johnson seconded the motion. Motion carried.

Motion: Mr. Stone moved that Mr. McGinley be given a public reprimand and a fine of \$500. Ms. Johnson seconded the motion and it unanimously carried.

David C. Fields License Number L1794 11:20 AM  
Case OGC #07-001; OIE #2005-47

Mr. Fields was not present and was not represented by counsel. Mr. Spoon noted that Mr. Fields was properly noticed of this hearing. Mr. Spoon outlined the allegations against Mr. Fields. The Board alleged that Mr. Fields violated the following provisions of South Carolina state laws and regulations pertaining to the practice of real estate appraisal; South Carolina Code of Laws Section 40-60-140 (2), (3), (14), (17), (18) and (21) (Supp.2005). At the conclusion of Mr. Spoon's presentation, Chairman Sass stated that Mr. Field's case was submitted to the Board and that it would be taken under advisement. He called for a motion to go into executive session.

Executive Session 11:30 AM  
Mr. Stone moved to go into executive session and Ms. Newton seconded the motion. Motion carried.

Return to Public Session 11:35 AM  
Motion: Ms. Newton moved that the license of David C. Fields be revoked. Ms. Johnson seconded the motion. Motion unanimously carried.

Chairman Sass called a brief recess. 11:35 AM



(2) Beau Tiller – Reviewed proposed amendments

Regulations 137-100.01 through 137-900.09 regarding education and licensure standards by updating the language and clarifying requirement.

Mr. Tiller stated there have been dramatic increases in education that will take effect January 1, 2008. He said the changes to the statute passed last legislative session and that the proposed appraisal regulations would be sent to the Legislature to be taken up in the 2007 Session. He reviewed the following proposed regulation changes:

Qualifications. - Increases in education

Apprentice Appraisers – still remains at 75 hours

Licensed - increases from 90 hours to 150 hours

Certified Residential - increases from 120 hours to 200 hours

Certified General - increases from 180 hours to 300 hours

Mr. Tiller began the review by saying that the old terminology was being replaced with the nomenclature and terminology of the Appraisal Qualification Board (AQB) for courses. He said that this would be reflected in the new course content throughout the country.

137-100.02. (C) “Qualifying experience must be obtained after January 30, 1989, in appraisal work conforming to Standards 1, 2, 3, 4, 5, and/or 6 where the appraiser demonstrates proficiency in appraisal principles, methodology, procedures (development), reporting conclusions, be of a variety sufficient to demonstrate competency in all USPAP recognized approaches to value; and”

Mr. Tiller said this is new language that was given by the AQB and incorporated in Board regulations.

(D) (2) “Applicants for the Certified Residential license must hold an Associate degree or higher, from an accredited college, community college, or university. In lieu of the Associate degree, an applicant for the Certified Residential license shall successfully pass the following collegiate subject matter courses from an accredited college, junior college, community college or university:

(a) English Composition;

(b) Principles of Economic (Micro or Macro);

(c) Finance;

(d) Algebra, Geometry, or higher mathematics;

(e) Statistics;

(f) Introduction to Computers-Word processing/spreadsheets; and

(g) Business or real Estate Law.

Total credits are the total hours of equivalent college courses in lieu of an Associate degree or 21 semester credit hours for the Certified Residential appraiser. If an accredited college or university accepts the College-Level Examination Program (CLEP) examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course.”

Mr. Tiller stated that if an individual is already in one of these classifications currently, after January 1, 2008 it will not affect them. However, if he/she decides to move up to a higher classification, he/she would have to meet the new criteria.

(E) (3) This item refers to the 375 experience points. Mr. Tiller stated nothing has been changed.

(E) (4) “must have at least thirty (30) months of real estate appraisal experience commencing as of the date that the first assignment is completed; and Mr. Tiller said this is new to the Certified General appraiser.

Point System – No changes. Mr. Tiller stated that the Point System was studied by a committee about four or five years ago and no changes were recommended. AQB did not recommend any changes.

137-300.02. (B) (5) Responsibilities of a Supervising Appraiser.  
“Be in good standing with the Board and not subject to any disciplinary action within the last two years that affects the supervisor’s legal eligibility to engage in the practice of appraising.” Mr. Tiller said this is new.

Appraisers Board will be going to a two-year renewal.

In order for an individual to teach higher level appraisal courses, he/she must be a Certified General appraiser. Also effective January 1, 2008, only Certified appraisers will be able to supervise apprentice appraisers. This is mandated by the AQB.

Social security number has been removed.

Distance Education.

Mr. Tiller said there had been a lot of studies done in this area. He said the Board has researched and worked with the Appraisal Subcommittee (ASC), AQB, and the International Distance Education Certification Center (IDECC). Mr. Tiller stated the staff has tightened up regulations as much as possible without creating a problem for those people who need to find classes to become licensed and certified. He said in rural areas there are a limited number of classes available and that this may become more amplified in the future with the increased education requirements. He said safeguards and parameters have been built in with distance education. For instance, when taking a qualifying course, the course must contain incremental assessments which demonstrate mastery and fluency of the course SC

content, and the student must successfully complete a written examination proctored by an official approved by the presenting entity.

Courses must be submitted to IDECC initially and they certify the delivery mechanism, but the SC Real Estate Appraisers Board staff still reviews the contents as is done for a traditional course.

Mr. Stone stated the staff had done a great job with the Regulations and in particular in adding effective safeguards and proposing a two-year renewal cycle. Chairman Sass agreed.

Motion: Chairman Sass moved to accept the revisions as presented. Motion unanimously carried.

No Old Business

New Business – Jay Pitts, Administrator

Mr. Pitts discussed the composition of the Investigative Review Committee (IRC). He said that in the past there had been a practicing appraiser on the IRC. He said Harvey Rosen had served but had resigned a couple of years ago and that the seat had not been filled. Chairman Sass stated he had served on the IRC for a couple of years and that he is in agreement that a representative from the industry is extremely beneficial.

Mr. Pitts said LLR has recommended that all IRCs have an industry representative and that he has looked at several qualified individuals. He stated he had spoken to Chairman Sass about one particular individual, Jake Knight, and that he would like to nominate Mr. Knight to serve as the industry representative on the IRC. Mr. Pitts said he has known Mr. Knight for many years and that he is an outstanding person and very qualified for this position. Mr. Pitts said he had spoken to Mr. Knight and that Mr. Knight stated he would be happy to serve if chosen. Chairman Sass said he too had known Mr. Knight many years and had served with him on various committees. He said Mr. Knight would be an excellent choice.

The Board agreed unanimously to ask Jake Knight to serve as the industry representative for the Appraisers Board IRC. Mr. Pitts said he would pass this along to Mr. Knight.

There being no further business, the meeting adjourned.

Submitted,

Rhonwen Newton  
Secretary