

## **Minutes**

### **South Carolina Real Estate Appraisers Board**

**Thursday, May 6, 2021 at 10:00 a.m.**

**Via Video/Teleconference**

#### **Meeting Called to Order:**

Jake Knight, Chairman, called the meeting of the South Carolina Real Estate Appraisers Board to order at 10:05 a.m. Other members present for the meeting included: Chris Barczak, Chris Donato, Mark Chapman and Rex Casterline.

Mr. Knight announced that public notice of this meeting was properly posted at the South Carolina 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; Charles Gwynne, Office of Disciplinary Counsel; Malcolm Burton, Office of Investigations; Rodney Pigford, Office of Investigations; Laura Smith, Administrator, Courtney Clark, Office of Disciplinary Counsel; Erin Baldwin, Office of Disciplinary Counsel, Kyle Tennis, Office of Advice Counsel; Sonya Morse, Office of Disciplinary Counsel and Alice Douglas, Office of Disciplinary Counsel.

The following members of the public were present: Austin Smallwood, Dale Bailey, Malinda Griffin, Joseph Korzelius, Alan Steele and Bill Ellis.

#### **Introduction of Board Members and All Other Persons Attending**

Laura Smith, Administrator introduced herself and all others in attendance.

#### **Approval of Excused Absences**

Mr. Casterline made the motion to excuse the absence of Mr. Dodds for the reasons given to the Administrator. Mr. Chapman seconded the motion, which carried unanimously

### **Approval of Agenda:**

The agenda was amended so that the application hearing would be heard before the disciplinary hearing.

### **MOTION:**

Mr. Casterline made the motion to approve the amended agenda. Mr. Donato seconded the motion, which carried unanimously.

### **Approval of the Minutes from the February 11, 2021 Board Meeting**

### **MOTION:**

Mr. Casterline made the motion to approve the minutes with line 137 and 138 amended to correct the spelling of Mr. Scott Dibiasio's name and line 130 where (6) should be (b). Mr. Chapman seconded the motion, which carried unanimously.

### **Chairman's Remarks**

Mr. Knight stated his appreciation for those in attendance and for being patient as we deal with these challenging situations. He stated that we would press through with virtual hearings. Mr. Knight further thanked staff for all their work and acknowledged the Office of Disciplinary Counsel for the work they were doing. He spoke briefly about what was going on at the Statehouse concerning bills and regulations.

### **Application Hearing**

Testimony given in regard to issuing an Apprentice license for Joseph Korzelius.

### **MOTION:**

Mr. Casterline made the motion to go into executive session to obtain legal advice. Mr. Donato seconded the motion, which carried unanimously.

**MOTION:**

Mr. Donato made the motion to come out of executive session. Mr. Chapman seconded the motion, which carried unanimously.

Application hearing continued with questions from the Board for Mr. Korzelius.

**MOTION:**

Mr. Casterline made the motion to go into executive session to obtain legal advice. Mr. Chapman seconded the motion, which carried unanimously

**MOTION:**

Mr. Casterline made the motion to come out of executive session. Mr. Donato seconded the motion, which carried unanimously

**MOTION:**

Mr. Casterline made the motion to approve the Apprentice license with conditions as follows:

1. No license upgrade until probation is completed
2. Current on forfeiture judgement (restitution)

Mr. Donato seconded the motion. The final vote was 3/2 in favor of issuing the Apprentice license to Mr. Korzelius.

**Disciplinary Hearing Case 2020-19**

The Disciplinary hearing was resolved with a Consent Agreement prior to the hearing.

**Approval of the Investigative Review Committee (IRC) Report- Rodney Pigford**

The IRC report dated April 26, 2021 presented for approval. Discussion ensued.

## LETTER OF CAUTION

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2020-25	Malcolm Burton	Neighborhood analysis inadequate and incorrect 3 year history of subject	Lack of analysis and support for conclusions in report. Hybrid report no sales history reported on subject.
2020-30	Malcolm Burton	Value dispute based on improper sales, incorrect GLA, little to no credit for improvements	Lack of information to support the reconciliation in an appraisal report
2020-32	Malcolm Burton	Incorrect physical description of property, inferior comparable sales used, numerous errors affect credibility of report	Numerous errors corrected in second report affected concluded values. Be sure to completely review reports before submitting to a client

## FORMAL COMPLAINTS

Case #	Investigator	Initial Compliant Allegations	IRC Logic
2020-26	Malcolm Burton	Improper comps, prior sales & listings analysis	Statute Violation
2020-69	Malcolm Burton	Complaint references 17 conservation easement appraisals in Horry County that include hypothetical assumptions and jurisdictional exception to override USPAP's Highest and Best Use Analysis. The reports use an income method not recognized as a valid method.	Statute violation

## DISMISSALS

Case #	Investigator	Initial Compliant Allegations	IRC Logic
2020-23	Malcolm Burton	Appraiser provided two reports for complainant's proposed construction with the same effective date but different report dates. The values were significantly different.	No violation. Meets minimum USPAP requirements.
2020-24	Malcolm Burton	Possible noncompliance with USPAP for comparable sales selection which allegedly is based on incorrect analysis of the subject property.	No violation. Meets minimum USPAP requirements
2020-31	Malcolm Burton	Appears to be a value dispute. Complainant has numerous	No violation. Meets minimum USPAP requirements

		questions about the analysis and how adjustments are developed and also thinks there are better sales to use.	
2020-33	Malcolm Burton	Fannie Mae comp selection & possible competency. NOTE: Per Fannie Mae; "Any investigation or action is at the discretion of your agency." Although contact with Fannie Mae is not required by them, I sent an email asking for additional information on their process and expectations.	No violation. Meets minimum USPAP requirements
2020-34	Malcolm Burton	Comp section problems: location and age disparities. Fannie Mae notification.	No violation. Meets minimum USPAP requirements
2020-35	Malcolm Burton	Value dispute. Physical description and adjustments are not correct, numerous errors throughout the report.	No violation. Meets minimum USPAP requirements
2020-37	Malcolm Burton	Anonymous complaint: RE agent advertising "get value of your home."	Corrective action taken
2020-38	Malcolm Burton	Anonymous complaint: RE agent advertising "get value of your home."	Corrective action taken
2020-39	Malcolm Burton	Anonymous complaint: RE agent advertising "get value of your home."	Corrective action taken
2020-40	Malcolm Burton	Anonymous complaint: RE agent advertising "get value of your home."	Corrective action taken
2020-41	Malcolm Burton	Anonymous complaint: RE agent advertising "get value of your home."	Corrective action taken
2020-42	Malcolm Burton	Anonymous complaint: RE agent advertising "get value of your home."	Corrective action taken
2020-43	Malcolm Burton	Anonymous complaint: RE agent advertising "get value of your home."	Corrective action taken

**MOTION:**

Mr. Casterline made the motion to accept the IRC recommendations for letters of caution, formal complaints and dismissals. Mr. Donato seconded the motion, which carried unanimously.

**OIE APPRAISER'S BOARD CASE REPORT – Rodney Pigford**

**OIE Status Report as of May 5, 2021**

<b>Case Statuses- Appraisers 1/2020- -12/31/20</b>	<b>Total</b>
Total complaints received	82
Active Investigations ( Average Age 214 days)	24
Closed	15
<b>Case Statuses- Appraisers 1/1/21-4/27/21</b>	
Total Complaints Received	21
Active Investigations ( Average Age 76 days)	9
Closed	<b>1</b>

**Office of Disciplinary Counsel (ODC) Update – Charles Gwynne**

**ODC Case Load Statistics as of April 21, 2021**

<b>Board</b>	<b>Open Cases</b>	<b>Pending Hearings &amp; Agreements</b>	<b>Pending Closure</b>	<b>Closed</b>	<b>Appeals</b>
<b>Appraisers</b>	1	1	0	1	0
			*Closed since last meeting on 2/11/21	1	
			*Closed since 1/1/21	2	

Administrators Remarks - Laura Smith

Licensure Update

SC REAL ESTATE APPRAISERS BOARD NUMBER OF CREDENTIALS AS OF

MAY 2, 2021

	ACTIVE	INACTIVE	ACTIVE IN RENEWAL	TOTAL
Apprentice	241	0	51	292
Licensed	126	17	19	162
Certified Residential	984	44	74	1102
Certified General	1007	30	111	1148
Licensed Mass	46	0	6	52
Certified Residential Mass	66	2	9	77
Certified General Mass	26	3	3	32
<b>Total</b>	<b>2496</b>	<b>96</b>	<b>273</b>	<b>2865</b>

AMC Active            148    AMC Inactive            9                    AMC Lapsed            14

**TEMPORARY PERMITS**

ISSUED IN 2020	ISSUED IN 2021
163	70

Budget Update

Mrs. Smith provided the Budget Report for the Appraisers Board Account (\$1,077,872.19) for review by the Board. The National Registry Account (\$81,627.08) was also presented to the Board for review, this account is allocated to pay the National Registry fees to the Appraisal Subcommittee. These numbers are ending balances as of March 31, 2021

**Appraisers Conferences**

A conversation ensued regarding the three Appraiser conferences that were coming up and board travel.

## **MOTION**

Mr. Casterline made the motion to approve the attendance of up to two people to attend Valuation Expo in Las Vegas; up to three board members, the Administrator and Investigator (if needed) to attend the AARO conference in Washington, DC; and up to one Board member and Administrator to attend the Appraisal Summit in Las Vegas. Mr. Donato seconded the motion, which was carried unanimously.

## **Unfinished Business**

### **Statute and Regulations**

Discussion ensued concerning statute and regulation changes. The statute will be up for approval by the State Senate when the session begins the first part of 2022. Regulation 137 will need to be undated for 2022. Regulation 10 fee changes will go into effect June 1, 2021.

### **Appraisal Management Company Forms**

A conversation ensued regarding Appraisal Management forms.

## **MOTION:**

Mr. Casterline made the motion to go into executive session to discuss the Appraisal Management forms and to seek legal advice from Advice Counsel. Mr. Donato seconded the motion which carried unanimously.

## **MOTION:**

Mr. Barczak made the motion to come out of executive session. Mr. Donato seconded the motion, which carried unanimously.

## **MOTION:**

Mr. Casterline made the motion to approve the changes to the Appraisal Management Companies initial application based on 40-60-330 (B) (12) and 40-60-370 (A)& (B) and the change for the Renewal form based on 40-60-420 (2). Mr. Chapman seconded the motion, which carried unanimously.



## **New Business**

### **Nomination of Mr. Dale Bailey to the Investigative Review Committee (IRC)**

A conversation ensued regarding nomination Mr. Dale Bailey to the IRC. Mr. Bailey will replace Carlton Segars who is currently on the IRC.

### **MOTION**

Mr. Chapman made the motion to approve the nomination of Mr. Dale Bailey to the IRC. Mr. Casterline seconded the motion which carried unanimously.

### **Reappointment of Mr. Robert Dozier to the Investigative Review Committee (IRC)**

A conversation ensued regarding reappointing Mr. Dozier to the IRC.

### **MOTION:**

Mr. Donato made the motion to reappoint Mr. Dozier to the IRC. Mr. Barczak seconded the motion, which carried unanimously.

### **Dropping the alternate Investigative Review Committee (IRC) member**

A conversation ensued regarding dropping the alternate member of the IRC for the foreseeable future.

### **MOTION:**

Mr. Chapman made the motion to drop the alternate member of the IRC for the foreseeable future. Mr. Barczak seconded the motion, which carried unanimously.

### **ASC Grants**

Appraisal Subcommittee is offering grants to States. A discussion ensued. Administrator will look into the process for applying for a grant and will discuss further at the Board's August meeting.

### **Public Comments**

Malinda Griffin, with SCPAC presented ACTS Conference information to the board. The conference is in Charleston, South Carolina from April 10, 2022 through April 12, 2022. Also, the USPAP Update class will be held April 9, 2022.

### **Adjournment**

Mr. Donato made the motion to adjourn. Mr. Barczak seconded, which carried unanimously.

The next Real Estate Appraisers board meeting is scheduled for August 12-13, 2021