

1 **Minutes**

2 **South Carolina Real Estate Appraisers Board**

3 **Thursday, December 2, 2021 at 10:00 a.m.**

4 **Via Video/Teleconference**

5

6 **Meeting Called to Order:**

7 Jake Knight, Chairman, called the meeting of the South Carolina Real Estate Appraisers Board to
8 order at 10:08 a.m. Other members present for the meeting included: Chris Barczak, Chris
9 Donato, Mark Chapman, Mike Dodds and Rex Casterline.

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

14 Staff members participating during the meeting included: Donnell Jennings, Advice Counsel;
15 Charles Gwynne, Office of Disciplinary Counsel; Malcolm Burton, Office of Investigations;
16 Laura Smith, Administrator; Ty'Yona Schofield, Program Coordinator and Wanda Cooke,
17 Office of Board Services.

18 The following members of the public were present: Austin Smallwood with SC Realtors; Mary
19 Grace Loveless with Capital Consultants, Malinda Griffin and Barry Phillips with SCPAC and
20 Neal Fenochietti and Jenny Tidwell with the Appraisal Subcommittee.

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

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

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25 **Approval of Agenda**

26 **MOTION:**

27 Mr. Casterline made the motion to approve the agenda. Mr. Dodds seconded the motion, which
28 carried unanimously.

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30 **Approval of the Minutes from the May 6, 2021 Board Meeting**

31 **MOTION:**

32 Mr. Casterline made the motion to approve the minutes from the August 12, 2021 board meeting.
 33 Mr. Chapman seconded the motion, which carried unanimously.

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35 **Chairman's Remarks**

36 Mr. Knight stated his appreciation for those in attendance and for being patient as we deal with
 37 the challenges of a virtual meeting. Mr. Knight acknowledged Neal Fenochietti and Jenny
 38 Tidwell from the Appraisal Subcommittee and their attendance in the meeting.

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40 **Approval of the Investigative Review Committee (IRC) Report- Malcolm Burton**

41 The IRC report dated November 19, 2021 presented for approval. Discussion ensued.

42 **DISMISSALS**

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2020-67	Mac Burton	Appraisal did not use suitable sales - one sale used is not an arms-length sale, did not apply a value to the lot, did not include numerous updates to the home since prior purchase including extensive lot upgrades, new high-end appliances, new hardwood flooring, gutters, light fixtures & fans, new hardware for baths & kitchen, plumbing fixtures, window coverings. Lot value understated,	No violation. Meets minimum USPAP requirements.
2020-73	Mac Burton	Value dispute. Errors in report affect the conclusions. Property next door sold 3 months prior, similar home.	No violation. Meets minimum USPAP requirements.
2020-74	Mac Burton	Value dispute based on comparable sale selection. Complainant provided 6 sales from the RE agent.	No violation. Meets minimum USPAP requirements.
2020-78	Mac Burton	Sales used are not the most recent in the subject subdivision. Those used are older and not representative of the current market. Complainant provided 4 recent sales as more comparable.	No violation. Meets minimum USPAP requirements.
2021-5	Mac Burton	Omissions, comparable selection questioned, suggested additional sale, possible accessory unit, H&B support needs more explanation.	No violation. Meets minimum USPAP requirements.
2021-6	Mac Burton	value dispute, functional obsolescence due to main entry on rear of home & not reflected in value, comp values don't match county records, addition to home improperly completed,	No violation. Meets minimum USPAP requirements.

		physical description includes items not on home.	
2021-7	Mac Burton	Value dispute. Numerous contradictory statements, errors in the report, and unsupported adjustments. Also, MLS information was used in the report and the appraiser is alleged to not be a member of the Greenville MLS.	No violation. Meets minimum USPAP requirements.
2021-44	Mac Burton	Business practice issue. Complainant engaged Respondent for land appraisal services which were not completed by the due date, her fee was refunded, but she still wants her reports. Claims that Respondent is not licensed to do land appraisals.	No violation. Meets minimum USPAP requirements.
2020-77	Mac Burton	Value dispute. Numerous contradictory statements, errors in the report, and unsupported adjustments. Also, MLS information was used in the report and the appraiser is alleged to not be a member of the Greenville MLS.	No violation. Meets minimum USPAP requirements.
2020-70	Mac Burton	Value dispute based on allegation of improper sales used as comps.	No violation. Meets minimum USPAP requirements.

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FORMAL COMPLAINTS

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2020-66	Mac Burton	Value dispute. Features of the home are not properly described or not included in the report. Complainant is the seller.	Formal Complaint
2021-4	Mac Burton	Possible non-compliance with USPAP due to failure to adjust comps & inadequate adjustments, inappropriate comp selection due to date of sale, location, site characteristics, GLA	Formal Complaint
2021-8	Mac Burton	Notification from Service link that Respondent was removed from their appraiser panel based on an appraisal report that had numerous non-compliance issues with USPAP. The report was included in the notification.	Formal Complaint;
2020-82	Mac Burton	Complainant contracted Respondent to complete an "as is" and a retrospective appraisal of her home. After the site visit, he sent two invoices which Complainant paid through PayPal. Respondent did not complete the appraisal reports. After numerous unsuccessful attempts to contact Respondent, Complainant was able to get the fee refunded by PayPal.	Formal Complaint

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LETTERS OF CAUTION

Case #	Investigator	Initial Complaint Allegations	IRC Logic
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2020-71	Mac Burton	Appraiser accepted assignment but failed to deliver on agreed day, several times causing delays with the closing.	Letter of Caution – when accepting an appraisal assignment, be sure to communicate with client during appraisal process.
2021-9	Mac Burton	Respondent self-reported disciplinary action by another state	Letter of Caution
2021-1	Mac Burton	Complainant (Fannie Mae) alleges the appraisal report failed to report or analyze subject sales history, has inappropriate comps due to location and site characteristics, and the comps' GLA are not similar. Contact with complainant is not required because it is Fannie Mae who does not respond.	Letter of Caution – in completing an appraisal report, be sure to disclose support for approaches to value or exclusion of an approach to value.
2021-72	Mac Burton	Appraiser failed to include a finished garage with heat & air in the total GLA of the home - approximately 650 sq. ft.	Letter of Caution – work file should contain copies of all revised copies of reports submitted to a client, USPAP Recordkeeping Rule
2020-68	Mac Burton	Value dispute, GLA incorrect, racial bias.	Letter of Caution – work file should contain copies of all reviewed copies of reports submitted to a client, USPAP Recordkeeping Rule

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48 **MOTION:**

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

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52 **OIE APPRAISERS BOARD CASE REPORT – Malcolm Burton**

53 **OIE Status Report as of November 23, 2021**

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Total Complaints Received 1/1/2021-11/23/2021	70
Active Investigations (Average Age 110 days)	32
Closed	4

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

58 **ODC Case Load Statistics as of November 19, 2021**

Board	Open Cases	Pending Hearings & Agreements	Pending Closure	Closed	Appeals
Appraisers	0	0	0	1	0
			*Closed since 1/1/21	5	
			*Closed since last report	1	

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61 **Administrators Remarks - Laura Smith**

62 **Licensure Update**

63 **SC REAL ESTATE APPRAISERS BOARD NUMBER OF CREDENTIALS**

64 **AS OF NOVEMBER 30, 2021**

	ACTIVE	INACTIVE	TOTAL
Apprentice	274	0	274
Licensed	137	16	153
Certified Residential	1020	45	1065
Certified General	1044	28	1072
Licensed Mass	49	0	49
Certified Residential Mass	74	2	76
Certified General Mass	27	2	29
Total	2625	93	2718

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66 **AMC Active 144 AMC Inactive 17 AMC Lapsed 14**

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68 **TEMPORARY PERMITS**

ISSUED IN 2020	ISSUED IN 2021
163	178

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70 **Budget Update**

71 Mrs. Smith provided the Budget Report for the Appraisers Board Account (\$1,040,792.30) for
 72 review by the Board. The National Registry Account (\$83,147.08) was also presented to the

73 Board for review, this account is allocated to pay the National Registry fees to the Appraisal
74 Subcommittee. These numbers are ending balances as of October 31, 2021.

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76 **Appraiser Conferences**

77 Mrs. Smith shared with the board that she and Jake Knight attended the AARO Conference in
78 Washington, DC in October and that she attended the Appraisal Summit in Las Vegas in
79 November. Both conferences were very informative and dealt with many issues in the appraisal
80 profession that are being discussed nationwide. Mrs. Smith further asked the board members to
81 check their calendars for the April 10-12, 2022 ACTS Conference, that will be in held
82 Charleston, SC. Since this conference is being held in South Carolina, she stated she would like
83 to get all the board members approved to attend. This will be addressed at the February board
84 meeting, so hopefully if new members are appointed by that time they can also be included for
85 this conference.

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87 **Unfinished Business**

88 **Statute and Regulations**

89 Update was given concerning the proposed changes to the statute and regulations. The new
90 session will begin in January.

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92 **ASC Grants**

93 Appraisal Subcommittee grants were discussed based on ideas from conferences recently
94 attended by Mrs. Smith. Mrs. Smith stated she and Mr. Knight had conversations concerning
95 options for use of a grant for SC. Two items that are being considered are education for
96 appraisers on bias and discrimination and a supervisor/trainee program where individuals could
97 have access to appraisers willing to supervise apprentices. A discussion ensued. Administrator
98 will look into the process for applying for a grant and will discuss further when she has more
99 details.

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101 **New Business**

102 **ASC Report**

103 Neal Fenochietti, Policy Manager, with the Appraisal Subcommittee addressed the board
104 concerning the SOA (State Off-site Assessment). Mr. Fenochietti informed the board this was an

105 informal audit and there would be no change to the state rating with this audit. Mr. Fenochietti
106 stated they were reviewing documents submitted by Mrs. Smith at their request and they would
107 make recommendations for any issues they may find. A letter will be sent to the board with their
108 findings. The next audit, which hopefully will be in person, will be scheduled in the next 18-24
109 months.

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111 **USPAP**

112 It was brought to the board's attention that the USPAP (Uniform Standards of Professional
113 Appraisal Practice) needs to be voted on by the board for adoption in the State Register. For
114 future updates or amendments, the board will adopt as stated by statute. Discussion ensued.

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116 **MOTION:**

117 Mr. Casterline made the motion for the board to adopt the standards and amendments to these
118 standards of professional appraisal practice, as promulgated by the Appraisal Standards Board of
119 the Appraisal Foundation and, more specifically, the National USPAP and its amendments, as
120 promulgated by the Appraisal Standards Board, those standards being for the 2020-2021 years
121 and extended through December 31, 2022. Mr. Dodds seconded the motion, which carried
122 unanimously.

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124 **Public Comments**

125 Malinda Griffin with SCPAC commented about the upcoming ACTS Conference that will be
126 held in April in Charleston, SC. She stated it would be great to have all the SC Appraiser Board
127 Members present for this conference since it is being held in SC. This is the first conference on
128 the east coast for this conference and SCPAC is co-sponsoring with the NAA.

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130 **Adjournment**

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

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134 The next Real Estate Appraisers board meeting is scheduled for February 11, 2022.