

Minutes

South Carolina Real Estate Appraisers Board

Thursday, May 4, 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 10:00 a.m. Other members present for the meeting included: Chris Barczak, Rex Casterline, Andrew Johnson, Christopher Donato, and Ann King

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: Stacey Hewson , Advice Counsel; Erin Baldwin, Office of Disciplinary Counsel; Malcolm Burton, Office of Investigations; Laura Smith, Administrator; Ty'Yona Schofield, Administrative Assistant.

Four members of the public (Willie King, Jeff Thordahl, Mark Chapman, and Austin Smallwood) 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. Donato made the motion to excuse the absence of Mr. Dodds for the reasons given to the Administrator. Mr. Casterline seconded the motion which carried unanimously.

Approval of Agenda:

MOTION:

Mr. Johnson made the motion to approve the Agenda as published. Mr. Donato seconded the motion which carried unanimously.

Approval of the Minutes from Feb 17, 2017 Meeting

MOTION:

Mr. Casterline made the motion to approve the minutes as written. Mr. Donato seconded the motion which carried unanimously.

Chairman's Remarks

Mr. Knight kept his remarks at a minimum. He wanted to welcome everyone and announce the official final report from the federal audit was received with the official excellent rating.

Application Hearings

John Sundrla

MOTION:

Mr. Donato made a motion to reinstate Mr. Sundrla license based on the information presented to the Board in advance of the formal hearing. Mr. Johnson seconded the motion. The votes carried unanimously.

Paula B. Ackerman

MOTION:

Mr. Donato made a motion to reinstate Ms. Ackerman license based on the information presented to the Board in advance of the formal hearing. Mr. Casterline seconded the motion. The votes carried unanimously.

New Business

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

The IRC report dated April 20, 2017 presented for approval. Discussion ensued.

DISMISS

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2016-24	Malcolm Burton	Uniform Standards violation	No violation. Met minimum requirements based on Standard 3 Appraisal Review. Errors of omission and commission did not affect the conclusions of report
2016-26	Malcolm Burton	Value Dispute	No violation. Met minimum requirements based on Standard 3 Appraisal Review.
2016-29	Malcolm Burton	Improper Comps.	No violation. Appraiser did not violate USPAP Standard 1-4 (a).
2016-30	Malcolm Burton	Value Dispute	No violation. Met minimum requirements based on Standard 3 Appraisal Review.

MOTION:

Mr. Casterline made the motion to accept the IRC recommendations of dismissal. Mr. Donato seconded the motion. The votes carried unanimously.

DISMISS – CEASE AND DESIST

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2016-44	Malcolm Burton	Unlicensed Practice	C&D

MOTION:

Mr. Casterline made a motion to approve the Cease and Desist Report. Mr. Donato seconded the motion. The votes carried unanimously.

FORMAL COMPLAINT

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2016-28	Malcolm Burton	False or Misleading Statement on Appraisal	Statute violation
2016-35	Malcolm Burton	After the respondent submitted an FHA report, an insurance inspection was completed that identified damages and/or excessive wear of the property with an estimated cost to repair of \$53,000. The appraiser did not identify any of the areas as having possible damage or needing repair as required by FHA(scope of work)	Statute violation

MOTION:

Mr. Casterline made a motion to approve the Formal Complaint Report. Mr. Donato seconded the motion. The votes carried unanimously.

LETTER OF CAUTION

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2016-27	Malcolm Burton	Value Dispute	Be mindful of fully supporting adjustments, opinions, conclusions and reconciling approaches to value. 1-1 (c)
2016-33	Malcolm Burton	False or Misleading Statement on Appraisal	Be mindful when signing reports stating interior/exterior inspection was made by signing appraiser.
2016-34	Malcolm Burton	An appraisal review of the respondent's work was completed by the complainant, an appraiser. The findings in the review, per the complainant, are value is not supported, sales were used from other neighborhoods without explanation. Contract price and appraised value are \$40,000 over the list price with no explanation.	Be mindful when cloning reports to make all necessary corrections. Errors did not affect final value conclusion.
2016-49	Malcolm Burton	False or Misleading Statement on Appraisal.	Be mindful when signing reports stating interior/exterior inspection was made by signing appraiser.

MOTION:

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

OIE APPRAISER'S BOARD CASE REPORT

Cases received from January 1, 2017 – April 24, 2017

Case Statuses	Total
Active Investigation	7
Do Not Open Case	5
Opened	3
Pending Expert Review	1
Pending IRC	1
Total	17

31 TOTAL ACTIVE CASES

Cases closed January 1, 2017 – April 24, 2017

Case Statuses	Total
Closed	13
Do Not Open Case	5
Total	18

Office of Disciplinary Counsel (ODC) Update - Erin Baldwin

OGC Case Load Statistics as of April 24, 2017

Board	Open Cases	Pending actions	Pending CA/MOAs	Pending Hearings	Pending Board Action	Pending Final Orders	Closed
Appraisers	1	0	0	1	0	0	0

******Closed Cases on or after 2/16/17**

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Ms. Baldwin gave an update on the cases currently on her desk and the two just approved cases will come forward for the August meeting. Discussion ensued.

Administrators Remarks - Laura Smith

Budget Update

Ms. Smith provided the Budget Report for the Appraisers Board Account and the National Registry Account. She stated the report balances are staying consistent. A brief discussion ensued.

Licensure Update

**SC REAL ESTATE APPRAISERS BOARD NUMBER OF CREDENTIALS AS OF
APRIL 28, 2017**

	ACTIVE	INACTIVE	ACTIVE IN RENEWAL	TOTAL
Apprentice	170	0	36	206
Licensed	140	30	22	192
Certified Residential	966	54	90	1110
Certified General	947	31	147	1125
Licensed Mass	48	1	10	59
Certified Residential Mass	65	3	8	76
Certified General Mass	28	2	1	31
Total	2364	121	314	2761

TEMPORARY PERMITS

ISSUED IN 2016	ISSUED IN 2017
239	64

BOARD MEETING DATES 2017-2019

May 4 & 5, 2017	Room 105
August 17 & 18, 2017	Room 105
November 16 & 17, 2017	Room 105
February 15 & 16, 2018	Room 105
May 2 & 3, 2018	Room 105
August 16 & 17, 2018	Room 105
November 15 & 16, 2018	Room 105
February 14 & 15, 2019	Room 105
May 1 & 2, 2019	Room 105
August 15 & 16, 2019	Room 105
November 14 & 15, 2019	Room 105

AARO Conference

Key Information from Spring 2017 Conference

- Appraisal Foundation now offering Webinars allowing for 1000 participants
- USPAP cycle will soon go to a four year update instead of two
- Appraiser Subcommittee update on Federal Audits Scoring Results
 - 20 – Excellent
 - 24 – Good
 - 11 – Needs improvement
 - 0 – Unsatisfactory
 - 0 – Poor

- AQB changes if passed to be effective January 1, 2018

Education:

License..... High School Diploma or GED

Certified Residential Appraiser..... Bachelor's Degree or specified college courses

Certified General Appraiser..... Will not change and still require a Bachelor's Degree

Experience:

The experience hours will decrease by half and the minimum time frame will be removed.

AARO Conference:

- The Fall Conference will be held October 13-16, 2017 in Washington, DC.
- The Spring Conference will be held May 4-6, 2018 in Seattle Washington.

MOTION:

Mr. Donato made the motion to approve two Board Members and Administrator Laura Smith to attend the AARO Conference to be held October 2017 in Washington, DC. Mr. Casterline seconded the motion. The votes carried unanimously.

Unfinished Business

Appraisal Management Company (AMC) Bill

Mr. Knight stated the Bill has been pushed through the House floor and could be up for debate this week. He stated the overall goal is to get it through this session, and with no opposition as parties have agreed on the Senate side; hopefully the good news will come soon.

Task Force- Review of Statute and Regulations

MOTION:

Mr. Casterline made the motion to form a task force composed of the following:

- 1- Appraisal Institute
- 1- AMC Member
- 1- SCPAC
- 1- Banker
- 1- Realtor

2-3 Board Members

Administrator

Advice Counsel

Mr. Donato seconded the motion. The votes carried unanimously.

Executive Session

None.

Public Comments

None.

Disciplinary Hearing

Case #2015-11

Final order hearing recorded and confidential transcript sealed. The respondent is present and represented by an attorney.

The State represented by Ms. Baldwin entered into a Memorandum Agreement with respondent.

***Board Members Jake Knight and Christopher Donato recused themselves from the hearing.

MOTION:

Mr. Casterline made the motion to appoint Mr. Johnson to conduct the rest of the meeting and excuse Mr. Knight and Mr. Donato. Mr. Barczak seconded the motion which carried unanimously.

MOTION:

Mr. Casterline made a motion to enter into Executive session for legal advice. Ms. King seconded the motion which carried unanimously.

MOTION:

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

MOTION:

Mr. Casterline made a motion to first accept the Memorandum Agreement as submitted and second find that the issue raised and presented does not meet a level of violation as alleged in the complaint. Finding of no violation of South Carolina Code Section 40-60-110 (22), 40-60-38, or 40-60-110 (10), the issues do rise to the level of warranting a Letter of Caution as identified by the IRC. Mr. Barczak seconded the motion which carried unanimously.

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

Adjournment

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