

MINUTES
South Carolina Real Estate Appraisers Board Meeting
10:00 a.m., May 15, 2015
Synergy Business Park
110 Centerview Drive, Kingstree Building, Room 105
Columbia, South Carolina

Meeting Called to Order

Jake Knight, Chairman, called the meeting of the Real Estate Appraisers Board to order at 10:04 a.m. Other members present for the meeting included: Rex Casterline, Ann King and Andrew Johnson.

Mr. Knight announced that the meeting was being 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 entrances to the Kingstree Building.

Staff members present at the meeting included: Georgia Lewis, Advice Counsel; Erin Baldwin, Office of Disciplinary Counsel; Laura Smith, Interim Administrator; Sandra Dickert, Administrative Assistant; Christina Barnes, Administrative Assistant; William "Beau" Tiller, Education Manager; Joi Middleton, Education Coordinator; Sharon Wolfe, Tom Cullinan and Christa Bell, Office of Investigations and Enforcement.

Appraisal Subcommittee (ASC) Policy Managers: Neal Fenochietti and Jenny Tidwell

Public members present were Austin Smallwood, SC Realtors and Willie King.

Pledge of Allegiance

All present recited the Pledge of Allegiance.

Introductions

All board members and staff introduced themselves.

Approval of Excused Absences

Christopher Donato, Chris Barczak and Michael Dodds

MOTION:

Mr. Casterline made a motion to approve the excused absences of Christopher Donato, Chris Barczak and Michael Dodds. Mr. Johnson seconded the motion, which carried unanimously.

Approval of Agenda

Agenda was amended to move the 2015 election of officers to the third quarter meeting.

MOTION:

Mr. Casterline made a motion to approve the agenda, as amended. Mr. Johnson seconded the motion, which carried unanimously.

Approval of Minutes- February 12, 2015 Meeting

MOTION:

Mr. Casterline made a motion to approve the minutes, as written. Mrs. King seconded the motion, which carried unanimously.

Approval of Minutes- April 2, 2015 Meeting

MOTION:

Mr. Casterline made a motion to approve the minutes, as written. Mr. Johnson seconded the motion, which carried unanimously.

Chairman's Remarks- *Jake Knight*

Mr. Knight welcomed staff and guests.

Administrator's Remarks- *Laura Smith*

1) Budget Update- *Laura Smith*

The budget ending April 30, 2015 was reviewed by the Board and no questions were asked.

2) Licensure Update- *Laura Smith*

Number of credentials as of **May 7, 2015**

	<u>ACTIVE</u>	<u>INACTIVE</u>	<u>ACTIVE IN RENEWAL</u>	<u>TOTAL</u>
APPRENTICE	133	0	49	182
LICENSED	157	20	41	218
CERTIFIED RESIDENTIAL	1004	52	93	1149
CERTIFIED GENERAL	954	25	105	1084
LICENSED MASS	56	1	6	63
CERTIFIED RESIDENTIAL MASS	63	4	4	71
CERTIFIED GENERAL MASS	28	1	2	31
<u>TOTAL</u>	<u>2395</u>	<u>103</u>	<u>300</u>	<u>2798</u>

Mr. Knight requested that Laura Smith provide a report at the next meeting tracking the declining number of appraisers. Mrs. Smith stated that South Carolina is losing 300 appraisers, on average, per renewal period.

3) Investigations & Enforcement Update- Sharon Wolfe

The case report for January 1, 2015 – May 5, 2015 was presented for review.

4) Approval of IRC Report- Sharon Wolfe

The IRC report dated April 29, 2015 was presented for approval.

MOTION:

Mr. Casterline made a motion to approve the acceptance of the April 29, 2015 IRC report. Mr. Johnson seconded the motion, which carried unanimously.

5) Office of Disciplinary Counsel Update- Erin Baldwin

Mrs. Baldwin stated that there are seven open cases. She asked that the Board grant her permission to set all open cases for disciplinary hearings on July 9, 2015, in the order of the oldest case first, if agreements cannot be reached before then. Any hearings that have not started by 4:30 p.m. will be moved to the next meeting in August. The Board found her suggestion acceptable.

New Business

1) Appraisal Subcommittee Audit Report- Jenny Tidwell, Policy Manager assigned to South Carolina

Ms. Tidwell told the Board what a pleasure it was working with staff and thanked all for their hard work. She emphasized that a great job was done getting the backlog of cases caught up and complimented the improved timeliness of the enforcement program. She explained that the ASC operates off of eight policy statements and that their review is based off a state's compliance with those statements. Their preliminary findings will first come in a letter to staff and they await the state's response before presenting them to the ASC.

Policy Statement 1- Statutes, Regulations, Policies and Procedures Governing State Programs

Background Checks-

The ASC has postponed implementation of background checks until January 1, 2017. The ASC thinks the best way to look at an applicant's background is with a FBI fingerprint check. However, states have the right to decide on their own as to what they feel they need to look at in order to make sure an applicant has the appropriate background to obtain an appraiser credential. Ms. Tidwell stated that the attestation section on South Carolina's appraiser applications is acceptable because the questions are all encompassing.

State Regulations-

Ms. Tidwell said that S.C. Code Regs. Section 137-300.01(A)(3), regarding responsibilities of an Apprentice Appraiser, needs to be “tweaked” to include the actual number of hours worked on an assignment and the scope of review and supervision of the supervising appraiser on their logs.

Policy Statement 2- Temporary Practice

This area is in compliance.

Policy Statement 3- National Registry

This area is in compliance.

Policy Statement 4- Application Process

Ms. Tidwell stated that the random continuing education audit process works well and is in compliance. Two areas that need improvement are concerning Mass Appraiser applications. Experience must be on a detailed log that is USPAP compliant and supervisor attestation is not acceptable.

Policy Statement 5- Reciprocity

This area is in compliance. Ms. Tidwell did verbally recommend removing the letter of good standing requirement from the reciprocal application. She stated that it was not necessary to have it if an appraiser can be verified to be in good standing on the National Registry.

Policy Statement 6- Education

This area is in compliance. Ms. Tidwell’s best practices recommendation would be to have approved providers of the Supervisor/Trainee course stress how South Carolina differs from other states: use of a point system, requiring the supervisor to accompany the trainee on all inspections for the first 75 points, and the Licensed level’s requirement of 24 months of experience.

Policy Statement 7- State Agency Enforcement

Enforcement Process-

When looking at an overall pattern of practices, South Carolina’s enforcement program is in compliance with the timeliness requirement. Ms. Tidwell found S.C.’s disciplinary actions to be “fair and equitable.” The only area of concern is in regards to effective enforcement. There seemed to be a misunderstanding about the five year records retention rule. Ms. Tidwell said that that is not a set five years; complaints should not be dismissed and cases should be opened regardless of the age of the appraisal. An investigator should contact a respondent to see if they still have their work files.

Policy Statement 8- Interim Sanctions

Ms. Tidwell explained that Title XI grants the ASC authority to impose interim sanctions against a state that receives a poor rating as a result of their compliance review.

2) 2015 Election of Officers

This will take place at the next Appraisers Board meeting in August.

Unfinished Business

1) Spring AARO Conference- *Jake Knight and Tom Cullinan*

Chairman Knight gave an overview of topics covered at the conference: disciplinary matrix, remedial education, the need for better report writing, certification issues, supervisor compliance, staying in USPAP compliance, working on a uniform audit process for AMCs, the shortage of appraisers, and the complexity of dealing with conservation easement complaints. Chairman Knight said case studies were presented and best practices were suggested.

Discussion ensued.

Mr. Cullinan stated that attending the conference was beneficial for him because he was able to meet others in his field and find out about their states' investigative processes.

2) Proposed Statutory Changes and Legislative Update- *Jake Knight*

There will be a legislative meeting this summer. A potential sponsor has been identified for the cleanup bill.

3) AMC Update- *Jake Knight*

AMC legislation will be a separate bill.

Public Comments- *none*

Adjournment

MOTION:

Mr. Johnson made a motion to adjourn. Mr. Casterline seconded that motion, which carried unanimously.

The May 15, 2015 meeting of the South Carolina Real Estate Appraisers Board adjourned at 12:01 p.m.