

Minutes

South Carolina Real Estate Appraisers Board

Thursday, February 04, 2016 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 10:07 a.m. Other members present for the meeting included: Christopher Donato, Christopher Barczak, Michael Dodds, and Rex Casterline.

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: Georgia Lewis, Advice Counsel; Erin Baldwin, Office of Disciplinary Counsel; Laura Smith, Administrator; Ty' Yona Schofield, Appraisers Board Administrative Assistant; Malcolm Burton, Office of Investigations; Sharon Wolfe, Office of Investigations; Andrew Rogers, Assistant Deputy Director.

Public members present were: Carla Schmidt, Frances Horton, Dan Horton, Paula Bell, Brack Rushing and Josh Leitner.

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. Casterline made the motion to excuse Ann King and Andrew Johnson for the reasons they gave the Administration. Mr. Donato seconded the motion which carried unanimously.

Approval of Agenda:

MOTION:

Mr. Donato made the motion to approve the agenda. Mr. Dodds seconded the motion which carried unanimously.

Approval of the Minutes from November 12, 2015 meeting

MOTION:

Mr. Casterline made the motion to make the following changes below and to be adopted as amended. Mr. Donato seconded the motion which carried unanimously.

Line 182 and Line 183- insert quotations around the words “publicly” and “reprimanded”

Line 185- insert the word “to”

Line 187- insert quotations around the words “publicly” and “reprimanding”

Line 196- insert quotations around the words “publicly” and “reprimanded”

Chairman's Remarks

Mr. Knight acknowledged the new Investigator Malcolm Burton and his appreciation to now have him in place and working. Mr. Knight also stated Board Member Chris Barczak arrival will

be delayed due to traffic, but expected to arrive. Another public member (Josh Leitner) joined the meeting and was acknowledged. Laura Smith introduced Andrew Rogers and allowed him to address the Board.

Application Hearings

Frances Jane Patrick-Horton

The board held a hearing to determine should the license of Ms. Horton be granted as a Certified Residential Mass Appraiser. Ms. Horton did not have legal counsel. Ms. Horton presented testimony regarding the reinstatement of her license. Discussion ensued.

MOTION:

Mr. Casterline made the motion to enter into Executive Session for the benefit of legal advice with the Administrator remaining present. Mr. Dodds seconded the motion which carried unanimously.

MOTION:

Mr. Donato made the motion to come out of Executive Session and Mr. Dodds seconded the motion which carried unanimously.

MOTION:

Mr. Casterline made the motion to approve Ms. Horton and reclassify her licensure to Certified Residential Mass Appraiser. Mr. Donato seconded the motion which carried unanimously.

Paula Lynn Paetzold Bell

The board held a hearing to determine the reinstatement of Ms. Bell's Certified Residential Appraisers License. Ms. Bell did not have legal counsel. Ms. Bell provided testimony regarding the reinstatement of her license. Discussion ensued.

MOTION

Mr. Casterline made the motion to enter Executive Session for the purpose of obtaining legal advice with the Administrator remaining present. Mr. Dodds seconded the motion which carried unanimously.

MOTION

Mr. Donato made the motion to come out of Executive Session. Mr. Dodds seconded the motion which carried unanimously.

*******Board Member Chris Barczak joined after Executive Session. Mr. Barczak will not participate in the voting of the disposition of this case, but will be able to participate going forward in the meeting*******

MOTION

Mr. Casterline made the motion to approve reinstatement of Ms. Bell upon receipt of the application and utilizing the South Carolina courses in her reinstatement without any further conditions. Mr. Dodds seconded the motion which carried unanimously.

Brack R. Rushing

The board held a hearing to determine the reinstatement of Mr. Rushing's Certified Residential Appraisers License. Mr. Rushing did not have legal counsel. Mr. Rushing provided testimony regarding the reinstatement of her license. Discussion ensued.

MOTION

Mr. Donato made the motion to reinstate Mr. Rushing's Certified Residential License. Mr. Casterline seconded which carried unanimously.

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

Administrators Remarks - Laura Smith

1.) Budget Update - Laura Smith

Mrs. Smith shared the budget for the Appraiser Board and the National Registry. Discussion ensued.

2.) Licensure Update - Laura Smith

Number of Credentials as of February 1, 2016

	<u>ACTIVE</u>	<u>INACTIVE</u>	<u>TOTAL</u>
APPRENTICE	142	0	142
LICENSED	160	23	183
CERTIFIED RESIDENTIAL	1036	54	1090
CERTIFIED GENERAL	1002	28	1030
LICENSED MASS	57	1	58
CERTIFIED RESIDENTIAL MASS	65	4	69
CERTIFIED GENERAL MASS	<u>29</u>	<u>1</u>	<u>30</u>
TOTAL	2491	111	2602
TEMPORARY PERMITS	ISSUED IN 2015	206	
	ISSUED IN 2016	20	

Discussion ensued regarding statistical trends of licensed appraisers.

3.) Ethic Commission Requirements

The deadline for all filers including those who will no longer hold their positions is March 30, 2016.

4.) 2016-17 USPAP

Since the end of the Month of November when the free downloads were first offered 2 invoices was sent to the Appraiser Foundation.

Invoice #1 180 licensees

Invoice #2 150 licensees

It appears many of the Licensees have yet to take full advantage of the free download. \$65, 000 has been allotted in the Budget for the free USPAP download, and any funds not used will be returned to the account.

Ms. Smith will send out 2 E-Blast emails in February reminding Appraisers they have until March 1, 2016 to obtain the downloadable version free. Anyone who fails to download prior to March 1, 2016 will have to download from the Appraiser Foundation website.

Ms. Smith will attend the SCPAC Conference February 18-19 in Myrtle Beach.

5.) Spring AARO Conference

The AARO 2016 Spring Conference will be held April 8-10, 2016 in Phoenix, Arizona. Ms. Smith is opting not to attend as the dates coincide with the beginning of the Appraisers renewal period. Mr. Dodds expressed interest in obtaining information.

MOTION:

Mr. Casterline made the motion for the Board to approve the attendance of two Board members and one for administration to attend the AARO Conference being held April 8-10, 2016 in Phoenix, Arizona. Mr. Donato seconded the motion which carried unanimously.

New Business

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

The IRC report dated January 25, 2015 was presented for approval. Discussion ensued.

DISMISS

Case#	Investigator	Initial complaint Allegations	IRC Logic
2015-26	Malcolm Burton	The complainant alleges that the appraiser's recommendation to the loan company to walk away from getting a reverse mortgage.	No violation

DISMISS – CEASE AND DESIST

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2015-34	Malcolm Burton	The respondent is a real estate broker whose web site "instant property value" which is unlicensed appraisal practice.	C&D
2015-41	Malcolm Burton	Unlicensed appraisal practice by a real estate broker who prepared a written evaluation of a property indicating that the trimming of trees by a neighbor decreased the value of the property	C&D
2015-47	Malcolm Burton	Unlicensed appraisal practice by a real estate agent by completing a report that provided a property value.	C&D

RECONSIDERATION LETTER OF CAUTION

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2015-35	Erin Baldwin	The complaint questions the way the capitalization rate was derived and the use of market data from outside the subject property's own market area.	LOC upon reconsideration. Be mindful of using due diligence, care and clear communication in report writing.
2015-36	Erin Baldwin	The complaint questions the way the capitalization rate was derived and the use of market data from outside the subject property's own market area.	LOC upon reconsideration. Be mindful of using due diligence, care and clear communication report in writing.

LETTER OF CAUTION

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2015-1	Malcolm Burton	1)Value dispute. Complainant had contract for \$289,000; appraisal came in at \$275,000. 2) Complainant provided additional sales.	We strongly recommend taking a residential report writing course with case studies.
2015-37	Malcolm Burton	Possible USPAP violation since the property is located is located in close proximity to an electrical sub-station and it was not noted by the appraiser.	We strongly recommend taking a residential report writing course with case studies.
2016-2	Malcolm Burton	Value dispute. Appraisal came in at \$575,000 below county assessment \$717,200 and Zillow- \$749,433. Comps used in the report are not suitable due to the subject's location in a superior subdivision as compared to the comp's.	We strongly recommend taking a residential report writing course with case studies.

MOTION:

Mr. Donato made a motion to accept the IRC report. Mr. Casterline seconded the motion. Ms. Lewis asked for an amendment of the motion for record purposes to be reflected as the January 25, 2016 IRC Report. The votes carried unanimously with the amendment.

Investigations & Enforcement Update – Sharon Wolfe

OIE Appraiser’s Board Case Report

Cases received from January 1, 2016 – January 27, 2016

Case Statuses	Total
Opened	4
Total	4

28 Total Active Cases

Cases closed January 1, 2016 – January 27, 2016

Case Statuses	Total
Closed	3
Total	3

Cases received January 1, 2015 – December 31, 2015

Case Statuses	Total
Active Investigation	28
Closed	2
Do Not Open Case	10
Pending Board Action	7
Pending Expert Review	1
Total	48

Cases closed January 1, 2015 – December 31, 2015

Case Statuses	Total
Closed	29
Do Not Open Case	13
Total	42

Office of Disciplinary Counsel (ODC) Update - Erin Baldwin

OGC Case Load Statistics as of January 25, 2016

Board	Open Cases	Pending actions	Pending CA/MOAs	Pending Hearings	Pending Board Action	Pending Final Orders	Closed
Appraisers	6	3	1		2		1
					Closed Cases on or after 8/6*15		4
					Closed Cases in 2015		16

Mrs. Baldwin gave an update of 6 active Cases and 3 pending Cases before IRC to bring back before the Board for dismissal. Ms. Baldwin told the Board that she may have a scheduling conflict for the next Board meeting. She would like the Board to consider setting her Cases for the May meeting to be held on that Friday. Discussion ensued.

Appraiser Fee Study Proposal- Chris Barczak

Mr. Barczak provided an update of his research of obtaining information on Appraiser fee study. He stated that it is beneficial to be proactive instead of waiting for the AMC Bill. Other states research will be used to define scope on the method of survey.

MOTION:

Mr. Donato made the motion that a customary fee study will be completed at the Board expense. Mr. Casterline seconded the motion which carried unanimously. Discussion ensued.

Unfinished Business

Appraisal Management Company (AMC) Bill

The Task Force decided to leave the Board Member as is and not add an AMC member on the Board.

Appraisers Bill

No action to be taken.

Public Comments

None.

Executive Session

MOTION:

Mr. Donato made the motion to enter Executive Session for legal advice on the AMC Bill and Appraisers Bill. Mr. Casterline seconded the motion which carried unanimously.

MOTION:

Mr. Barczak made the motion to return from Executive Session. Mr. Dodds seconded which carried unanimously.

Adjournment

Mr. Donato made the motion to adjourn the meeting at 1:50 p.m. Mr. Casterline seconded the motion which carried unanimously. The next Real Estate Appraisers board meetings are scheduled for May 5 and 6, 2016.