

**APPRAISERS COMMISSION
DEPARTMENT OF EDUCATION
1820 E. SAHARA AVE.
LAS VEGAS, NV 89104**

DECEMBER 11-13, 2006

10:00 a.m.

MINUTES

President Huber called the meeting to order at 10:03 a.m.

1.* COMMISSION/DIVISION BUSINESS

A) INTRODUCTION OF COMMISSIONERS IN ATTENDANCE

Debbie Huber, Margaret Papez, David Stefan, Pamela Kinkade, Kateri Cavin, Deputy Attorney General, serving as Commission Counsel.

Commissioner Wren was not in attendance due to an accident.

B) INTRODUCTION OF DIVISION STAFF IN ATTENDANCE

Brenda Kindred-Kipling, Linda Pierson, Gail Anderson, Gina Session Sr. Deputy Attorney General.

President Huber swore in the court reporter.

2* DISCIPLINARY ACTION

- 1. Favreau, Glen 10:05 a.m. – 10:10 a.m.
Case Nos. 04.020.S, 04.056.S, 04.057.S, 04.068.S, 05.015.S
License No. A.0001932-CR**

Respondent was not present. Gina Session, Sr. Deputy Attorney General, was present on behalf of the Division.

Preliminary matters

Ms. Session stated that there is a voluntary surrender in this case, and distributed copies to the Commission. Ms. Session read the Voluntary Surrender into the record. Ms. Session asked the Commission to accept the Voluntary Surrender in Lieu of other Discipline.

Commissioner Papez moved to accept the Voluntary Surrender in Lieu of other Discipline. Seconded by Commissioner Kinkade. Commissioner Kinkade asked how the Surrender would affect the Respondent's ability to work as an appraiser in another state. Ms. Kindred-Kipling stated that the information would be noted on the national database, and information would be provided to other states upon request. Motion carried.

2-2 Hale, Joseph
Case No. 05.016.S
License No. A.0002316

President Huber stated that this case has been continued.

2-3. Hampton, Sharon (10:13 a.m. - 10:25 a.m.)
Case No. 04.047.S
License No. A.0002053.RES

The Respondent was present and was represented by Sherrie Schwartz, Esq.

Gina Session, Sr. Deputy Attorney General, was present on behalf of the Division.

Preliminary Matters

Ms. Session stated that there is a Stipulation for Settlement in this case and proceeded to distribute copies to the Commission.

President Huber swore in the Respondent.

Ms. Session read the Settlement into the record.

Ms. Session asked that the Commission accept the Settlement.

President Huber asked if the Respondent had read, understood, and signed the Settlement. Ms. Hampton stated yes.

Commissioner Kinkade questioned the Respondent.

Commissioner Papez moved to accept the Stipulation for Settlement. Seconded by President Huber. Commissioner Kinkade asked a question about the review process noted in the settlement. Motion carried.

(2-4) Rudd, L. Eugene (10:27 a.m. – 10:50 a.m.)
Case No. 05.020.S
License No. A0004193-CR

The Respondent was present and represented by Counsel, Kirk Lambeth, Esq.

Gina Session, Sr. Deputy Attorney General, was present on behalf of the Division.

Preliminary matters.

Ms. Session stated that a Stipulation for Settlement had been reached and distributed copies to the Commission.

President Huber swore in the Respondent.

Ms. Session read the Stipulation for Settlement into the record.

Ms. Session stated that there was no previous discipline, and asked the Commission to accept the Stipulation.

Mr. Rudd stated that he had read, understood, and signed the Settlement.

Commissioner Papez moved to accept the Stipulation for Settlement. Seconded by President Huber.

Commissioner Kinkade stated that her concern was that the 15 hour USPAP would not address the violations alleged, and asked Ms. Kindred-Kipling if there were any other classes that he could take. Ms. Kindred-Kipling stated yes, but that they can't require the Respondent to take a specific class from a specific provider. Commissioner Kinkade stated that pre-licensing classes would provide the information necessary.

President Huber stated she agreed with Commissioner Kinkade. Discussion ensued regarding which class(es) to assign.

Mr. Lambeth addressed the Commission on the Respondent's behalf, stating that the benefit would come in a more sophisticated class as Mr. Rudd has been appraising for many years and remedial courses would not be beneficial.

Commissioner Kinkade asked Mr. Rudd if there were any courses that he felt would be beneficial to him. Mr. Rudd stated that a course related to appraising high end properties might be beneficial, but he's not sure if one is still offered.

Further discussion ensued.

Motion carried with Commissioner Kinkade voting against.

3. COMMISSION/DIVISION BUSINESS:

1. Discussion regarding Attorney General case status report.

Ms. Cavin presented this report.

2. **Discussion regarding Appraisal Officer's current case load.**

Ms. Kindred-Kipling presented this report, stating that there are 136 open cases, broken down as follows:

- 1 is 19 months old.
- 44 are 13-18 months old
- 11 are 7-12 months old
- 80 are 0-6 months old

President Huber stated that she receives phone calls from the public about disciplinary action cases, and asked how Commissioners should address those types of issues. Ms. Kindred-Kipling stated that it would be best to send those calls to the Division as some things may not be public knowledge as yet. Ms. Anderson stated that one of the projects for the new data system is getting discipline records available for public look-up, and that the records would include formal complaints filed and any order results.

President Huber asked if anonymous complaints have increased. Brenda Kindred-Kipling stated there has been an increase, with 50 received in the last 3 months. Ms. Kindred-Kipling stated that complaints are taken as they come in with no preference given to signed complaints over those submitted anonymously. Discussion ensued about changing the regulation that allows anonymous complaints. Ms. Session stated that the flip side of the argument would be that there is a concern with public safety and harm, whether or not a complaint is signed. Commissioner Papez asked if there are enough anonymous complaints that are not frivolous that would indicate that perhaps the regulation should not be changed. Ms. Kindred-Kipling stated that it's too soon to know for sure and that she will continue to track them. Ms. Kindred-Kipling stated further that she sees a need in certain situations for someone to be able to file an anonymous complaint. Commissioner Stefan asked if there is a way to change the form or to request greater data when the complaint is anonymous. Ms. Kindred-Kipling stated that at this point she can't give a specific answer because the investigations of the anonymous complaints are just beginning. Commissioner Kinkade asked if there is a minimum amount of information that has to be given on any complaint. Ms. Kindred-Kipling stated no.

3. **Discussion regarding results of Appraisal Sub-Committee Field Review.**

Ms. Kindred-Kipling presented this report. The following items were discussed:

- Accepting affidavits regarding applicant experience.
 - Ms. Kindred-Kipling stated that all files were reviewed and procedures implemented to assure all were in compliance with AQB requirements.
- Timeliness of investigations and resolutions.
 - Ms. Kindred-Kipling stated that AERO is discussing changing the time criteria to 24-months rather than 12 months, which would be more realistic.
- Needed regulatory changes to meet AQB criteria.
 - Ms. Kindred-Kipling stated that discussion on regulation changes will be started soon.

Discussion ensued.

4. Discussion regarding AQB November 2006 Exposure draft.

Ms. Kindred-Kipling presented this report, stating that some of the issues to be discussed at the next AQB meeting are reciprocity and continuing education for attending disciplinary hearings. Discussion ensued.

5. Discussion regarding Commissioner Training.

Ms. Cavin discussed this issue, proposing that Commissioner training be conducted on February 5, 2007 for all 15 Commissioners. Ms. Cavin urged all Commissioners to attend if possible, stating that the training will be from 12:30 p.m. to 4:30 or 5.

6. Discussion regarding Disciplinary report.

Ms. Pierson presented this report. Discussion ensued regarding some entries. Ms. Anderson stated that the Legislative Commission will be coming out with new formatting for discipline reports, which may result in double reports if the Appraisal Commission wants to retain the current format.

7. Discussion regarding Advisory Review Committee report.

Ms. Pierson presented this report, stating the last page of the report didn't print and that the only change on that page was for Ms. Urioste, showing that her continuing education was completed.

Discussion ensued regarding budget restrictions relative to ARC and other meetings.

Commissioner Kinkade asked what would happen if, because of budget restrictions, the Division is unable to meet the national standards. Ms. Anderson stated that she continues to work on the funding and has instructed Ms. Kindred-Kipling to proceed as normal.

Public Comment

Mike Cheshire commented on the possibility of a video-conference for ARC hearings.

Bob Stefan asked if a tax could be added to each appraisal to fund disciplinary hearings.

Commissioner Papez stated that the cost of the hearing should go back to the Division rather than the General Fund.

Ms. Anderson stated that the Division has been working on that issue for two years, looking at such things as separate categories for Commission hearings, and will continue to work on them.

Meeting recessed for lunch at 12:10 p.m.

President Huber called the meeting back to order at 1:35 p.m.

8. Discussion regarding Division's Report on:

A) Personnel update.

Ms. Anderson presented this report, highlighting the following items:

- There are no personnel issues directly related to Appraisal.
- The Deputy Administrator position is vacant.
- The Licensing section has a vacancy.
- The Commission Coordinator position for the Commission For Common-Interest Communities has been filled.

B) 2008 implementation of new criteria.

Ms. Kindred-Kipling presented this report, stating that there is a new alert on the website that describes how Nevada is going to implement new criteria.

C) Administrator's report on attendance at Valuation 2006 Conference session November 7, 2006 on Appraisal Fraud.

Ms. Anderson reported on this conference, stating that she wants to work with the FID/Mortgage Lending Division to address problems related to appraisal fraud.

Public comment

Bob Stefan stated that efannymae.com has related information.

Mike Cheshire stated that on a national level there is a bill in congress regarding pressure from mortgage lenders on appraisers and that there is a good chance it will be pushed through.

9. *Discussion and possible action on minutes for October 2-4, 2006 meeting.

Changes and corrections were discussed and noted. Commissioner Kinkade moved to accept as amended. Seconded by Commissioner Stefan. Motion carried.

10. *Discussion and possible action regarding proposed changes for the 2007 Legislative Session.

Ms. Anderson stated she had nothing to add. Commissioner Kinkade asked if the other Commissions have any proposed legislation that may affect appraisers. Ms. Anderson stated that at this time there is nothing, and that she will update the Commission at the March meeting if there is anything. Commissioner Kinkade asked if they will be receiving updates as they did two years ago. Ms. Anderson stated Joanne Gierer will look at what they did and will update as necessary.

11. *DISCUSSION AND POSSIBLE ACTION ON DATE, TIME, PLACE AND AGENDA ITEMS FOR UPCOMING MEETING (S).

The next meeting is scheduled for March 6-8, 2007.

President Huber asked about if cases for March are ready to go. Brenda Kindred-Kipling stated some cases will be ready for March. Commissioner Stefan stated that he will let Ms. Pierson know if he can attend. Ms. Anderson stated that the schedule may be adjusted somewhat.

12. Commissioner comments.

President Huber asked who is deciding what to put in the Statements of Facts on cases, as there seem to be many minute items in them. Brenda Kindred-Kipling stated Ms. Session writes the complaint, and that the reason they are so detailed is that they used to be very general and the Commission wanted them to be very detailed. Ms. Cavin stated that there is a rule that the Respondent has the right to know exactly what they are being charged with. Commissioner Stefan stated that on Violations of Law it's hard to say that one item, for example the number of fireplaces, is a violation of USPAP, and asked if there is a way to be less specific. Lengthy discussion ensued.

Commissioner Kinkade discussed the fact that for the last two and a half years there has been a standard in operation stating that appraisers must read and analyze the sale contract and purchase agreement, but that most appraisers don't know how to read a real estate contract.

Commissioner Kinkade asked if there are any classes addressing contracts that have been submitted for credit. Ms. Kindred-Kipling stated that there is not a specific course.

Commissioner Kinkade stated that there are many Real Estate Commission classes on contracts, and wondered if there is a way to streamline the process for appraisers to get credit for classes approved by the Real Estate Commission. Commissioner Kinkade asked if there is a way to get the approval process shortened, in that rather than the provider going to Ms. Kindred-Kipling, they could submit courses directly to the Division, and perhaps the Division could waive the processing fee. Ms. Anderson stated that the Division can't waive the fee because it is statutory, but that the Division could let providers know that the Appraisal Commission is interested in approving courses on contracts. Discussion ensued among the Commissioners. The consensus among the Commissioners was to ask the Division to advise providers accordingly.

4* EDUCATION:

CONSENT AGENDA

Commissioner Papez pulled item 3a for discussion.

Commissioner Kinkade moved to accept items 1, 2, 4, 5, and 6. Seconded by Commissioner Stefan. Motion carried.

1. Allied Business Schools, Inc.
 - a) Real Estate Appraisal, 75 hours
2. Appraisal Institute
 - a) Residential Sales Comparison and Income Approach, 30 hours
3. Appraisal Institute, Northern California Chapter

- a) 2006 Annual Conference. 6 hours

Commissioner Papez stated that she had an issue with item j on this course. Ms. Kindred-Kipling stated that an attendee would choose which session to attend and wouldn't be taking them all.

Commissioner Papez moved to approve item 3a. Seconded by Commissioner Kinkade. Motion carried.

- 4. Appraisal Institute, Las Vegas Chapter
 - a) Analyzing Distressed Real Estate Seminar, 4 hours
 - b) Small Hotel/Motel Valuation: Appraising the Limited Services Lodging Facility, 7 hours
 - c) Analyzing Commercial Lease Clauses – Implications for Property Value and Marketability, 7 hours
 - d) Supporting Capitalization Rates, 7 hours
- 5. McKissock
 - a) Relocation Appraisal is Different, Distance Education 7 hours
 - b) The Cost Approach, Distance Education, 7 hours
- 6. Kaplan Professional Schools
 - a) Basic Appraisal Principles, 30 hours
 - b) Basis Appraisal Procedures, 30 hours

DISCUSSION AGENDA

- 7. Appraiser Training
 - a) Supporting the Appraiser's Adjustments in the Sales Comparison Approach, 15 hours

Ms. Kindred-Kipling stated that she didn't receive everything from provider, and therefore recommends that the course be denied. Commissioner Kinkade moved to deny this course. Seconded by Commissioner Stefan. Motion carried.

8. PUBLIC COMMENT:

MEMBERS OF THE PUBLIC ARE ENCOURAGED TO ADDRESS THE COMMISSION REGARDING ANY MATTER. HOWEVER, NO ACTION MAY BE TAKEN ON A MATTER

Bob Stefan stated that he finds it appalling that the board is not funded for investigations and audits sufficiently. Commissioner Kinkade urged him to make his comments known to the Legislature.

Mike Cheshire stated that the Appraisal Institute members are lobbyists and that they are working on legislation.

3-12. Commissioner Comments

President Huber thanked Ms. Anderson and staff for their efforts in getting the legislation done.

Commissioner Stefan stated that the frustration is not aimed at the Division but at the legislators.

9* ADJOURNMENT:

President Huber adjourned the meeting at 2:30 p.m.

Respectfully submitted,

Linda Pierson
Commission Coordinator