

NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

Minutes – March 30, 2020 Board Meeting – Teleconference Call

Chairperson Timian called the meeting to order at 9:03 AM. Roll call was taken.

Board Members present online:

Chairperson Tim Timian
Corey Kost
Kathy Maier

Joe Sheehan
Brock DesLauriers

Staff Present:

Jodie Campbell
Allyson Hicks, Legal Counsel

David Campbell

Applicant for Renewal:

Ryon Rypkema made application for renewal of his ND certified general permit for 2020. The State of South Dakota has issued an Order of disciplinary action against Mr. Rypkema's SD certified general permit. The underlying issues outlined in the SD order relate to Mr. Rypkema's SD appraiser application process where Mr. Rypkema did not appear to correctly report past incidents on his application. Mr. Rypkema provided a detailed explanation of the issues behind the order. Discussion took place.

The Board considered the issues identified in the SD Order as part of Mr. Rypkema's initial application process for certification in ND. Prior to receiving his ND certified general permit Mr. Rypkema was required to sign a Conditional Settlement Agreement with the Board requiring the completion an ethics course. Mr. Rypkema met the requirements of the Agreement and was issued a certified general permit. Based on the previous action taken by the Board, Board members agreed no further action is required.

Kathy Maier moved for approval of Ryon Rypkema's application for renewal. Corey Kost seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Corey Kost, Joe Sheehan, and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Case 218-194: At the meeting September 23, 2019, the Board moved to table the investigation, as the Case was in litigation. The court case has since been settled. Board members discussed the allegations, response, and investigative report.

Some of the issues noted in the investigative report and further discussed by the Board included:

- Failure to develop a proper highest and best;
- Failure to analyze land uses of the subject property and comparable sales;
- Failure to develop an income approach on an income producing property and ;
- Concern with geographic competency, and more specific, concern with competency in ag-land property.

Daniel Boris commented. There was no intention of unethical behavior, he tried to be compliant Mr. Boris further indicated that he appreciates the feedback from the Board members and understands he may need additional coursework on agricultural property. This is the first time an issue of this nature has come up. He recognizes that while he is qualified to complete an appraisal on a 50- story office tower, this does not qualify him to complete an appraisal on a 1000-acre agricultural property.

Board discussion continued. The appraiser cannot allow the client to dictate the scope of work as it relates to the valuation techniques performed in an appraisal. USPAP requires the appraiser to consider the use of the cost approach, sales comparison, and the income approach if they would assist in leading the appraiser to a reliable opinion.

Mr. Boris appears to be an accomplished appraiser who understands competency. Therefore, there is confusion as to why he would have taken on this assignment. It appears Mr. Boris made the decision to work in the agricultural arena in ND when competency was not there.

Corey Kost moved to elevate the allegation to a complaint. Kathy Maier seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Corey Kost, Joe Sheehan, and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Chairman Tim Timian moved to offer Mr. Boris a Settlement Agreement with the following conditions: 1) \$2500 fine and 2) 24-month suspension of Mr. Boris's ND Certification. Joe Sheehan seconded the motion. Discussion took place. Corey Kost was concerned that there has been no Standard 3 Review completed. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Corey Kost, Joe Sheehan, and Tim Timian all voted no to the motion. The vote was unanimous. Motion carried.

Corey Kost moved that a Standard 3 Review be completed. Joe Sheehan seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Corey Kost, Joe Sheehan, and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Minutes:

Board members reviewed the minutes of September 23, November 6, December 17, 2019 and January 22 and February 5, 2020. Corey Kost moved for approval of the minutes with corrections noted. Brock DesLauriers seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Corey Kost, Joe Sheehan, and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Applicants Issued Permits/Require Board Confirmation:

Certified General: Ryan Kelley made application for certified general via reciprocity with Wisconsin. Mr. Kelley met the requirements for certification and was issued a certified general permit. His permit requires Board confirmation.

Apprentice: Chelsey Pizel made application for apprentice. Ms. Pizel met the requirements for the apprentice level. Jeff Berg, her supervisor, met the requirements as a supervisory appraiser. Ms. Pizel was issued an apprentice permit. Her permit requires Board confirmation:

Brock DesLauriers moved to confirm the applicants for their respective levels. Kathy Maier seconded the motion. Chairman Timian called for the vote. Kathy Maier, Corey Kost, Joe Sheehan, Brock DesLauriers, and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Corey Burgum is making application for licensure and was present for discussion. Review of Mr. Burgum's application indicates he meets the education and experience hour requirements for licensure. Reports were reviewed by the Board Reviewer.

Discussion took place. The reviews indicated numerous issues of noncompliance, some of which included:

1) no support for adjustments, 2) no support for the subject site's concluded market value, 3) failure to address unpaid specials, 4 insufficient highest and best use analysis 5) sales lacked acceptable verification source, 6) failure to analyze the effect personal property had on the property's concluded market value, 7) minimal descriptions of the neighborhood, site and improvements, and 8) no rationale provided as to why the subject property's concluded market value exceeded the contract price and asking price. Board members concurred with the issues addressed in the reviews and encouraged Mr. Burgum to utilize the reviews as a guide to assist in improving future work product. In addition, Mr. Burgum was encouraged to complete a course in Report Writing versus Form Filling.

Based on the issues noted in the reviews, Kathy Maier moved to table Corey Burgum's application for licensure and request he revise all three appraisals to meet USPAP requirements. The reports are to be resubmitted to the Board for independent review. Corey Kost seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Joe Sheehan, Corey Kost and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Other Business:

Appraisal Qualifications Board (AQB) March 18, 2020 Guidelines:

During this current Covid-19 health emergency, the AQB has issued guidelines relative to appraiser education offered in a classroom setting. This guideline allows for continuing education offerings that were originally designed to be presented in a traditional classroom setting to be offered remotely via distance education, *without* the delivery mechanism approval set forth in Section 111.D.3 'Generic Education Criteria' of the *Real Property Appraiser Qualification Criteria*, subject to the following requiring:

- *The educational offering under is currently approved for traditional classroom presentation;*
- *The platform utilized for distance education is live and interactive;*
- *The instructor verifies photo identification of the students; and*

- *The instructor maintains an attendance roster, which includes verifying 100% classroom attendance by, for example, taking attendance at various established times during the course.*

Kathy Maier moved to approve the AQB guidelines allowing for continuing education originally presented in a classroom to be offered via distance education, without requiring delivery mechanism approval currently set forth in the AQB Criteria. The course offerings must meet the four requirements listed in the Guidelines. Corey Kost seconded the motion. Chairman Timian called for the vote. Kathy Maier, Corey Kost, Joe Sheehan, Brock DesLauriers, and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

At a later date, the Board will discuss the additional provisions outlined in the March 18, 2020 Guidelines allowing appraisers impacted by a state- or federally-declared disaster (the corona virus pandemic) an additional 90 days to complete their required continuing education.

2020 Board Meeting Revisions:

Due to the Covid 19 health emergency , until further notice, all Board duties/meetings will be held via teleconference or zoom. Board members agreed to tentatively schedule biweekly meetings. Starting April 15th, the Board will hold a meeting, every other Wednesday (as needed) at 9:00AM CT.

Chairman Timian called for adjournment at 10:31AM.

Respectfully submitted,

Jodie R. Campbell
Executive Secretary