NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

Minutes- September 7, 2018
Board Meeting - Fort Union Room, Capitol Building, Bismarck, ND

Chairperson Tim Timian called the meeting to order at 3:45 PM. Roll call was taken.

Board Members present:  Chairperson Tim Timian  Corey Kost
                        Kathy Maier  Brock DesLauriers
                        Joe Sheehan

Staff Present:  Jodie Campbell  David Campbell
                Edward Erickson, Legal Counsel

Others Present:  Dean Rylander  Jill Beck

Individuals Present
    Online: Online roll call was not taken

ASC Preliminary Compliance Review:
The Board received the Preliminary Compliance Review Report from ASC Staff. The report concluded no compliance issues. A final report will be issued after final consideration of the ASC. Corey Kost moved to approve the ASC Staff findings. Brock DesLauriers seconded the motion. Chairman Tim Timian called for the vote. Kathy Maier, Corey Kost, Brock DesLauriers, Joe Sheehan and Tim Timian voted yes. Motion carried.

Rules and Regulations:
The proposed rules have been revised from the June 28th meeting. Discussion took place.

A detailed discussion took place. Among the proposed changes include:

- Define "apprentice" as a trainee.
- The heading "Competency" revised to "Scope of Practice".
- Kathy Maier made a motion to remove the proposed requirements: 1) all applicants for an apprentice permit and appraisers seeking to register as a Supervisory appraiser complete a ND specific Supervisory/Apprentice Training course and 2) all supervising appraisers and any apprentice appraiser who holds an apprentice permit for more than three years must complete the ND specific Supervisor/Apprentice Training Course every 3 years. Brock DesLauriers seconded the motion. Chairman Tim Timian called for the vote. Corey Kost, Kathy Maier, Joe Sheehan, Brock DesLauriers and Tim Timian voted yes. The vote was unanimous. Motion carried.

- Discussion turned to gaining experience without working under a supervising appraiser. Corey Kost made a motion to remove the proposed requirement that beginning 1/1/2019, no experience will be granted until the applicant has been issued an apprentice permit. Brock DesLauriers seconded the motion. Chairman Tim Timian called for the vote. Corey Kost, Kathy Maier, Joe Sheehan, Brock DesLauriers and Tim Timian voted yes. The vote was unanimous. Motion carried.

- Board members were in agreement to follow the AQB Criteria relative to requiring a supervisory appraiser inspect property with the apprentice.

- Under experience, revise the language to indicate a selection of reports will be reviewed…strike a minimum of three reports.

- Kathy Maier moved to require a non-permitted appraiser submitting work product for educational review pay a fee of $300 to assist in covering the review costs. Corey Kost seconded the motion. Chairman Tim Timian called for the vote. Corey Kost, Kathy Maier, Joe Sheehan, Brock DesLauriers and Tim Timian voted yes. The vote was unanimous. Motion carried.
Staff will make the proposed changes and submit a draft to the Board for review at the September 17th meeting.

**Waiver Request Update:**
The ND Department of Financial Institutions, ND Bankers Association and Governor Burgum submitted a letter, dated August 1, 2018, to the Appraisal Subcommittee (ASC) requesting the ASC initiate a temporary waiver from real estate appraiser requirements in the State of ND. The request appears to have been filed to address a shortage of appraisers and delayed turn times. The Board was not made aware of this request prior to the date of the letter.

To try to get a better understanding for the basis of the waiver request, the Board requested a meeting with the Governor, ND DFI and ND Bankers Association. Sean Cleary, Policy Advisor to the Governor scheduled the meeting for September 7. Chairman Tim Timian, Board members Corey Kost and Brock DesLauriers and Board Staff, Jodie Campbell and Dave Campbell, along with representatives from the ND Appraisers Association and ND Chapter of the American Society of Farm Managers and Rural appraisers were in attendance. Following is a brief overview of points discussed:

- Sean Cleary indicated the Governor signed the waiver as an avenue to address the issues brought forward by the ND DFI and Bankers Association.
- Board Chairman Timian acknowledged the Board was on a fact-finding mission; looking for the specifics behind the waiver request.
- What can the Board do to be a part of the solution, not the problem?
- Lise Kruse with DFI, indicated seeing turn time delays across the state. The waiver provides another option for the consumer.
- Corey Kost, Board member, referenced the Governor's main street initiatives: a skilled workforce, a smart efficient infrastructure and healthy vibrant communities.
- Joe Ibach with the ND Appraiser Association referenced the Governor's initiative to education, requesting all parties, as a group, back the Appraiser Qualifications Board (AQB) implementation of the PAREA (Practical Application of Real Estate Appraisal) concept. PAREA is an alternative to gaining a portion of experience in the traditional sense.
- Challenges in completing an appraisal in rural North Dakota; access to data.
- Dean Rylander, President of the ND Appraiser Association stressed looking for a long-term solution.
- Rick Clayburgh clarified that the waiver request is not an attempt to get rid of appraisers. The waiver request was made to address the delay in turn times, predominantly in the rural North Dakota. Banks are the frontline to these issues, having to face frustrated consumers.
- Need to look at the long-term unintended consequences.
- Appears to be a discrepancy in the data presented in the waiver packet and what is currently happening.
- Sean Cleary indicated the Governor is waiting to hear from the ASC. At his point, the Governor supports the waiver as it stands.
- Proposed Recommendations:
  - Work together to connect lenders and appraisers.
  - Support the AQB's implementation of the PAREA concept.
  - Implementation of a statewide data base.
  - Open communication.

Chairman Timian called for adjournment,

Respectfully submitted,

Jodie R. Campbell
Executive Secretary