

Washington State Real Estate Appraiser Commission meeting transcript

January 16, 2025

Sandy Baur (00:00:02):

Okay, they're in.

Scott Biethan (00:00:06):

Okay. It looks like the recording started. It is 10:00 A.M. on January 16th, 2025. Good morning, I'm Scott Biethan, the chair of the Real Estate Appraiser Commission, and we're calling the meeting to order. The meeting is open to the public, then we'll have time at the end of the meeting for a public commentary period. We ask that, I say this every time, we ask that folks adhere to the three-minute time limit. As a reminder, we don't engage in conversation during the public commentary, public comment time, and any matters that come up we can refer to future agenda items. If you're on the line, we sure appreciate it if you would mute while you're not speaking, and as a reminder to the commissioners, remember to state your name when you're ready to speak. So, okey-doke, I think that's it. We'll go back to Sandy for a roll call.

Sandy Baur (00:01:19):

All right, thank you very much. I will begin with you. Chair Biethan.

Scott Biethan (00:01:24):

I am present.

Sandy Baur (00:01:26):

Vice Chair Elston.

Claire Elston (00:01:28):

Present.

Sandy Baur (00:01:30):

Commissioner Moore.

Joe Moore (00:01:32):

Present.

Sandy Baur (00:01:34):

Commissioner Potter.

Dean Potter (00:01:35):

Present.

Sandy Baur (00:01:37):

Commissioner Sidor.

Stan Sidor (00:01:38):

Here.

Sandy Baur (00:01:41):

Commissioner Sporn.

Jay Sporn (00:01:43):

Present.

Sandy Baur (00:01:45):

Commissioner Stephens.

Denise Stephens (00:01:47):

Here.

Sandy Baur (00:01:49):

All present. Back to you, Chair Biethan.

Scott Biethan (00:01:52):

Okey-doke. So an agenda was circulated prior to the meeting, we would ... I'm sorry, the agenda has been circulated prior to the meeting, and I'd like to see if we can get a motion to approve today's agenda as presented.

Dean Potter (00:02:08):

Commissioner Potter, so moved.

Stan Sidor (00:02:10):

Commissioner Sidor, second.

Scott Biethan (00:02:12):

So I heard Potter and Sidor moved and seconded. Any comments? Seeing none, all those in favor say aye.

Dean Potter (00:02:22):

Aye.

Stan Sidor (00:02:23):

Aye.

Scott Biethan (00:02:24):

Any opposed? No extensions, motion carries. Okay. Now, the meeting minutes have been circulated prior to the meeting, the October 17th, 2024 meeting minutes. We'll call for a motion to approve.

Stan Sidor (00:02:46):

Commissioner Sidor, I move to approve the minutes of October 17th, 2024.

Unknown speaker (00:02:50):

I'm worried about this meeting again, is every possible-

Jay Sporn (00:02:54):

Commissioner Sporn, I second.

Scott Biethan (00:02:56):

I'm sorry, Lauren, did you say something? Did I hear someone from the staff say something, Sandy?

Sandy Baur (00:03:05):

No, they popped off mute for just a second, but that wasn't for this meeting.

Scott Biethan (00:03:10):

Oh, got it, got it. Okay.

Sandy Baur (00:03:10):

Yeah.

Scott Biethan (00:03:11):

I just wanted to make sure we [inaudible 00:03:13], "Hey, wait a minute guys, we're doing something right," because it's not the first time-

Sandy Baur (00:03:14):

Nope, we're all good.

Scott Biethan (00:03:15):

That we're exactly spot on with Robert's Rules of Order.

Sandy Baur (00:03:21):

Everything's going great.

Scott Biethan (00:03:23):

All right. It's been moved and seconded for the approval of the prior meeting minutes. Any discussion, any changes, additions, anything like that? Okay, seeing none, all in favor say aye.

Dean Potter (00:03:36):

Aye.

Stan Sidor (00:03:36):

Aye.

Scott Biethan (00:03:38):

Any opposed? Extensions? None. Okay. We have no awards or recognition, although we will have one for a very valued member of our commission. We'll talk about it later, who will be moving along, so we hope they will come to the future meeting. Anyway, so now we're going to go to old business, and turn it over to Bill Dutra for any program updates.

Bill Dutra (00:04:14):

Good morning. Is everybody able to hear me?

Scott Biethan (00:04:18):

Yup.

Stan Sidor (00:04:18):

Yes.

Bill Dutra (00:04:19):

Okay, good. Thank you. Sorry, a little technology problems here in the department this morning. So a few program updates for you today, so a couple of things. Our current agency request legislation, which is moving some of our programs with smaller licensing base into the what we commonly refer to as the Business and Professions Account or the 06L Account has a sponsor. It has been brought to the legislature for this year. We've responded to many different questions of different elected officials or representatives, who would like some information regarding that. There's no news right now on that right now. Obviously, by the April 17th, I believe that is your next meeting, we'll have a very good understanding of where that bill actually went, and what is happening with that bill. Basically, no news is good news for today on agency request legislation.

(00:05:18):

The other information that was brought to my attention that people wanted to hear about, they wanted to know if there had been any changes or adjustments to the fee increases that went into effect in October of 2024. There has not been any. I can imagine that there may be some additional information that may come out of this legislative session. We have been responding to requests for information from different representatives who have brought forth or asked us to look at other proposals. We've responded back to those, that generally happens with any type of fee increase that we do with any of our different professions as well. Again, through this legislative session by your April 17th meeting, if the legislature so chooses to make adjustments or corrections, or add anything to the appraiser licensing account, we would have that information hopefully by the April 17th commission meeting.

(00:06:21):

Second or finally, this is not in your packet, in your packet one of the agenda items, you'll have some high-level basic licensing information. That licensing information, I believe, has a poll date of around the middle of December on what those are, so I'm going to give you some numbers as well earlier in this month. Please understand, is that those numbers of active licensees or expired licensees, those will change daily depending on when people renew or don't renew. So the numbers are going to be not exactly the same as we go through some of this. Some of the important information that we were asked to look at, and bring to you today is how many current? As of today, this morning I had a run made, we currently have 677 appraisers who are on inactive status. To put that into a little bit of context, that went back through some of the older commission meeting notes. I believe in July of last year, we reported that there were 577 inactive appraisers, so there's been a change of a hundred from July of last year, of 2024, to today, January 16th.

(00:07:46):

Some other valuable information that we were asked to come up with. In October of 2024, when the fee increase went into effect, there were 47 appraisers, all levels of appraiser, not just certified general, all levels of appraiser that chose not to renew their license. So they are currently on inactive status, excuse me, they're currently on an expired status. In November, that number was 44, December, that number was 35. Those are the numbers of appraisers that could have renewed, but chose not to, so they are currently in an expired status. I believe the math on that is 126. They do not count towards the 677 number at this time, because remember, of the way that the law is currently written, you must be on expired status for one year before you go to inactive status.

(00:08:54):

The second set numbers that I'm going to give you, as of, I believe January 2nd of this year, how many are the amount of people that had been expired for a year, and then went to an inactive status that count towards that 677 number that I gave you earlier? In October, there were 18 that went into the inactive status. November, there were 17 that went into the inactive status. December, there were 12 that went into the inactive status. So a grand total of 47 for those three months, the last three months of the year, which coincides with the month that the fee increase went into effect. As of January 2nd, for all statuses, we represented 2,774 total active licensees. Again, I warn you all, and advise you all that those numbers change daily as

people renew or they drop out of expired status into inactive status. Okay? But that is what the numbers we're showing as of January 2nd, at that date.

(00:10:14):

Obviously, we do not have a long runway right now from when the fee increase went into effect at the end of or the middle part of October. We'll have a little bit, as we get a little bit further from that, we'll have more data for April of what that looks like. Are there any questions regarding the information that I just reported from the commissioners?

Jay Sporn (00:10:40):

Yeah, Bill, this is Commissioner Sporn. I wonder if you know the active number of appraisers as of January of last year.

Bill Dutra (00:10:49):

That I did not pull, but I can have our team start looking into that as we speak, sir. Hopefully, we may have that before the end of this meeting. Deb Allenbaugh, could you please see if we are able to pull a January 1, 2024 number?

Deb Allen-Ba (00:11:08):

We will do that, Bill.

Bill Dutra (00:11:09):

Okay. Thank you, Commissioner Sporn.

Dean Potter (00:11:13):

Commissioner Potter. Bill, first, thank you very much for making this report, I really appreciate your insights. The 2-7-7-4 number, that includes active appraisers, and does that include the people that are in the expired status working their way toward possibly the other category? Or does that just include paid up active appraisers?

Bill Dutra (00:11:42):

Active appraisers, sir. I apologize, there was one other number that I was asked to provide, and I had a poll done this morning prior to nine o'clock AM. We currently show 222 appraiser trainees.

Dean Potter (00:11:59):

Okay.

Bill Dutra (00:12:00):

I apologize not giving that in the beginning.

Dean Potter (00:12:07):

Okay, thank you.

Bill Dutra (00:12:08):

Yes, sir.

Scott Biethan (00:12:13):

Any other questions for Mr. Dutra? Okay. Bill, one quick ... So you read a lot of numbers.

Bill Dutra (00:12:24):

Yes, sir.

Scott Biethan (00:12:25):

Is that something that is available for the public to see or is that something that only gets produced for these commission meetings? Let's say somebody wanted to see those numbers and didn't have the benefit of this particular meeting they can always go back and request it, but I guess if somebody were curious, is there an easy way to get that data rather than being on the meeting? I would tell you, I didn't write all the numbers down, and so I wouldn't know.

Bill Dutra (00:12:55):

No, I know. I realize that. The simple answer is right now, no. In the future there will be, yes. What I can do is I can take this information, I can give this to Ms. Baur, and our team, and see if that could be included with the information that I'm reading from today for this meeting, so I'll put them in their hands. For our April meeting, I will have a better graph and information that will be part of the packets. The reason that I caution is that the numbers that are in the packet, because of the time frames that we have, I'm trying to give more up-to-date information as the meeting comes, so it kind of creates a confusion of, "You reported this in the packet, but Mr. Dutra talked about this number at the meeting," because they're separated by about three weeks. So we'll try to do the best that we can with the caveat that these numbers change daily, sometimes they change hourly, depending on how many people are accessing our system.

Scott Biethan (00:14:01):

So before I go to Commissioner Elston, who's raised her hand, I didn't start with saying thank you for pulling current numbers.

Bill Dutra (00:14:10):

No worries, sir.

Scott Biethan (00:14:11):

Yeah, that was implied. Okay, Claire.

Bill Dutra (00:14:13):

I got that one. That was clear, sir.

Claire Elston (00:14:17):

Hi, Bill. Thank you very much for the numbers. Just a quick question. When you guys had to run through all the scenarios for the fee increase, does this number of the 2,774, is that close to the number you use to determine what the appropriate fee should be? Or is it higher? Is it lower? Obviously, if we have fewer appraisers that are renewing then higher costs will have to be covered by the other party. So I'm wondering if the number 2,774 is reasonably close to the estimate you used when determining what the new fee increase should be?

Bill Dutra (00:14:58):

I'll answer that question, is that we haven't determined what ... We have not stated that the current fee is incorrect. The numbers that we use were based on scenarios that were brought to us. We used the numbers that were available, excuse me, available to us on the day that we were asked about if the legislature did something, if the legislature found extra funds and said, "If we give you this money for the next five years, could you lower the fee?" So we base it on those sorts of hypotheticals and scenarios.

Scott Biethan (00:15:36):

Great. Thank you. Any other questions for Mr. Dutra? Bill, we know that you sometimes get to be the bearer of all sorts of news, so we do really appreciate all that you're doing for the DO, and for the appraisers.

Bill Dutra (00:15:57):

No problem. In April, I'll end with, sir, again, in April, I'm going to try to get information as close to the cutoff date as I'm required by law to have an agenda posted, and have information in there. However, in April those numbers will be skewed a little bit because we will have a couple of weeks of additional data. So when I come to the meetings, I'm going to try to give as close to the information as possible.

Scott Biethan (00:16:22):

Bill, hang on just a minute.

Unknown speaker 2 (00:16:24):

... not renewed since the fee increase went up.

Scott Biethan (00:16:26):

Excuse me. I think somebody's speaking, if you can make sure you're muted, we'd sure appreciate it. Okay, go ahead, Bill.

Bill Dutra (00:16:33):

So I just want to always remind people is that the data that we put in packets like you'll see, and I think Sandy will kind of gloss over it later, that's data that is going to be a little different than what I reported because it's about almost a month older than my data coming. So I'm going to

try to time that a little bit more, with always that caveat is I'm trying to give you information as of this ... I'm giving you information as of nine o'clock this morning versus information that's in your packet today was as of December, the middle part of December. So I just want to make sure that we're all clear on that, but thank you very much, and you all have a wonderful day. Thank you.

Scott Biethan (00:17:13):

Looks like there's a comment from Ms. Allenbaugh.

Deb Allen-Ba (00:17:19):

That's correct. I think the question that I heard asked was did we have the numbers of how many active licensees as of January 1st, 2024? Was that the question that I heard asked from the commissioners?

Jay Sporn (00:17:38):

Yes, that's correct. This is Commissioner Sporn.

Deb Allen-Ba (00:17:41):

Okay, thank you, Commissioner Sporn. I have that number. It's actually something that we published in our overview. We took the number's calculation on January of 2024, and we had at that time 2,891 active appraiser licenses, and that included trainees.

Scott Biethan (00:18:07):

Thank you.

Deb Allen-Ba (00:18:08):

You're welcome.

Scott Biethan (00:18:09):

Great. Any other questions for staff on this matter?

Jay Sporn (00:18:13):

Yeah, just one more question from Commissioners Sporn here. Bill, they just said there was 200 last January ... 2,891, and that included trainees, and so your 2077 figure as of January this year, that did not include trainees, correct?

Deb Allen-Ba (00:18:36):

I believe Bill may have jumped off for another meeting, but I believe it did include trainees.

Jay Sporn (00:18:43):

Okay. So in other words, we've lost over 800 appraisers in that year.

Deb Allen-Ba (00:18:54):

No.

Dean Potter (00:18:55):

You stated the ... It's 2,774, Jay.

Deb Allen-Ba (00:18:58):

Correct.

Dean Potter (00:18:59):

Not 2,074.

Deb Allen-Ba (00:19:01):

Yeah. Thank you, Commissioner Potter.

Scott Biethan (00:19:13):

So was that question ... Are you good, Mr. Sporn?

Jay Sporn (00:19:18):

Yes, sir.

Scott Biethan (00:19:19):

Okay, great. Great. Any other questions? Comments? As always, we appreciate the staff, you all do a lot of work. All right, so we're going to move into new business. I'm going to turn over to Ms. Baur.

Sandy Baur (00:19:38):

Thank you, Chair Biethan. As you know, the first meeting of the year we set aside an agenda item for electing a new chair, and a new vice chair to serve for one calendar year. This will be effective the next meeting in April, and commissioners may either self-nominate or they can nominate other members. There is no limit to the number of terms a member can serve as chair or vice chair. These positions must be appointed and voted for individually and separately, so appointment of each position must be a separate action, and they can't be voted on together. I will turn it back over to you, Chair Biethan, to accept nominations for the 2026 chair.

Scott Biethan (00:20:29):

Okey-doke. Thanks, Sandy. So we'll start out, obviously with a chair role, and we'd be looking for, sorry, requesting for nominations for the chair role.

Stan Sidor (00:20:45):

This is Commissioner Sidor, I nominate Commissioner Biethan.

Jay Sporn (00:20:54):

This is Commissioners Sporn, I'd like to second that. If it's not broken, don't fix it.

Scott Biethan (00:21:03):

I'm going to say this, anyone else want to self-nominate? Any other nominations? I mean that in all earnestness and seriousness because one way or the other, last year or this year is my last year being the chair because we need to make sure we roll these positions around the commission. So any other nominations?

Joe Moore (00:21:25):

I move we close the nominations.

Dean Potter (00:21:28):

Chair Potter, second.

Scott Biethan (00:21:30):

All right. I don't think we need a motion to close, but all in favor?

Stan Sidor (00:21:35):

Aye.

Dean Potter (00:21:36):

Aye.

Scott Biethan (00:21:38):

All right. So I guess we would need to make sure we affirmatively, this is really awkward, vote me into the chair. All in favor say aye.

Stan Sidor (00:21:49):

Aye.

Joe Moore (00:21:49):

Aye.

Jay Sporn (00:21:49):

Aye.

Dean Potter (00:21:49):

Aye.

Scott Biethan (00:21:51):

Denise? Abstain? I probably should abstain. Motion carries. Okay, we would look for a motion for the vice chair.

Dean Potter (00:22:07):

Commissioner Potter, I place a nomination, Denise Stephens.

Scott Biethan (00:22:13):

Good. Any others? Anyone else interested, self-nominate or a nomination? I really want to make sure this is an open question.

Jay Sporn (00:22:23):

Commissioner Sporn, I'll second that nomination.

Scott Biethan (00:22:27):

Okay. Okay, seeing no others, I think that we've got a motion and a second for Denise Stephens to move into the vice chair role. All in favor?

Jay Sporn (00:22:43):

Aye.

Joe Moore (00:22:43):

Aye.

Dean Potter (00:22:43):

Aye.

Stan Sidor (00:22:43):

Aye.

Scott Biethan (00:22:46):

All opposed? Any extensions? Seeing none, the motion carries unanimously. Congratulations to all of us. Thanks very much.

Denise Stephens (00:23:00):

Denise Stephens, thank you guys.

Scott Biethan (00:23:04):

Yeah. Yeah. I will say too, I think that we've had a lot of turnover in our commission, and now we're a fully formed ... we've got one more role to fill, and I'm looking forward to seeing what happens next. We've had a lot of stuff going on, and then I look forward to rotating out because I think that's the nature of what we do, because no one person defines the commission, it is all of us together, so I really do appreciate everyone. Enough said. All right. Let's go to the next topic, and Sandy is going to discuss our off-site meeting. I think we were looking at Hawaii or was that somewhere down in the Caribbean? I think it's-

Sandy Baur (00:23:53):

Right.

Scott Biethan (00:23:53):

Yeah, I mean, I was just-

Sandy Baur (00:23:56):

How fantastic would that be?

Scott Biethan (00:23:58):

Putting that out there, baby.

Denise Stephens (00:24:00):

Belize. Let's go to Belize.

Sandy Baur (00:24:03):

Right, Belize. At the last meeting of the year, we vote for the following year meeting calendar, and we had discussed that the in-person meeting would perhaps take place July 24th this year. However, our planning coordinating efforts have been put on pause. In December last year, Governor Inslee set out a spending freeze memo, which is halting these planning events, so no travel authorizations, no spending authorizations. Once we're authorized to resume these efforts, we will let you know, but as of this time, all in-person meetings have been put on hold. Any questions on this? Okay, thank you.

Scott Biethan (00:25:13):

All right. We're going to move into reports, and we're going to start with the subcommittee reports starting with Commissioner Stephens on education.

Denise Stephens (00:25:27):

Thank you, Mr. Biethan. We canceled our last meeting, so it's been a while since we've met, and the meetings for 2025 have not been scheduled yet because of a change in the DOL office, so we really don't have anything to report at this time. Once we get going for 2025, we'll have more to report for the April meeting.

Scott Biethan (00:26:00):

Thanks very much. We really appreciate all the work you're doing on that. Good. Any questions on education? Okay. We're going to move to the upzoning, and my name is on this, but it's really a shared group. As a reminder, it's Jay, myself, and then Todd Reddington serves as an outside member, a non-commissioner member of the group, and we do really appreciate that, all great insight from everybody. Sorry, and Commissioner Sidor, much appreciated. What we've done in the past, and a reminder, we are not a lobbying group, we are an advisory group, and we need to stay clear of lobbying, but it's really useful to have the input of what ACOW is doing, and we've been doing it through this particular committee. I believe Kathy Walsh is on the call, and she is the chair of ACOW, and they do a lot of great work. They're really busy, and there's a lot going on, and I really appreciate everything that they've been doing.

(00:27:08):

So we're going to have Kathy give us an update of what's the current status, and I'm going to turn it over to her. I saw that she was on the call, so I've got three screens, so I don't know who's on camera or not, but Kathy, you're here, and I'd like to turn it over to you.

Kathy Walsh (00:27:28):

Okay. Thank you, Commissioner Biethan, and then thank you for inviting me to speak to the commission again about middle housing. I think we can all agree that middle housing as it pertains to appraising does not have a simple answer, it's complicated by circular arguments, and for appraisers, revolves around the highest and best use analysis. What we're hearing now from appraisers and lenders is that there is greater attention being paid to the potential legal use, and highest and best use of a property, and appraisers are not just checking the as is box on their reports, they are considering excess land and zoning even outside the middle housing areas, and applying all of the highest best use tests. More questions are being asked, and more appraisers are contacting their city planning departments for answers. Yes, the areas, as areas are starting to be developed to higher density, which is the intent of the housing initiative, lenders are beginning to see that highest and best use box check no.

(00:28:26):

It's essential for appraisers to accurately report the actions of the market, and produce a well-supported analysis to protect the public trust as one of the few uninvested parties to the transaction. In October, I reported that the Appraisers' Coalition developed the highest and best use webinar. It was well-received, and we've had follow-up presentations by the City of Seattle Planning Department, and have developed a short Q&A. We continue to strive to keep appraisers and users of appraisals up to date. We are currently in the early stages of developing a site value analysis class, with specific real life examples to help appraisers understand this process. The site value analysis is the root of the highest and best use analysis, and I think everyone would be in agreement that additional education is needed. Hopefully, we can get this completed soon. The coalition has several initiatives in the 2025 session, including waiver valuations for right of way assignments, the implementation of the statute of limitations, hopefully, maybe finally, and a modification to RCW 18.140.10.

(00:29:37):

Regarding the definition of an appraisal, we want to include the language given us through the Department of Licensing, Senator Bateman, and the Attorney General, which is available on the DLL website as an FAQ. We want to add comments that the highest and best use analysis is not in itself an appraisal. I have the actual words, they're a little cumbersome. The highest and best use analysis of a property when used to determine whether an appraisal, appraisal assignment, or a specialized appraisal service can be performed within an appraiser's license level is not in and of itself an appraisal, appraisal assignment, or appraisal report. Kind of hard to say, but we feel it is important to continue to work on this issue for the protection of the appraisers through the state, and it is critical to have the assurance that the analysis is within our licensure. We understand that this will not solve all of the issues, and we'll work with our legislators to find solutions to additional problems as they arise.

(00:30:41):

I have something that I want to share that I just came across this morning. I wasn't going to have it as part of this presentation, but I think it's important. This morning I spoke with a member of the TAF Industry Advisory Council, and they recognize that there's a significant gap in the education level of appraisers when it comes to the highest and best use analysis. Their task force is considering a proposal to the AQB for a certification level or education requirement to address the lack of direction between the AQB standards, and the methodology needed. So as appraisers are challenged with more and more difficult assignments, they need additional support. I'm keeping in touch with the task force, and I'll be given a copy of the report as soon as it's available, and I'll follow up with you guys too. We'll continue to follow the middle housing challenges. We'll continue working with TAF, AQB, and the state, and to continue helping appraisers, keep appraisers informed of major issues as they develop. That's it. Thanks for your time. Once again, I appreciate being able to speak.

Sandy Baur (00:31:57):

Chair Biethan, you're muted.

Scott Biethan (00:32:01):

Thank you. For only the one person saying that, you know when you mute, and then you forget to unmute, and you start talking, and 12 people jump in, so appreciate it. It looks like Commissioner Sidor's got a question.

Stan Sidor (00:32:14):

Good morning. Yes, thank you. Kathy, appreciate and thank you for your information. The first question that came to my mind when you mentioned the possible revision to the RCW that would qualify that a highest and best use analysis is not an appraisal or consulting assignment, is can we, in our state law, amend or revise what is effectively a USPAP standard or would this require buy-off by the ASB? And I appreciate your time.

Scott Biethan (00:32:59):

You're muted, Kathy.

Kathy Walsh (00:33:03):

That's a good question, Commissioner Sidor. Thank you. I've been talking to a lot of people about trying to do this. I proposed it to Department of Licensing, and they did not have issue with it. I spoke with Scott DiBiasio, the government relations committee for the Appraisal Institute, and they don't have an issue with it. When I spoke with Lisa Desmarais, their response has always been, "Go back to the state. It has to be done at a state level." So no, I think we can do this, and we are asking-

Scott Biethan (00:33:38):

Interesting.

Kathy Walsh (00:33:40):

We are asking representative, sorry, Senator Bateman, to support the bill.

Stan Sidor (00:33:47):

Thank you.

Scott Biethan (00:33:50):

I'll just say, Stan, I've wondered the same thing, at the same time, if the state goes on record and says, "This is something we'll allow," then it does at least become part of the state license practice. One can argue USPAP, I mean there's a lot of ways to think about USPAP, and argue, not argue, but debate USPAP, but at least it does clarify something in our state law for our state appraisers for state license issues. I know it is kind of a murky area, but like I said, it's interesting to me. But what I appreciate is that ACOW is taking this on because it is still uncharted area, and for us in particular in the state, because we've got legislation that has caused a lot of us angst over the last year, year and a half, two years, however long that's been, so at least ACOW is taking it on. Jay, do you have your hand up or just resting your arm? Okay. So you said you were discussing that now with the legislation, Kathy?

Kathy Walsh (00:35:17):

I sent them the proposed changes. Well, I sent this proposed changes, DOL received it, no issue from them. We've just sent it over to representative, sorry, Senator Bateman, seeking her as sponsor. So once we have that secured, then we can move into actually having the bill.

Scott Biethan (00:35:41):

What would that timing look like? Part of it's the response or sponsorship.

Kathy Walsh (00:35:47):

I don't know. I think they're a little busy in Olympia.

Scott Biethan (00:35:49):

What? Yeah, no, no, I get that. I just kind of was curious.

Kathy Walsh (00:35:57):

Yeah.

Scott Biethan (00:35:57):

Cool.

Kathy Walsh (00:35:59):

We just got it to her the last day or two, so it'll take a while.

Scott Biethan (00:36:04):

Got you. We appreciate that. Todd, you got your hand up?

Todd Reddington (00:36:10):

Yeah. Just to reiterate, this is not a USPAP issue, it is specifically about how the way the law is written in the state of Washington very, very briefly. If an appraiser does a highest and best use study, and declines an appraiser report because the result of that highest and best use study shows that the property's highest and best use is greater than four units, the specific terminology within the state law says that any communication is an appraisal report. Subsequently, that appraiser by rejecting that appraisal, technically, the potential is that they would be violating their license. Again, it's gray, it's murky, it's whatever, but that's what we're trying to clear up.

Scott Biethan (00:36:57):

Kathy, before you comment, I'm going to also speak into it. It sure seems to me that appraisers almost every day might enter in an assignment, and that at some point determine they're not competent, for whatever reason, maybe you thought you were competent, but you were not, and have declined assignments. I'm not sure how that's different. I think to find out, "Hey, wait a minute, I'm not able to complete this," you're actually being transparent, and I am not an USPAP expert, but I think if at some point in the assignment you determine you're not competent, then you need to withdraw from the assignment. You would need to communicate that, and they're in line with ... To me, that would even be a conflicting thing if you are taking that [inaudible 00:37:44], and you just mentioned about state law, but I'm not looking to debate this, but I just ... Again, this one's been a murky issue, but Kathy, you had your hand up, and I spoke in front of you, hope you don't mind me doing that.

Kathy Walsh (00:37:56):

That's fine. Did you want me to go ahead?

Scott Biethan (00:37:59):

Please.

Kathy Walsh (00:38:00):

I just wanted to add that every state has their own laws, and they don't match from state to state, so there's precedent, and some latitude that we can change our laws without other issues. To Todd's comments, we have had the assurance from the Attorney General published on the DOL website, that we can go ahead, and it's not affecting our licensure, so this is just taking it another step further for that comfort level for appraisers.

Scott Biethan (00:38:38):

Yeah. Commissioner Sidor.

Stan Sidor (00:38:41):

Thank you. It's not my intent to dig too deep into the weeds here, but I'm just thinking some different things about, because I've actually spent a fair amount of time really digging into USPAP recently because of a review I had to complete. USPAP sets the minimum appraisal standards for completing an appraisal report, but that states and, or the federal government can add to it, and add additional requirements, and they typically do. As an example, for federal things, there's Yellow Book, which goes a little beyond, have certain special requirements, but I'm not reading that as saying that we can make exceptions to have something less than the minimum USPAP, and I'm not saying that's what's happening here. I guess I'd have to really think about this more, but I just thought I'd throw that out as a comment or observation.

Scott Biethan (00:39:56):

I would wonder if the foundation of ASB, if they thought that something the state was doing was, like you described, Stan, is less than. I wonder if then though, would they be required to say, "No, that's less than," at least in our view, rather than that's a state issue. I don't know. I don't know the answer to that question.

Stan Sidor (00:40:20):

Yeah, and I don't either. That's why I'm just thinking, kind of trying to think around the box on this.

Scott Biethan (00:40:27):

Yeah. Yeah. Well that's why I'm not in the standards board. So any other comments? Discussion? Okay. Kathy, really appreciate the work that ACOW does. I know you and Todd are both on ACOW, and we are appreciative of everything you're doing, and thank you for taking the time with Appraisers Commission as well. I think with that we can move on. I'm looking up, I don't see any hands raised. Nobody's raising their arm except for Jay when he was stretching, and I just called on him anyway. All right, I think we're going back to you Sandy, and you're going to turn it over to [inaudible 00:41:17].

Sandy Baur (00:41:16):

Yup, I'm going to turn it over to the investigation supervisor, Mr. Nathan Buck, to give us our complaint case count report.

Nathan Buck (00:41:27):

All right, thank you very much, and good morning everyone. Again, my name is Nathan Buck, I'm program manager for our real estate programs to include the appraiser program. So the numbers that we have listed here on this slide are as of December 11th of '24, and they are ever since the 1st of January of '24, so that timeframe there. So we have-

Scott Biethan (00:41:49):

Okay, is there a slide shared? I'm on the wrong view? Oh, nevermind. Yup, I was on the wrong view. I had a different view on. Thank you. Sorry, my bad.

Nathan Buck (00:42:00):

Okay, perfect. So for investigations, we have 37 that are in investigation status. We have one that's in legal status, four that is in management review, one in reopen, both of those still go towards the investigation status portion of it with a closed total of 109. So if we can go to the next slide. As far as the common complaints, we still have kind of the same that we report out to the last board meeting. So there are inappropriate comparable sales selection, use of dissimilar comparable sales due to site characteristics, and use of physically dissimilar comparable sales age. With that, are there any questions?

Scott Biethan (00:42:51):

I do. It looks like ... Actually go ahead, Claire. Commissioner Elston, why don't you go first?

Claire Elston (00:43:02):

Yes, thank you very much. I've brought up in the past and just want a clarification, Nathan, are any of these complaints since we've been discussing throughout the past year the upzoning, and appraisers trying to comply with that, and I had requested that if any of the complaints had to do with the upzoning and how appraisers have been handling it, that that would be reported back to us on the commission, have any of these complaints had to do with the upzoning?

Nathan Buck (00:43:30):

As of right now, none of the complaints have been pertaining to the upzoning.

Claire Elston (00:43:34):

Thank you so much.

Nathan Buck (00:43:35):

You're welcome.

Scott Biethan (00:43:37):

Thanks. Commissioner Sidor.

Stan Sidor (00:43:39):

Thank you. On the prior slide you showed one case reopened, what tends to cause a case to be reopened? Is there a scam here-

Nathan Buck (00:43:52):

There-

Stan Sidor (00:43:56):

I'm sorry, go ahead.

Nathan Buck (00:43:57):

Okay. Sorry, I didn't mean to cut you off there. So there may be several different situations that would cause a reopen. Those would be we received new information that caused us to reopen the case. We have done another review after it was done, and we have reopened it from there, but there are multiple reasons that would cause a reopen. Those would just be a couple of examples.

Stan Sidor (00:44:22):

I appreciate it, and what is the, I should know this by now, I've been on the commission for five years, what is the difference between investigation and management review?

Nathan Buck (00:44:35):

Yes. So the investigation means that it is still in some sort of investigative standard, it would be either pending investigation, in investigation status, management review means the investigation has been completed, and that it has moved on to the next review process.

Stan Sidor (00:44:53):

Great. Thank you very much.

Nathan Buck (00:44:54):

You're welcome.

Scott Biethan (00:44:57):

Great. I don't see any other questions or comments, but I do have one myself, if that's okay. Can you share, I think you mentioned either the last meeting or the previous meeting, where you mentioned investigations around the issue of unintentional bias or biased statements and appraisals. Can you share if you've seen much of that? There are a lot of discussion around that, I'm just trying to get your input on that.

Nathan Buck (00:45:39):

Absolutely. So a lot of the patterns when it was reported last were coming from complaints from Freddie Mac. We have looked into those cases, and made it as far as that goes for the investigation, so those kind of come up, then they drop off. That's what those trends look like at

the moment. As we move forward, those may come back, it really depends on how many complaints come in during those times to make it a trend again.

Scott Biethan (00:46:11):

Got you. Are there anything outside of Freddie and Fannie or is it just those agencies that have been doing those referrals?

Nathan Buck (00:46:26):

There are possibly. I don't know of any off the top of my head at the moment, but we could do some research and I can get with Sandy to report back out to you if necessary.

Scott Biethan (00:46:35):

Yeah, I would appreciate that, if that's okay, just because it's a topic, and it's one that is becoming more and more discussed. We had reviewers, I deal with lender reviewers, at times say, "Hey, look at this statement here," and we're very mindful of it, and I've just been thinking a lot about it. I'd just be curious what rises to the level of a complaint and an investigation.

Nathan Buck (00:47:03):

Absolutely. I would be more than happy to work with Sandy to report back to the board.

Scott Biethan (00:47:09):

Great. Great. Okay. Thank you very much.

Nathan Buck (00:47:11):

Thank you.

Scott Biethan (00:47:13):

All right, I don't see any other questions. Go ahead, Sandy.

Sandy Baur (00:47:21):

All right. Now I'd like to turn it over to Ms. Jessica Koenig to talk about the top complaints and resolutions of those complaints.

Jessica Koenig (00:47:31):

Thank you, Sandy. I just want to make sure, Mr. Buck, were you finished? Because I thought you still had that one last paragraph.

Nathan Buck (00:47:45):

Oh, I apologize for that. Thank you very much. I apologize for that. So as far as those were the common complaints that came in, as far as the potential violations identified after the investigation, we have unsupported adjustments, use of dissimilar comparable sales, and

misreporting condition and quality. Those are common trends for those. So thank you very much.

Scott Biethan (00:48:10):

Would you read those one more time?

Nathan Buck (00:48:12):

Yes. I have this slide. Okay, perfect. So that will be unsupported adjustments, use of dissimilar comparable sales, and misreporting condition and quality.

Scott Biethan (00:48:30):

Thanks.

Nathan Buck (00:48:31):

You're welcome.

Scott Biethan (00:48:31):

Great.

Jessica Koenig (00:48:33):

Thank you, Nathan. Thank you, Sandy. Jessica Koenig, I am a program specialist for regulatory compliance. The information I have to share with you today are the three most common sanctions for disciplinary action, where we've received the case and have verified that there is action that needs to be taken. Those three common sanctions would be license revocation, continuing education and, or a fine. I see we already have a question.

Stan Sidor (00:49:11):

Hi, this is Commissioner Sidor. I think in the last meeting when this slide came up, I asked about whether there had been, or is it often that there's a license revocation, and I believe that the response at that time was, "No, rarely that happens."

Jessica Koenig (00:49:29):

That is correct. Our intention is to have everybody stay licensed, and just functioning within the space that they're supposed to be working. We use license revocation as a last resort, or for those situations where there's been gross negligence or consumer harm, and repeat offenses. So that is definitely not something that we turn to lightly.

Stan Sidor (00:49:58):

Great. You actually answered my next question. I was going to ask of what really would trigger a license revocation, and I appreciate the response.

Jessica Koenig (00:50:10):

You bet. We want our licensees to be able to work and continue doing their thing, so that is a last resort for us. Any other questions?

Scott Biethan (00:50:30):

Thank you, Jessica.

Jessica Koenig (00:50:32):

Thank you.

Scott Biethan (00:50:32):

Really appreciate it. Sandy.

Sandy Baur (00:50:38):

All right, now we're going to move on to the license count reports, and I would like to introduce Ian Crowley to you as the representative from the Licensing and Customer Support Services Group.

Ian Crowley (00:50:54):

Good morning, as you say, I'm Ian Crowley. I'm the supervisor for the Appraiser Department. So as you can see in the slide here, this is similar to some of the information that Bill shared with us earlier. These are the numbers up to December 11th, continuing the trend that the vast majority of our licensees are in the age group 45 and up. The number at that time was 2,786, very similar to the number that Mr Dutra shared with us earlier in this presentation. Trends on the actual renewals of ... the active licensees, the different types, this slide shows that we have a 126, 13, 158, a 1,000, 19, and 225 of the different types of licenses there. So similar numbers, with some numbers in the decline. Again, as Mr. Dutra showed, some of these will vary dependent upon cycles for renewals. As he indicated, he'll try to get you a little bit more current numbers in the following meetings.

(00:52:10):

Here we have as well the renewal statuses up to November, with the total renewals for ... new issues of 225, excuse me, and renewals of 1,178 for that cycle, from January through November. We didn't have December's as when these were run December was not completed yet, so those will be in the next meeting. Any questions? Comments?

Scott Biethan (00:52:49):

Great. Moving on. We stay with you, Sandy.

Sandy Baur (00:52:54):

All right, so I am going to-

Scott Biethan (00:52:56):

By the way, thank you, thank you, Ian. I didn't say that. Forgive me.

Ian Crowley (00:53:00):

Thank you, commissioners.

Scott Biethan (00:53:01):

It looks like Stan just raised his hand.

Stan Sidor (00:53:03):

Commissioner Sidor. I thought, do we have, or is it possible to look back in records, and determine at what historical point we had the lowest number of certified residential appraisers? If you go back to the prior slide, we're now at 1,358, and there has been, generally, over the last three years at least a declining trend. I'm wondering if there has been a time, let's say in the last decade or prior, maybe the last housing crash or economic recession, were we lower than 1,358 and it came back up, or are we just seeing this declining trend right now?

Deb Allen-Ba (00:53:53):

That's a great question, Commissioner Sidor, and I think we can probably dig back and see how far back we can find data, depending on how readily available it is. We can bring that back to the next meeting.

Stan Sidor (00:54:11):

I appreciate it. Thank you.

Deb Allen-Ba (00:54:13):

Of course.

Stan Sidor (00:54:14):

Don't spend too much time on it if you think it's too difficult. If it's not readily available, don't spend time on it.

Deb Allen-Ba (00:54:20):

Thank you.

Scott Biethan (00:54:25):

Okey-doke.

Sandy Baur (00:54:26):

All right. I'll go ahead and give a high overview of the third quarter of the housing market report. Of course, you can go to the Washington Real Estate Research website, and you can download any portion of this housing market report that you would like. So some of the market highlights

are existing home sales rose by about 0.1% this quarter. However, it had an overall decrease of about 8.9% over the last year. Building permits are on the rise, they went up 1.4% this quarter. We had a total of 9,357 permits that were issued this quarter, and 4,858 of them were for single family units. Moving on, that the median price for this quarter was just over 650,000, which is 2.6% higher than it was this time last year. Single family availability rose about 9.9% from this time last year, and there was a 2.4 month supply of housing this quarter. Last quarter it was 2.2%, but this time last year it was, I mean 2.2 months last quarter, but this time last year it was two months. Commissioner Sidor, you have a question.

Stan Sidor (00:56:03):

Thank you. I'm just curious on the second bullet point, the single home family home availability. That's not affordability, that's just a availability, in other words, there's a greater supply now available?

Sandy Baur (00:56:20):

Correct. Yeah, that-

Stan Sidor (00:56:22):

Thank you.

Sandy Baur (00:56:23):

That is not affordability, that is availability. If you want to get into the affordability by county, it's available in the full report, just head to the website and you can crunch all that data. Are there any other questions? All right, that concludes the housing market report. I'm going to go ahead and roll right into the review of the master action items list. First on the list is there is a vacancy that we're trying to fill on the board. Well, almost vacancy. We're going to be leaving that recruitment open for just a couple more weeks, just to make sure that everyone who is interested in serving on the commission has the opportunity to submit their application. So there will be a listserv message coming out shortly. Please, if you're interested, we would love to have a discussion with you. The next thing on the list is trying to coordinate a representative from the Appraiser Diversity Initiative to come and be a guest speaker at a commission meeting. I am still working on that, and that concludes the master action items. You're muted, Chair Biethan.

Scott Biethan (00:57:49):

Yup, I realized that. I get this thing that says, "You're muted," at least it doesn't say, "You're muted, dummy," so I really appreciate that. So any other things for the master action list that we believe that were missed or that we need to address? We'll have one more similar request after the public comment period.

Sandy Baur (00:58:10):

We will.

Scott Biethan (00:58:11):

Yeah, I'm just offering it up. Okay, moving on. We're going to move into the public commentary period. We're going to open the floor for the public to address the commission, and I will ask again, and I know sometimes it seems like it's difficult because there's a lot of good things that come from the public, but we do ask you to keep it to three minutes. The reason why is with the Open Meetings Act, is just to make sure that we can't be looked at in hindsight to say that we gave more time to one party than another, and there's always the option to write in to the commission as well. Yeah, and the comments need to be within our jurisdiction, things that are our purview, and then we will not engage in discussion with the public, but we'll direct things back to staff for further review, and potentially putting onto a later agenda item. Sandy, was anything brought in writing?

Sandy Baur (00:59:20):

No, we do not have any comments in writing.

Scott Biethan (00:59:23):

Yeah. Yeah. Anything brought in writing? I write for a living too, that was darn good English. All right, so I think we're going to go ahead and open this up to the public, and ask if there are anyone, is there anyone who would like to speak? Yes, it's a first.

Sandy Baur (00:59:50):

I do not see any hands raised.

Scott Biethan (00:59:53):

I don't either. All right, I'm going to go ahead and close the

Stan Sidor (01:00:02):

Shocking.

Scott Biethan (01:00:04):

It's good. I mean, I appreciate the comments, and we're also happy to move on. All right, so the floor is now closed. I want to confirm something, anybody can use the hand raise if you're thinking, "Wait a minute, I can't get that to work," or you're on your mobile phone. If anyone does have anything, I want to make sure they did get the opportunity to speak into the meeting, you just unmute yourself and say anything if you wanted to. Okay, seeing none, the floor is now closed. All right, announcements.

Sandy Baur (01:00:51):

All right. Staff does have one announcement. I would like to announce that Sandra Shaffer, who has been a member of this team for the last two years has left our team, and we are very sad to see her go, and would also like to take the opportunity to introduce Alyssa Woods. She'll be stepping in temporarily to assist the advisory boards with me, and we wish Sandra the best of luck in her next endeavors.

Scott Biethan (01:01:31):

Correct. Correct. I know that we do recognition after the fact, but confirming this is the last meeting for Commissioner Elston.

Sandy Baur (01:01:45):

Correct. We're very sad for that, and we will be doing a recognition for her at the next meeting, so hopefully she'll be able to attend.

Scott Biethan (01:01:54):

So even though she's on mute, she just loves public attention, we will do a recognition of somebody that I have personally been very grateful for in the last several months, years and months. You've been hugely helpful to me, and also the commission, but I will say that again, but in case for any reason you had a conflict, you needed to hear it from me, I'd love to have you hear it from me. Anyway, Claire, go ahead. Sorry, you're still muted.

Claire Elston (01:02:28):

There we go. You think I'd have the hang of this now. Thank you very much, that's a kind comment. I've enjoyed being on the commission. I believe so much in the importance of what we do as appraisers for the state of Washington, both for the public good, as well as, frankly for the economic health of our state. So it's been a pleasure to be part of this process that tries to help appraisers, so best wishes to all of you.

Scott Biethan (01:02:58):

Yup. We will hopefully see you at the next meeting. Great. Great. All right, so with that being said, I guess we're looking for any future agenda items that have come up that we want to add to the agenda for next time. All right, seeing none, if you just allow me one small indulgence, I do want to say to the commission, and also to Todd, who is part of our working group, one of our subcommittees, Todd Reddington, thank you for 2024. It was a difficult year in a lot of ways, a lot of moving parts for all of us, and I just want to say thank you, and thank you to staff because it was a lot of times I didn't know what to do.

(01:03:50):

As the chair you think, "Okay, you should know what you're doing," but there are times that I really wasn't certain what's the right step to take and the action to take, and staff has been amazing. Sandy, Sandra, whom we're going to miss, Deb, and Bill, and everybody, we just want to say thank you because you all do it as a job and staff, but you are highly efficient. There's a lot of things you could do, but you work for the state, so thank you, and all of us who are volunteers, we've all got day jobs, so I just wanted to say thank you. Good. I'm going to, I guess... I like it, they give you this cheat sheet, "Note, no motion is needed for adjournment," but it's just so much fun to ask everyone because everyone enthusiastically see how we're going to adjourn, but since we don't need a motion to adjourn-

Sandy Baur (01:04:46):

We do. Commissioner Sporn has his hand raised, and we still need to review any action items that were caught for this meeting.

Scott Biethan (01:04:57):

See, that's what I didn't read in red, I just jumped to the adjournment. Go ahead, Jay.

Jay Sporn (01:05:01):

Yeah, this is Commissioner Sporn. I'd just like to second the Chairman's comments about the staff, and all that you do for us, and make this so much ... We'd be like a bunch of chickens running around if it wasn't for you guys, so I really appreciate everybody at the DOL. Thanks so much.

Scott Biethan (01:05:18):

Got you. We were looking to skip staff on the review of the action items. I just forgot.

Sandy Baur (01:05:27):

All right, I'll turn it over to Ms. Alyssa Woods, and she's going to let us know what action items were captured during this meeting.

Alyssa Woods (01:05:35):

Chairman Biethan, you just had me introduced, and then you forgot about me already.

Scott Biethan (01:05:43):

Yeah. I'm not really good at this sometimes.

Alyssa Woods (01:05:48):

It's okay. So I've only captured two action items. I saw the commission requested additional information regarding bias-related complaints, and then the commission also requested that staff determine at what historical point we had the lowest number of certified residential appraisers. If there's anything else that we should be doing, I'd be happy to add it to the list written.

Scott Biethan (01:06:20):

I don't see anyone.

Alyssa Woods (01:06:22):

Okay.

Scott Biethan (01:06:23):

And I will never forget about you ever again.

Alyssa Woods (01:06:26):

Thank you.

Scott Biethan (01:06:28):

Looks like ... Oh, hand raised from Commissioner Sidor. Wait, it's a comment. Okay, I think we're good. Anything else [inaudible 01:06:35]? Seeing none, I've got 11:06, and the meeting is adjourned. Thank you everyone.

Dean Potter (01:06:46):

Thank you.

Sandy Baur (01:06:47):

Thank you so much.

Stan Sidor (01:06:47):

Thank you.

Jay Sporn (01:06:47):

Thank you.