

Washington State Real Estate Appraiser Commission meeting transcript

October 17, 2024

Scott Biethan (00:00:02):

... The meeting to order, and the meeting is open to the public. We'll take time at the end of the meeting for public commentary, we ask that you stay to three minutes, or less. We will let you know if you've approached your three-minute timeframe, and we're going to really try to stick to that, because I think that's something that is one of the things we would like to do, so that we maintained consistency with the Open Meetings Act. And as a reminder, we as commissioners do not engage in any feedback, or discussion during the public commentary period. So, I would ask that we all keep ourselves on mute when we're not talking. And so, when you'd like to talk on a comment, just raise your hand in the Teams function, and unmute yourself, and we'll make sure that we try to do that in an orderly way. And don't forget to mute yourself after you're done. So, Ms. Schaefer, would you mind doing the roll call?

Sandra Schaefer (00:01:08):

Yes. Thank you. And oh my goodness, computer just imploded on me. Bear with me, one second.

Scott Biethan (00:01:15):

No worries.

Sandra Schaefer (00:01:17):

But I'll start with you. Chair Biethan.

Scott Biethan (00:01:20):

I'm sorry, you're a little light there. Maybe it might be me.

Sandra Schaefer (00:01:24):

I'm sorry. Can you hear me better?

Scott Biethan (00:01:26):

Yeah, it is a little spotty to be honest with you, but keep going.

Sandra Schaefer (00:01:29):

Okay, I'll start with you. Chair Biethan?

Scott Biethan (00:01:32):

Yeah, present.

Sandra Schaefer (00:01:33):

Thank you. Vice Chair Elston.

Claire Elston (00:01:36):

Present.

Sandra Schaefer (00:01:37):

Thank you. Commissioner Moore.

Joe Moore (00:01:40):

Present.

Sandra Schaefer (00:01:41):

Thank you. Commissioner Potter.

Dean Potter (00:01:43):

Present.

Sandra Schaefer (00:01:44):

Thank you. Commissioner Sidor.

Stan Sidor (00:01:47):

Present.

Sandra Schaefer (00:01:48):

Thank you. Commissioner Sporn.

Jay Sporn (00:01:50):

Present.

Sandra Schaefer (00:01:51):

Thank you. And Commissioner Stevens.

Denise Stephens (00:01:54):

Present.

Sandra Schaefer (00:01:55):

Perfect. And I will... Back to you, Chair Biethan.

Scott Biethan (00:01:59):

Thank you very much. We'll now move on to approving the agenda. Is there a motion to approve today's agenda?

Dean Potter (00:02:09):

So moved.

Stan Sidor (00:02:10):

So moved. Second. Commissioners Potter, and Sidor are in sync here.

Scott Biethan (00:02:19):

Yeah. So one of you moved, one of you seconded. You guys figure it out. Is there any discussion on the topic? All right, seeing none-

Sandy Baur (00:02:31):

For the record, could we ask the commissioners to state their name on who moved and who seconded?

Dean Potter (00:02:41):

Commissioner Sidor made the motion. Commissioner Potter seconded it.

Sandy Baur (00:02:46):

Thank you so much.

Scott Biethan (00:02:48):

Thank you. All right. All in favor of approving the agenda, say aye.

Group (00:02:55):

Aye.

Scott Biethan (00:02:57):

Any nays or abstentions? Motion carries. All right, so the minutes from July 18th were distributed, and I am hoping everyone had a chance to review. So, we're looking for, first of all, are there any changes, or corrections to the minutes? Okay. Seeing none, we'd look for a motion to approve the minutes.

Dean Potter (00:03:28):

So moved. Commissioner Potter.

Jay Sporn (00:03:30):

Commissioner Sporn, second.

Scott Biethan (00:03:32):

Okay, any other discussion? Seeing none. All those in favor say aye.

Group (00:03:40):

Aye.

Scott Biethan (00:03:42):

Any opposed? Motion carries. All right. So, thank you. All right, the next item on the agenda is awards and recognitions, and I don't believe that we have any. And then I... Unless I missed anything, Sandy? Nope. Okay, good. And then what I'm going to do is move into the budget and fee update, and we're going to start with Mr. Dutra, and so I'm going to turn it over to you.

Bill Dutra (00:04:23):

Good morning. Good morning, Real Estate Appraiser Commission. Bill Dutra, Department of Licensing. So, as of right now there is no new data to support, or to provide the fee increases as slated to begin October 19th. So, there is no new information to, that wasn't from three months ago. We did hold the listening sessions. That information is currently with the director of licensing. The director can make any decision on regarding that, whether to implement, or not, prior to October 19th.

Scott Biethan (00:04:58):

Okay.

Bill Dutra (00:05:02):

Any questions from the commission members?

Scott Biethan (00:05:06):

Looks like Claire's got her hand up.

Bill Dutra (00:05:08):

Yes.

Claire Elston (00:05:10):

Hi Bill, just wanted a clarification I had brought up before in our earlier discussion. If the DOL was taking into account fees collected to offset the cost of the investigation, which could theoretically decrease the

amount of money needed in the budget, and you guys were going to look into that, and see how the accounting for fees... Not fees, but when you do an investigation and a fine is imposed, where that money goes, and if that could be used to offset the expense of investigation, resulting in an overall reduction in expenses that the appraisers would have to bear. Could you please address that? Thank you so much.

Bill Dutra (00:05:56):

Yeah, certainly. So, those fines and fees do go back to the program. I'm sorry. I think some of it's [inaudible 00:06:05]. Thank you. So, those monies go back to the program, and they can be used for operation, for that, for the program.

Scott Biethan (00:06:20):

Okay. Looks like Commissioner Moore.

Joe Moore (00:06:31):

Question Bill, when the director makes a decision to either implement, or other, will that be communicated to the commission and public through the SERV, or similar channels? How will we... All appraisers know that decision's been made?

Bill Dutra (00:06:45):

We can certainly send that out on LISTSERV on Monday, because the 19th is a Saturday. The system will be recognizing anybody who applies or renews. On the 19th, they'll have the new fee schedule on there. So, we could send something out on Monday morning.

Joe Moore (00:07:04):

Thank you.

Scott Biethan (00:07:13):

Okay. Are there any other questions from the commission? Okay. I'm going to say we don't have an official position as a commission that I understand, and Bill, you know that we've had this conversation, and I'm going to say I'm still concerned about the fee increases. I think that our job is responsibility, what I would call stakeholders. I said this like a million times, I'm going to say it again. I kind of think of the stakeholders as appraisers, users of appraisal services, and the state in this instance, the DOL, and then to a more indirect degree, the public, even though that's not nothing necessarily in our code, but I think about what's our responsibility. And appraiser fees to me are something of concern.

(00:08:00):

And I will say the other thing, and I see your hand is up, Commissioner Sporn, let me just... I'll get to you in two seconds. I know that ACOW is actively involved with this topic, and we have not taken any of the ACOW materials, and things, and some of the actions they've done, because I know they're in discussion, I believe they've gone back to the state for a number of things. I would urge anyone who has

an interest in this topic to reach out to ACOW to get whatever materials they've got that's publicly available. We don't have the ability to lobby, and we will not lobby.

(00:08:40):

And the other thing I am going to say is, I know there's a lot of frustration in the appraiser community on these fee increases. And it's not Bill increasing the fees, it's not Jen increasing the fees, they're the deliverers of the message. And it can't be fun, because it's kind of like whack-a-mole when you go to Chuck E. Cheese with your kids, or your grandkids. And so, I don't want to personalize what they do, but I am going to say from the standpoint of personally, as a commissioner, I'm still concerned about these fee increases, and how it occurred, and all that. But I don't lobby. I can voice that as an issue personally, and then leave it at that. But I want to thank Bill, and Jen, and the department, but I also want to thank ACOW, because they're doing a lot of work to help us help the appraisal community, and they serve a necessary function. So, anyway, Commissioner Sporn.

Jay Sporn (00:09:43):

Yeah, Bill, I just had a question. I had a appraiser ask me, "Oh, I'm going to... I'm scheduled to renew my license on December 15th." If he wanted to renew tomorrow, before the fee increase, could he do that?

Bill Dutra (00:09:53):

By statute appraisers can renew 120 days in advance.

Jay Sporn (00:09:59):

120 days. Okay. Thank you.

Scott Biethan (00:10:07):

Okay. Oh, Commissioner Sidor.

Stan Sidor (00:10:15):

Bill, just to follow up on that, I've been curious, if an appraiser renews [inaudible 00:10:22] 20 days in advance, is the renewal date still there effectively on their birthdate, or is it starting on the day they actually... Does the two-year cycle start the day they applied, and got their new license?

Bill Dutra (00:10:36):

I don't believe it changes that they renew early, just as that they renewed a month early, I don't believe it changes their renewal date.

Jay Sporn (00:10:45):

Thank you.

Scott Biethan (00:10:52):

Okay. I don't see any other questions from the commissioners. Bill, thank you very much. We always appreciate all that you do, and I know that you've got a lot of hats you wear, so thank you.

Bill Dutra (00:11:10):

Thank you.

Scott Biethan (00:11:12):

All right, moving on into new business. Looks like I'm going to turn it over to Ms. Schaefer, and talk about the 2024 calendar.

Sandra Schaefer (00:11:21):

Thank you. Excuse me. Yeah, the beginning of... Or excuse me, the end of each year, we plan for the beginning of 2025. Staff has put together this proposed 2025 calendar for this commission, keeping in mind that we do, as you know, support nine boards and commissions. This is copacetic, along with the other boards and commissions that Sandy and I, and our team support. So we were proposing on continuing to meet on Thursdays at 10:00 AM, with the dates of January 16th, April 17th, July 24th, and October 16th. And what we would need from the commissioners is to review this. If those dates work, we would need a motion to go ahead with that. And just for your review, and this was in your packet as well, as a comparison, these is the calendar with all of the board's meeting dates on it. Yes, Commissioner Sidor.

Stan Sidor (00:12:41):

I was going to go ahead and make the motion that we accept the proposed 2025 calendar for our commission meetings.

Jay Sporn (00:12:49):

Commissioner Sporn, would second that motion.

Scott Biethan (00:12:52):

Good. Any questions or discussion?

Dean Potter (00:12:56):

Yeah. Commissioner Potter. Are these going to be all remote meetings, or are they going to be some of them in person?

Sandra Schaefer (00:13:07):

Yeah. So, for the most part they will be remote meetings. We're going to discuss, and attempt another in-person meeting, like we did in 2024, spring and summer. But that's something that we'll bring to the commission, like we did last year, and see if we can get a quorum of participation for.

Dean Potter (00:13:34):

Okay.

Scott Biethan (00:13:37):

Excellent. Any other questions for the commissioners, or from the commissioners? Pardon me. All right. Motion's been made, and seconded. Seeing no other discussion, all in favor, say aye.

Group (00:13:54):

Aye.

Scott Biethan (00:13:56):

Any opposed? No abstentions? Motion carries. Great. So, I'm going to turn it over again to Ms. Schaefer, and we're going to talk about the composition of the subcommittees. So, at the start of every year we need to revisit the composition of our subcommittees. We want everyone to have an opportunity to participate in, we've got some new commissioners, and so you can self-nominate, and we will kind of move in that discussion. So, I'll turn it over to Ms. Schaefer. Oh, actually I've got you on here, but do you... Are you going to... I am sorry. Here you guys, you can see us working through the meeting coordination online. Sondra, are you going to talk or should I just keep going with this? I don't really recall how we were doing this one.

Saundra Schaefer (00:14:49):

Sure. This is entirely up to you. I can talk if you'd like, but for the most part, it will end up being motions in that piece you'll need to preside over. But I can just give a brief overview of the subcommittees. We have a bit of history, it's all in your packet, as well. But the main purpose is to determine is the initial... Oh my gosh, my brain.

Scott Biethan (00:15:26):

Yeah, yeah.

Saundra Schaefer (00:15:26):

The initial reason that the subcommittee was formed, is that still relevant? Do we need to revisit naming the subcommittees? Do we need to revisit whether the subcommittee needs to exist? And then, also, just if new people want to be on the subcommittee, this is that opportunity for that discussion.

Scott Biethan (00:15:44):

Yeah.

Saundra Schaefer (00:15:45):

So, that's what the purpose of this agenda item is. So, if you want to go ahead and take over, you're more than welcome to. I do have the Mass Appraiser Education Requirement subcommittee here on

this slide. And one of the things that has come up in the discussion, and just the natural work of the subcommittee, is that it actually does encompass a larger scope of just education in general.

Scott Biethan (00:16:22):

Yeah.

Sandra Schaefer (00:16:22):

Go ahead, Commissioner Sporn.

Jay Sporn (00:16:22):

Yes, I was on the committee, but it turned out it had a big... The subcommittee meetings conflicted with some things I had to be essentially at, on my real job. I was able to, so I would like to probably get out of that committee, but I was able to work with Carly Waters, who had her Department of Licensing, who had her first review of a Mass Appraiser credit to get certification, and she'd never done that before, and the person that she replaced had never taught her anything about that. So we spent a lot of time working through that, and supplied her a lot of information, what we would expect, as I think, as a certified residential appraiser coming from the Mass Appraisal, certain things you needed to submit to the DOL. I think that worked out really well for her. She was very happy, and we worked through it really, really... It was a lot of work, but it came out really well. I don't know if [inaudible 00:17:19] actually got... I haven't heard from her if he got licensed, certified or not, but it looked like he had submitted all the proper stuff.

Scott Biethan (00:17:26):

Yeah. And I know this is going to be part of the report that Denise is going to give here or right after this. It's almost like this may have been better sequenced afterwards. Hindsight is 20/20, and I didn't think about it. Denise, do you want to talk about the work of the committee, and where it may be going? And I know we're also going into what your report be, but maybe that would be informative of folks that might be interested in being part of this process.

Denise Stephens (00:17:57):

Sure.

Scott Biethan (00:17:58):

And Sandy and Sondra, I want to make sure that's okay, that we have a little bit of the pre-reporting just on the scope of the Mass Appraiser subcommittee.

Sandy Baur (00:18:10):

Yes. That's fine. She can do a high-level information report out about what the history that the subcommittee has been doing, and then when it comes up to the report out, she can do an actual report out of what they've done in the last quarter.

Scott Biethan (00:18:25):

Yeah. And in particular, some of the things they think they might be tackling going forward. And there are variations of this.

Sandy Baur (00:18:31):

[inaudible 00:18:32].

Scott Biethan (00:18:32):

Yeah. Okay. Great. All right. Good, good, good. Hey, Denise, do you mind giving an overview, if that's okay?

Denise Stephens (00:18:39):

Sure. Thank you, Commissioner. We created this subcommission for education to look into the differences between what the Department of Revenue for the Assessors requires as education, versus the requirements to be licensed, and how we could possibly make that into one. And with all the research that we have done, it didn't seem like that would work. But going into the PAREA program, which is the Practical Applications of Real Estate Appraisal that's been created by the Appraisal Institute, we kind of looked into that, and how that would benefit people that are working in the assessor's office as appraisers for the Department of Revenue, maybe work towards their license.

Sandy Baur (00:19:49):

Excuse me. If you are not currently speaking, please mute yourself. Thank you.

Scott Biethan (00:19:55):

Yeah, and I hate to say it. Denise, could you go through that end part? I didn't quite hear everything, was bit, like I say, background noise.

Denise Stephens (00:20:02):

Yeah. There was. So, the education committee was brought about to look into the education versus the Department of Revenue requirements, versus the Department of Licensing requirements for getting a license, and the education, and could we combine those, and make it one. And as we looked at the requirements for the Department of Revenue, versus the requirements for Department of Licensing, and the ability to take those classes, it didn't work. So, then we looked into the PAREA program, which is the Practical Application of Real Estate Appraisal, and how that would benefit any appraiser working in the assessor's office, to work towards their appraisal license through the department of Licensing. And that's where we ended up at, with the last year of our research.

Scott Biethan (00:21:09):

Okay.

Denise Stephens (00:21:10):

Did that answer your question?

Scott Biethan (00:21:13):

It did mine.

Denise Stephens (00:21:14):

Okay.

Scott Biethan (00:21:16):

Yeah, and I think there's thoughts on how you would go forward. Mr. Sporn, Commissioner Sporn, go ahead.

Jay Sporn (00:21:24):

Yes, Denise is absolutely right about that. There didn't seem to be much desire on the part of the IAAO, and the classes that they either run themselves, or sponsor, to go through the process to get those approved through the Department of Licensing. Of course they're approved by the Department of Revenue, but it was an extra step, and they don't have a lot of budget for that kind of thing, and they just didn't seem to have a lot of interest in going through the process to get the classes approved for the DOL, for certification.

Scott Biethan (00:21:56):

Yeah. Yes. Like a lot of the DOL courses that had some similar content were only approved by the AQB to be continuing, rather than qualifying, even though some of the content were in the qualifying courses for DOL. So, it is what it is. It's hard to navigate that without a change in what either IAAO, or those course providers were willing to do.

Denise Stephens (00:22:26):

As a member on the IAAO committee, I'm the vice president for the West Puget Sound chapter, we just had a meeting yesterday discussing classes for IAAO, and our future coming up, and it's extremely expensive for us to run classes, and even if we do them virtually, to get enough people to break even has been extremely hard. So, to even go that next step to see if we can get it approved by the DOL for licensing, we can't even get people to take the classes to break even to run the course. So, it's more involved than just us not being willing to follow through, and get it approved by the Appraisal Institute.

Scott Biethan (00:23:22):

Yeah. So, I think maybe I'm going to offer, and I took us there too, we're probably moving into what your report's going to be, because really the question now is, I think for the folks here, the commissioners on the call, we've got sort of an overview of what work is going to be happening there, and there's a chance that at some point this committee may get sunsetted, but I think right now there's some thinking about

what we would be doing in the future that would have a function at least into 2025. And I guess the... Is anyone interested in... First of all, Denise, are you willing to continue in this work?

Denise Stephens (00:24:02):

Yes, I am.

Scott Biethan (00:24:03):

Thank you. We have three mass appraisers. I know Commissioner Sporn is really pretty busy with the up zoning discussion. He's had a hard time making the meetings. I'm wondering if anyone else would like to be part of this process, along with Commissioner Stephens?

Sandy Baur (00:24:25):

[inaudible 00:24:26] Commissioner Sidor has his hand up.

Stan Sidor (00:24:28):

I have a question. This is Commissioner Sidor, can you hear me?

Scott Biethan (00:24:36):

Yeah.

Stan Sidor (00:24:37):

So, based on what Commissioner Stephens reported, and Commissioner Sporn, is there even at this point now, a need for this subcommittee to continue?

Denise Stephens (00:24:51):

Well, we were going to propose expanding this in the committee report out.

Scott Biethan (00:25:03):

Yeah, So, answer, Commissioner Sidor, I think there is some thinking that they would be doing some work into 2025, that would... Might be a little nuanced from the work they're doing now. I think we're going to hear a little more about that in the report out, but short answer is yes.

Sandra Schaefer (00:25:21):

And to add to that, which I don't think it's going outside of the scope of this particular agenda item, this subcommittee, the proposal is to move the subcommittee focus to education in general. So, not just covering the topic of mass appraiser education requirements, but doing a more broad education requirements, and education process in general, across the appraisal industry. So, keeping that in mind, if you're wanting to... Or at all interested in that work, that would be what the subcommittee would like to focus on, if the commission approves of that.

Scott Biethan (00:26:10):

Now, and I'm going to ask a question to Sandy. We're doing this very officially, by appointing them by vote. And I would say sometimes, in a meeting like this, you may want to do it, you may not want to do it. And then I could certainly call some names out and say, "I'd like to nominate this person," and then they kind of feel like they got to do it. And Sandy, let's say we go away with just for the current moment with Commissioner Stephens being the one who's leading the charge, and maybe some folks will think about it, or maybe they'll come back to one of us, or come back to Commissioner Stephens, or myself, or you all, and say, "Look, I was thinking about it, I would like to be part of it." We can just pick this back up also, and appoint them at the next meeting. That's correct?

Sandy Baur (00:26:58):

That's correct. We can always appoint more members at our next meeting.

Scott Biethan (00:27:02):

Yep. Yep. I'm going to ask if anyone right now says, "I really would like to do this and I'm just going to put my name forward." I don't think I want to start asking people, especially just in a public setting, because it's like the spotlight's on you. "Commissioner Biethan, are you willing to..." And like I say, from firsthand experience, that's never very comfortable. All right. Right now I'm not seeing anyone speaking up, and we may follow up before the next meeting, or at the next meeting.

Sandy Baur (00:27:40):

So, we will need a motion for Commissioner Stephens to remain on the Education Subcommittee, and to release Jay, Commissioner Jay Sporn, from the Subcommittee.

Dean Potter (00:27:56):

Commissioner Potter. So moved.

Stan Sidor (00:27:59):

Commissioner Sidor, second.

Scott Biethan (00:28:02):

Any other questions, comments? Seeing none? All in favor say aye.

Group (00:28:08):

Aye.

Scott Biethan (00:28:10):

Opposed? None. Abstained? None. Motion carries. And before we go into the next... Oh, sorry.

Sandra Schaefer (00:28:21):

Sorry to interrupt. Did we... I apologize. Sandy, did we also want/need to change the scope? Or is... Because it was in the discussion, the motion will include that?

Scott Biethan (00:28:34):

I don't know that we need to have a motion to approve scope. That's up to the committee, I think.

Sandra Schaefer (00:28:41):

Sounds good.

Scott Biethan (00:28:44):

Unless you at the state, and all the folks follow all the-

Sandy Baur (00:28:48):

No, that's fine. We do not need a motion for the scope. If we wanted to change the name of the subcommittee to just Education Subcommittee, we would need a motion for that.

Scott Biethan (00:29:00):

Looking for a motion to change the name to the Education Subcommittee.

Sandy Baur (00:29:03):

And we can-

Stan Sidor (00:29:13):

Commissioner Sidor, so move.

Jay Sporn (00:29:17):

Commissioner Sporn, second.

Scott Biethan (00:29:19):

Any discussion? All in favor say aye.

Group (00:29:24):

Aye.

Scott Biethan (00:29:25):

Opposed? Abstained? Motion carries. Okay, that was easy. And I will say that the other thing too, is we have had members of... Non commission members on these committees, too. That might be something, another reason to maybe put this... Not put a pin in it, but at least recognize that, because we may be coming back with different thoughts on the next meeting. All right, so we're going to do the same thing

for the Up Zoning Committee. And that's a good example, because Todd Reddington, he's a member of the public, and he's been super, super helpful, and he's taught me a lot about the residential side of the business, because I'm more in commercial. And maybe Jay, do you mind just giving a quick couple of minutes overview of this committee, and then we can see if anyone wants to get off, and then kind of move forward with making sure we've got the right folks who want to be here?

Jay Sporn (00:30:37):

Sure. This is Commissioner Sporn. This has been a very evolving topic since it started with House Bill 1110, and particularly in Spokane County, they started it prior to 1110. And then we had a meeting with them. We were concerned of course, of the limitations for certified residential to competently appraise a property that could be six or more units. I mean, that's the minimum that you have to let them have. And again, ACOW worked a ton of that. They put together some appraisal classes for that. But back at the time, that was a real stumbling block, and something that we were very concerned of as a commission.

(00:31:18):

In Spokane, we actually had a meeting with the local building and planning department, and I believe one of the sponsors of the bill, Jessica Bateman, from Olympia was on the Teams part of that meeting, and we did get a moratorium for six months to take it back to four units. Now that expired in June 1st, and now we're back to the normal plan. In fact, it is actually a little bit more lenient than the House Bill 1110. As we're seeing now, there's another bill that's coming up, 1998 and I believe that's co-housing bill, that is going to allow it to basically in these zoning areas to have a boarding house, more or less. Spokane in particular has gone even beyond that, is they've practically eliminated any need for off-street parking. And that's been a contention with people that are adjacent to these properties that are coming in.

(00:32:15):

Now, what I've seen them do, the ones that they have completed, they pretty much overpay for the lot, or the lot with a house on it, tear down the house, and put up a six unit building. There was a number of these that they've done Commonwealth Townhouses, and in Spokane they've eliminated it. They've got to the point all you need for a separate parcel is 15 feet of frontage. So, as you can see, that's not much. That allows for a lot of units on these properties. But the ones that have completed, based upon when they over kind of... What we say, overpay for the lot, and what I've noticed is, the things that are very, very desirable, again, on public transit, or if it's on a corner lot, or if it's on a lot that has an alley, that gives them better utility to put garages off the alley, or off the side street, whatever. So those have been more valuable.

(00:33:05):

But, what we've seen here is they've done these, finished these, they've split these lots up into four 15 foot townhouses, and they're not selling after they're done. They've been substantially on the market, and they're pretty much, in many cases, overpriced for the neighborhoods that they put them in. So I don't know where this is going to lead. At some point there's going to be some resistance to, as I say, the idea was this for affordable housing, but when you build these things, and they're brand new, and

have absolutely no depreciation, they're not affordable. They're high end for their particular areas. So, I just don't know where this is going to go. I'd like to hear what's happening over on your side of the state.

Scott Biethan (00:33:47):

Yeah. So that's a good overview, and maybe I could also maybe summarize a couple of things. One thing is having Todd, who's a member of ACOW, and also we've had ACOW through Kathy Walsh involved, in fact we'll hear from her a little bit in the committee report, and some thoughts and overview. But this has been basically monitoring. The lobbying, again, gets done by ACOW, and we're able to monitor, but also be informed. Be informed by experts in the residential space in particular.

(00:34:25):

We've got a lot of folks that have given us great input, and feedback, and then also monitoring and watching what ACOW does, because then we can at least listen to what the lobbying... The folks that are representing the appraisers, stakeholders, and that's good for us to know, because again, our job is to advise the state in matters that we think are relevant matters. So, I'm going to maybe step back and, just ask, right now we've got commissioners Sporn and Sidor, and Todd Reddington. We can't ask you publicly, so we'll ask you to the side later. First of all, the question of the commissioners, Sporn and Sidor, are you willing to stay on? Would one of you like to roll off? I'm just kind of checking for that.

Stan Sidor (00:35:25):

Well, this is Commissioner Sidor. I'm fine. Although, I'm not sure how much I've been able to contribute to this issue, topic. I'm not really seeing much of anything in my market area, that I'm active in, on this. Yeah. But I'm willing to stay on, if I can contribute in any way I will.

Scott Biethan (00:35:53):

Gotcha. And Commissioner Sporn, you got your hand up?

Jay Sporn (00:35:57):

Yeah, I'm willing to stay on this. I think it's a very interesting topic. I think it does have an effect on what appraisers have to do. At some point, once these things start becoming more prevalent, how does that affect the adjacent properties values that are appraising those properties? It's going to be some external obsolescence involved? I mean, these are things that appraisers are going to have to keep up on.

Scott Biethan (00:36:20):

Yeah. Well, and maybe, given what I heard from Commissioner Sidor, if anyone is interested from the commission, maybe what we can do is you can reach out to myself, probably in this case myself, even though I'm listed as a member, I think I was just joining the meetings, but also it was such a hot topical issue for a while. I really wanted to know what was going on. But, it may be that somebody else wants to kind of move in, they've had a real passion for it. And maybe we learn that over the next quarter. Also, we've got an open seat, and then we don't know who's going to be coming in on that seat. And so, yeah, I think that I don't want to foreclose this, and if somebody here in the commission wants to say, "No, I

was waiting for this. I want to put my name in," then happy to hear that now, or happy to hear later. Okay. Looking for a motion to approve the current composition of the subcommittee for 2025.

Stan Sidor (00:37:29):

This is Commissioner Sidor. I so move.

Dean Potter (00:37:33):

Commissioner Potter, second.

Scott Biethan (00:37:35):

Any discussion? Seeing none. All in favor say aye.

Group (00:37:41):

Aye.

Scott Biethan (00:37:43):

Any opposed? Abstain? Motion carries. Good. All right, so now we're going to go into reports. A lot of stuff we just talked about. Let's go ahead and start with Commissioner Stephens on the mass appraiser education requirements.

Denise Stephens (00:38:07):

Well, we pretty much covered everything earlier. Basically, what the committee wants to do is expand it into education in general, and we're really kind of looking at getting the word out about PAREA, because a lot of people don't know about it, and working towards getting maybe word out to the assessor's office that this is available, and that was kind of one of the things that we were looking at for 2025.

Scott Biethan (00:38:47):

Okay.

Denise Stephens (00:38:47):

Because we discussed everything else.

Scott Biethan (00:38:51):

Yeah, I know, right? Are there any questions for Commissioner Stephens? Okay.

Dean Potter (00:39:00):

Yeah, this is Commissioner Potter. I had a question.

Scott Biethan (00:39:01):

Go ahead.

Dean Potter (00:39:02):

I couldn't get my mic undone in time to keep you from moving on, Scott. Anyway. Hey, you were talking about PAREA, and the Appraisal Institute has a PAREA program, and there are other providers, and I was wondering if it would be good, I mean, I'm an Appraisal Institute member, I'm all for focusing education money toward the Appraisal Institute. But in all fairness, there are other providers that are going to, or have already created the PAREA equivalent education, and I was wondering if you had a list of those, and looked into those any?

Denise Stephens (00:39:50):

We did look into McKissick. They had said that it's too expensive to run their program. They are offering some of the classes out of that program, for licensed appraisers, but not non-licensed appraisers. And one of the members on our team was going to reach out to them, and find out more about why McKissick was not moving forward with a whole program, and he was going to report that at our next meeting.

Dean Potter (00:40:27):

So, right now the only organization that has a PAREA program is the Appraisal Institute?

Jay Sporn (00:40:34):

So far.

Dean Potter (00:40:35):

Okay. All right. Okay. That's okay. I mean, I know that's a good program, but I'm just curious if there's others. Okay, thank you very much.

Denise Stephens (00:40:45):

Yeah, and you might want to know too, that McKissick is now called Colibri, it's COLIBRI, that came out in our last meeting.

Scott Biethan (00:41:01):

Interesting. Okay. All right. Any other questions for Commissioner Stephens? Seeing none.

Denise Stephens (00:41:17):

Thank you.

Scott Biethan (00:41:17):

I do want to say thank you to all the work that you're doing, too, Commissioner Stephens. I had a chance to catch up with her before the meeting just to kind of check in, and this was one that had a lot of

potential moving parts, and I really appreciate how you've figured out all the different things we needed to cover, come to some views that help us understand that. Did a great job. So, I just want to say thanks. Because, especially the [inaudible 00:41:44] appraisal requirements, I wasn't real up to speed in all of that stuff, so I've learned a lot.

Denise Stephens (00:41:49):

Thank you.

Scott Biethan (00:41:50):

Okay. Moving into the... I'm sorry, I couldn't see the up zone, I was looking down further past, I was like, "Wait a minute, did we forget to put up zoning on here?" Full disclosure. So, we're going to move into an up zoning report. I think I'll just kind of make this brief, and then I'm confirming, Sandy, we're going to have Kathy give an update for ACOW, correct? That's not in any problems here?

Sandy Baur (00:42:22):

Nope, not a problem at all. She is the guest speaker for your subcommittee.

Scott Biethan (00:42:26):

Good. Yeah, I just didn't see it on the agenda, so I just wanted to confirm, and I appreciate all your help keeping me straight. There's still a lot of moving parts here, and in some ways I kind of think, "Oh, it's business is the same as kind where we were at last time," but there seemed to be also a lot of updates, and I don't want to keep thanking them, but I've learned a lot getting to work with the ACOW folks, and have gained a whole new understanding, and respect of all the heavy lifting that they do. I think there's a lot of hours that go in from folks that aren't getting... No one's getting paid to do this. And so, thank you for your support. Kathy, I think that I'm going to turn it over to you, and let you open up your mic, and maybe if you can keep us up to date with issues, and things that you're doing, and I'll put myself on mute.

Kathy Walsh (00:43:22):

Okay. Thank you, Commissioner Biethan. I'm just going to do a quick overview, a little bit of history at the start. So, at the root of the middle housing and the House Bill 1110 issue has been the confusion, and the reluctance of appraisers to accept appraisal requests for properties with new zoning that would exceed the four unit threshold for residential licensing. So, the coalition addressed this in two ways. First of all, we received assurance from the attorney general that the allowable zoning was not determinative of the appraisers' authority to appraise that property, but the highest, and best use analysis was the actual determining factor. So, with this, the coalition developed the highest, and best use webinar to address up zoning in Washington state specifically. The webinar addressed the steps of the highest of best use analysis, including the situations where the residential appraiser could or could not proceed with the appraisal.

(00:44:16):

We're in the process right now of developing a follow-on Zoom discussion to address the questions that came up as a result of the webinar. There were a few things that we just ran out of time. That will be available for the attendees. We're also creating a two-hour highest and best use case studies class that will go into specific situations. And I know we're working with Jay to get some of those Spokane situations documented.

(00:44:45):

Like what Jay talked about, we're finding as cities incorporate the new zoning, in many cases the cities are interpreting the middle housing guidance slightly different, or using different terms, and definitions. We also are seeing that the market demand for the increased density that is allowable is different by location, and in some cases there is no demand. So, what we are coming down to is geographical competency will be increasingly important for appraisers, as well as the market study in the highest and best use analysis. We're continuing to work with the Department of Commerce as follow-up legislation is developed to ensure that we all understand the extent, and the consequences before it's enacted, and we're looking at that bill 1998 too.

(00:45:37):

We really encourage appraisers to contact their local planning departments, and work with them, and understanding the zoning specifics for their locations, because they do vary. So, for instance, the City of Seattle released a new zoning map yesterday. We're hoping to have the city planner as a guest at our next meeting to talk about it, and present it. That meeting will be open to all appraisers.

(00:46:00):

So we continue to follow the middle housing changes. We continue to work with the AQB, and the state, and continue keeping the appraisers informed of the major issues as they develop. One thing I did want to add is the Appraisal Institute Trending Topics Thursday was on this morning right before this meeting, and they did a presentation of highest and best use in conjunction with the IRWA, and AI Canada. [inaudible 00:46:30] was on that as well. And their focus as well was talking about the importance of the market analysis, and the highest and best use analysis as vacant. And I just want to say, I think we're going to see a lot more education about this in the future. So, thank you very much. That's all I have.

Scott Biethan (00:46:52):

Perfect. Are there any questions from the commissioners for anything on this particular work area? Okay. And I think the next steps really are to continue to monitor, and make sure that we are able to point out what's happening, and how appraisers can help themselves in this area, because I know there's still a lot of questions, and so I think that's... Unless there's any other questions for anyone on this topic, any other comment, I would offer that we're done, and turn it over. But I'll pause for a moment to make sure that anyone else doesn't have anything to say. Okay. 8.2, central investigation.

Nathan Buck (00:47:47):

Good morning everyone. My name is Nathan Buck, and I oversee appraisal investigations. As far as the case numbers go, we have a total complaints received of 59. We have 31 in investigation, one in legal, seven in management review, one reopen. And just as a reminder, the reopen, and the management

review also count towards open investigations. We have a total of 89 that were closed, with all those numbers grand totaling of 129. And then we'll go to the next. There we go. As far as the common complaints that we are still seeing, these are kind of similar to some of the last report outs. We have inappropriate comparable sales selection, use of dissimilar comparable sales due to set characteristics, use of physically dissimilar comparable sales for age, and the potential violations identified post-investigation are unsupported adjustments, use of dissimilar comparable sales, and misreporting condition and quality. So, that is the end of my report out. Are there any questions?

Dean Potter (00:49:04):

Yeah, Commissioner Potter here. These principally single family residential appraisals we're talking about here?

Nathan Buck (00:49:13):

Yes, that is correct.

Dean Potter (00:49:15):

Okay. Thank you.

Nathan Buck (00:49:16):

You're welcome.

Scott Biethan (00:49:21):

Good. Any other questions from the commissioners? Mr. Sidor?

Stan Sidor (00:49:32):

Not so much a question, but kind of a comment. There are elements of appraising where it requires a lot of judgment on the part of the appraiser to select, and determine what comparables are appropriate. And one of the things I have found quite often, or it's been commented on for some of the appraisal work I've done, is you have clients, or parties involved saying, "Well, wait a minute, why did you use that sale? It's nothing like my property." And it's like they're not understanding that the selection of comparables, we're not saying that it's exactly similar. We're trying to find the most reasonable appropriate sales, and there may be limited sales.

(00:50:26):

And again, this is coming more from a commercial perspective, where there may be limited sales, and you try to find a sale that's clearly inferior, and another sale that's clearly superior, and hopefully one that's somewhere in the middle, and somewhere in there you're going to conclude to a value. And so I've always expressed a little concern about, yes, citizens are filing complaints against appraisers, but who at the DOL has the experience, and the qualifications, and capabilities to pass judgment on what an appraiser is selecting, and using as far as comparables? And I'm not looking for a response, I just want to throw that out there.

Scott Biethan (00:51:21):

Thanks. Yeah, I also echo that, but it sounds like a lot of it is more on the residential side, because I understand that sometimes on the commercial side, it's like you got a property, and the best you can do is find something better, and something worse, and sometimes it's way better and way worse, just because of the data. But I think that hopefully the folks have the expertise to understand that at the state level. Any other... Oh, go ahead, please, Commissioner Elston.

Claire Elston (00:51:56):

Sorry, I had to unmute my mic here. Given these complexities that we've heard today regarding up zoning, I would like to request that if there are complaints that are investigated regarding the up zoning issue, and how it is actually impacting appraisers in real life, I would like to have that identified, and reported to the commission, so we can understand in a real world basis how this is being approached. So, I would like to suggest that.

Scott Biethan (00:52:32):

Is that something the state can report out, if it's done anonymously?

Claire Elston (00:52:42):

I'm not saying they have to identify the person. I'm saying when we get this report next time, if there were a complaint regarding how up zoning was handled, highest and best use analysis, and there was a determination by DOL of how it was, or was not handled appropriately, I think that would be very interesting to all of us that are following this new issue.

Scott Biethan (00:53:05):

Yeah, no, I apologize. That was a question for the DOL folks, too, because I agree with you.

Sandy Baur (00:53:12):

I think that is something we can look into, and we can bring that back to the commission at our next meeting. We have to look at what the reporting capabilities are in our system, and we can get back you on that.

Scott Biethan (00:53:26):

Right. And so that would be on the action list then?

Sandy Baur (00:53:28):

Yes.

Scott Biethan (00:53:29):

Great. All right. Any other questions or comments from the commission? All right, I think we're moving on to 8.3, licensee count, or licensing customer support services.

Nathan Buck (00:53:49):

I apologize. Real quick, Chair Biethan.

Scott Biethan (00:53:51):

Oh, please. Please, please.

Nathan Buck (00:53:51):

So I just want to quickly reference, as far as I understand that Mr... That Chair... Or, excuse me, that Commissioner Sidor did not necessarily need a response, but I will say as far as that statement that was addressed in one of the prior commission meetings, we do have significant training, and experience within our investigative units. So, I'd be happy to share that at a later time, if necessary.

Scott Biethan (00:54:19):

Okay. And some of your folks have done the appraisal foundation investigator training, correct?

Nathan Buck (00:54:30):

Yes. We have done multiple trainings, to include that aspect of it, as well as having staff members who actually came from the appraisal field.

Stan Sidor (00:54:39):

I appreciate it. Thank you.

Nathan Buck (00:54:41):

You're welcome.

Scott Biethan (00:54:43):

Yeah. Yeah, and I was kind of around the foundation when that whole training thing came up, and I have to admit, I think they really put a lot of effort into that, in making sure, because they... And I think one of the things that the foundation had identified was a wide variety of responses by state for what was a violation, and what were the disciplinary outcomes. And I think they wanted to kind of do their best to give guidance to the states of, "All right, here are the problems, here's what you're looking for when you investigate." And I'm glad that Washington State took part in that. So, all right. Any other issues, questions, thoughts on this topic? Okay. Seeing none, moving over to licensing customer support services.

Sandra Schaefer (00:55:37):

And I apologize, we actually have one more. It's a separate part of [inaudible 00:55:43].

Scott Biethan (00:55:42):

I'm sorry. Yeah.

Sandy Baur (00:55:44):

Yep. I'll go ahead and take this. The most common trends for the common remedies after the inspection has been completed hasn't changed since our last commission meeting. The most common remedies are still fines, continuing education, and license revocation. And just to reiterate, license revocation is used only in extreme cases. Are there any questions about that? Okay, thank you so much. Oh, Commissioner Sidor.

Stan Sidor (00:56:17):

I do have a question. Commissioner Sidor. Have there been any license revocations this year?

Sandy Baur (00:56:24):

I don't think there have been. That is used only as an extreme measure, where the licensee refuses to follow the rules, and laws as stated in our RCWs and WACs.

Stan Sidor (00:56:45):

Thank you.

Scott Biethan (00:56:45):

Okay.

Sandy Baur (00:56:45):

Thank you.

Scott Biethan (00:56:46):

Yeah, I think... And I may want to go, since we're still in kind of the main 8.3, do we have anything broken out about how many of the complaints have come from Fannie Mae?

Sandy Baur (00:56:59):

We do not.

Scott Biethan (00:57:00):

Is that something that is possible to obtain?

Sandy Baur (00:57:05):

We can look into that, and see what the reporting shows. We can bring that back to our next meeting.

Scott Biethan (00:57:16):

Yeah, that probably... Again, trying to understand that genesis of how these come. So I think that's a good thing. All right, anything else? Seeing none, we'll move in... Now, is it okay to move on?

Sandy Baur (00:57:35):

I'll be presenting licensing accounts as well. And as you can see on the slide before you, we do have our accounts broken out by age group, and by license type, for a total of 2,843 licensees. Next slide please. For the licensing renewals, and first issues. Here we see the first issue line is the lower line in blue, and the renewals is the upper line in red. First issues so far this year have been 176, and renewals so far this year have been 855. And that concludes the licensing count. Are there any questions? Yes, vice chair Elston?

Claire Elston (00:58:39):

Yes. I just wondered if you could contrast that with what the numbers were for last year, please. Thank you.

Sandy Baur (00:58:45):

I don't have that data in front of me right now, but we can definitely report out on that at the beginning of next year. We can compare '24 to '23.

Claire Elston (00:58:59):

Thank you.

Jay Sporn (00:58:59):

Any other... You're welcome. Any other questions? Okay, thank you.

Scott Biethan (00:59:06):

All right. So then we're moving on. Operational support. Ms. Baur again.

Sandy Baur (00:59:14):

Yes, I am happy to report the second quarter housing market report. On the slide there's also a link to the website address, if you want any additional data. So far, for Q2, the existing home sales rose the second quarter by about 0.8% compared to the first quarter. However, it fell an overall 16.1% compared to this time last year. Building permit activity also fell 13% from this time last year. The median home price for Washington State during the second quarter was just over \$695,000, which is 6.1% higher than it was this time last year. The housing affordability fell for both medium income, and first time home buyers from the first quarter. The median income buyer, the housing affordability index stayed above 100 in only three of Washington's 39 counties. So, it's going up. Next slide.

(01:00:36):

There is a total of 8,656 residential building permits that were issued during this quarter. However, just over half of those were single family residences. And finally, there, for Q2, there was a 2.2 month supply

of housing. As a reminder, I think the goal is to be at three. It did increase a little bit from the first quarter. At the first quarter, we were at two months' supply, but it is overall a increase from this time last year, which we only had a 1.8 month supply. And at the end of this quarter there were just over 15,000 homes available for sale at the end of the quarter. And with that, that concludes this presentation. Any questions? All right, thank you so much. Back to you, Chair Biethan.

Scott Biethan (01:01:42):

Great. Great. Thank you very much. Okay, I think we're going to go to the review of the master action item list, then after that move into public comments.

Sandra Schaefer (01:02:03):

Thank you, and that one is me. So, for the first item that we have on here, recruitment to fill vacant real estate seat, which Vice Chair Stephens has been kind enough to continue to serve until we fill that position. We are collecting applicant information. We're getting pretty close to being able to move on to the next step, which would be having conversations with folks who meet the requirements for statute. As far as coordinating a rep from Appraiser Diversity Initiative to attend a commission meeting, that is still in progress. We're working on all the moving parts involved in that. And as far as staff to provide a definition of biased language, and complaints by type report out, this... Sandy, if you want to fill that in, we got a response back from Nathan. Sandy, do you have that pulled up? I can pull it up if not.

Sandy Baur (01:03:14):

Yeah, I don't. Hang on.

Sandra Schaefer (01:03:16):

Okay.

Sandy Baur (01:03:17):

Go ahead, and pull that up real quick.

Sandra Schaefer (01:03:19):

Yep.

Scott Biethan (01:03:25):

And while you're doing that, can I also offer a correction to something that was just said?

Sandra Schaefer (01:03:31):

Sure.

Scott Biethan (01:03:31):

I thought I heard you say filling a seat for Commissioner Stephens.

Sandra Schaefer (01:03:33):

Oh my goodness.

Scott Biethan (01:03:33):

And Commissioner Stephens-

Sandra Schaefer (01:03:34):

[inaudible 01:03:37].

Scott Biethan (01:03:37):

Just when you thought you're out, you get pulled back in. No, you're not out. And it's Commissioner Elston.

Sandra Schaefer (01:03:43):

I apologize.

Scott Biethan (01:03:44):

No, I know. I just wanted to make sure it was clear.

Sandy Baur (01:03:51):

I just pulled up, the bias language. Bias language is not defined by the DOL. There are specific types of potential violations that are referred to by the Human Rights Commission to make that type of determination of whether or not it's biased. So, for this definition, we would have to refer to the Human Rights Commission, or perhaps the federal USPAP guidelines for that type of a definition if those complaints are filed.

Scott Biethan (01:04:21):

I'm going to ask Commissioner Sidor, may I just ask a question first, if you're okay?

Stan Sidor (01:04:27):

You just go right ahead.

Scott Biethan (01:04:28):

Yeah, so, okay, the difference in providing a definition, because I think in the last minute, I remember seeing bias language was one of the more commonly... One of the common items used in the... Common items that they have discovered in the complaint process. Would it be possible to ask for a representative sampling of the kind of language that has been brought out? And that might be a different twist on that, because I mean, because USPAP is not going to give us specific language, and I can guarantee you that. There may be other guidelines, but I guess from the state perspective, the only

thing we can ask is what has the state seen that was significant enough to rise to a level of a complaint, if not even one that they said, "Yeah, we're going to refer you on to education," or whatever it was. Is that a fair request?

Sandy Baur (01:05:23):

That's definitely something we can take back to our investigation partners, and we can bring back some information at our next meeting.

Scott Biethan (01:05:33):

I mean, I think it's helpful, everyone should know what you shouldn't be doing, and what's going to cause an issue with the state. So Commissioner Sidor, go ahead. I took more of your time than I meant to.

Stan Sidor (01:05:42):

No, that's fine. And I think more importantly, the distinction I'm curious about is, are individual words being highlighted, or noted, and considered a bias, or are they taken in the context of the entire sentence, or report, or whatever? I mean, somebody might say, "Well, a word by itself may seem to imply some bias," but as is taken in the context of how it's written in the report and presented, maybe it's not, I don't know.

Sandy Baur (01:06:18):

That's a really good point right there. We can also bring this back to our investigation partners, and we can report out on this at our next meeting. Vice Chair Elston?

Claire Elston (01:06:33):

I think to clarify, I don't think we were looking for a definition of biased language, so much as examples of what the state has determined was biased, in light of when they decided that an appraiser needed to be fined, or reeducated. We were looking for examples of what the state had determined was biased.

Sandy Baur (01:06:59):

Thank you for that clarity. We will take that back to our investigative partners, and have a better report out for you at the next meeting then. Thank you for that clarity.

Scott Biethan (01:07:13):

Good.

Sandy Baur (01:07:14):

Any other questions? Yes, Vice Chair Elston?

Scott Biethan (01:07:21):

I think...

Claire Elston (01:07:22):

Sorry.

Scott Biethan (01:07:24):

Yeah.

Claire Elston (01:07:24):

Sorry, I have a technical difficulty. We're fine.

Scott Biethan (01:07:28):

"Take my hand down. Take my hand down."

Claire Elston (01:07:29):

Move on. Thank you so much.

Scott Biethan (01:07:34):

All right. All right. Any other items for the master action list that we would like to forward to the DOL? All right, moving to item nine, public comments. And we're going to open the floor for public commentary, and I would ask you... Yeah, there's the timer, to please keep it to three minutes and we will actually let you know if you've gotten to three minutes, because we are getting a fairly... We want to be consistent with everybody. So, if you go over three minutes, we're probably going to ask you to stop. So, please try to keep it in that, and a reminder that you can send in comments in writing before the meeting, or frankly after the meeting for that matter. And we would ask those be on items that we can control, and that falls on the purview of the commissioners' scope and jurisdiction. And we are limited to not discuss the items, but limited to just directing staff to further be scheduled for a later full discussion, or an action item. I guess. Ms. Baur, was there anything submitted in writing?

Sandy Baur (01:08:48):

We do not have any written public comments at this time.

Scott Biethan (01:08:53):

Okay. All right. So, if you are on the Teams call, if you would be willing to raise your hand, and we'll call on you in the order of hands raised. I think maybe when we're done with that, then we'll open it up to folks that are on the phone. And then since you don't have the hand raising function, at least, unless you can see you do on your phone, then you would just... We'd ask you to speak up, and then if folks speak together, we'll just ask one to pause, and the other to go. Seeing the first hand is Mr. Towne.

Mr. Towne (01:09:33):

Well, goodness, I'm surprised I got in number one on the list, commissioners, thank you very much. I was just going to comment on this question that Stan Sidor raised about the biased language. And for the staff's purposes, you will not find anything in USPAP about this. This has all come out of the GSEs, Fannie Mae, Freddie Mac. They've been monitoring language in reports for several years, and it's become a major hassle for appraisers over the last year, especially. Both of the GSEs for you investigators, have lists of words that they do not wish to see in reports. They're saying, "Do not use these words." But, Commissioner Sidor raised a question, are they taking the word singularly, or out of context? And actually, what we're seeing a lot in the industry, from the reports that I've read and seen, these words are being isolated singularly, without taking into account what is really said when that word is used.

(01:10:44):

In other words, the GSEs have a whole list, and there's hundreds of words on these lists, and they electronically review the reports, both the printed pages, and the addendum areas, and they're finding these words, and they're highlighting these words, and they're putting them on a list that's sent back to the appraiser, or in some cases they're being sent to the states as formal complaints. I don't care what they say about these advisory letters, they're not advisory at all. They are complaints. That's the way they're being inputted. So, anyway, the main point here is, get with the GSEs, get their lists, might even look at FHA. I can't remember for sure if FHA has a list, but I know the GSEs do. And that's where you're going to find the information about this biased language. So, that's all I'm going to comment on today. Thank you very much for your time.

Scott Biethan (01:11:41):

Thank you very much. And let's see, are there any other folks that want to raise your hand and comment publicly? Good. Good, good, good. Is there anyone that has dialed in that would like to offer any public comments? Okay, we will... by the way, thank you Mr. Towne. And we will move on, and go into announcements, and I'm going to move through the next items in number 10.

Sandy Baur (01:12:31):

The staff does not have any announcements at this time.

Scott Biethan (01:12:35):

I don't think there's anything from the commission. All right. And I guess then we're going to ask if we have anything else that we want to have on future agenda items. We can always add later, but if anything that's come up in this meeting now-

Sandra Schaefer (01:12:50):

Chair Biethan?

Scott Biethan (01:12:51):

Yep.

Sandra Schaefer (01:12:51):

Sorry to interrupt. It looks like Commissioner Sporn has his hand raised.

Scott Biethan (01:12:54):

I didn't see that. I'd like to ignore him when I can, because I'd like to be rude inadvertently. Sorry about that, [inaudible 01:13:03].

Jay Sporn (01:13:03):

Certainly used to that.

Scott Biethan (01:13:04):

I know. Yeah, right?

Jay Sporn (01:13:06):

I'd just like to add one thing. I've never seen anybody so enthusiastically present her reports than Sandy, and I find it very, very enjoyable. That's all I want to say.

Sandy Baur (01:13:20):

Thank you, Commissioner Sporn. I enjoy giving the reports.

Scott Biethan (01:13:23):

I'd say you, and Sondra, and Deb, and Bill, and everyone else from the staff that are from DOL that comments, you're all really professional, and very helpful, and we can't thank you enough for all the support. So, good call. Good call, Commissioner Sporn. All right. Okay, so no other future agenda items? And then review of action items.

Sandra Schaefer (01:13:50):

Thank you. I'll take that. And so, I noted that... And this won't be on the action item report, but just to note for myself that the Education Subcommittee meeting series will be updated, and then what will be on the report, we have staff to supply complaint data regarding up zoning topic, staff to clarify what training central investigations and audit unit team members receive, which, actually may take that off. It looks like Nathan Buck already responded to that. Staff to provide data on how many complaints are submitted by Fannie Mae, as opposed to other complaints. Comparison of 2024 and 2023 renewals and first issues. Examples of what the state has determined is biased language in terms of complaints, and whether individual words trigger a complaint, or if context is considered when we are reviewing those complaints. Did I miss anything?

Scott Biethan (01:14:48):

Not that I can see. Anyone else?

Sandra Schaefer (01:14:52):

All right, well back to you, Chair Biethan.

Scott Biethan (01:14:55):

Good. Before we adjourn to the commissioners, is there anything else that we have not covered that we think, "Hey, we were supposed to do this?" That's a no.

Stan Sidor (01:15:07):

I move that we adjourn. This is Commissioner Sidor.

Scott Biethan (01:15:12):

And I'm being noted that we technically don't need to make that motion, but I would agree 100%, I think.

Dean Potter (01:15:19):

Hey, I'll make an unnecessary second, then.

Scott Biethan (01:15:24):

If there's anyone opposed, let us know. It's now 11:16 on October 17. Thank you everyone. Thank you to the staff, and thank you for all participating. The meeting is now adjourned. Our next meeting is January 16th, 2025, and now the meeting is adjourned.

Stan Sidor (01:15:49):

Thank you.

Jay Sporn (01:15:56):

Thank you.

Stan Sidor (01:15:56):

Have a great weekend everybody.

Jay Sporn (01:15:57):

Good to see everyone.

Denise Stephens (01:15:57):

Thank you.

Sandy Baur (01:15:57):

Bye.

Denise Stephens (01:15:57):

We can stop recording.