



STATE OF WASHINGTON  
DEPARTMENT OF LICENSING  
**REAL ESTATE APPRAISER COMMISSION**  
**MEETING MINUTES**

**DATE:** January 12, 2023  
**TIME:** 10:00 AM  
**LOCATION:** Virtual via Teams

**COMMISSION MEMBERS:** Scott Biethan, Chair  
Claire Elston, Vice Chair  
Dean Potter, Commissioner  
Sheryl Knittel, Commissioner  
Stan Sidor, Commissioner  
Brent Palmer, Commissioner

**STAFF MEMBERS:** Mike George, Administrator  
Debra Allen-Bâ, Assistant Administrator  
Sandy Baur, Program Specialist  
Saundra Schaefer, Program Specialist  
Tanya Hessler, Program Manager  
Julia Manley, Assistant Administrator

**1. Call to Order**

The meeting was **CALLED TO ORDER** by Chair Scott Biethan at 10:00 AM.

Chair Biethan took a few minutes to honor Bill King. He also announced that Commissioner Heather Sullivan has resigned her position.

Program Specialist Sandy Baur shared there is an open recruitment for former Commissioner Sullivan's position.

**2. Roll Call**

Program Specialist Saundra Schaefer **CALLED ROLL**. All Commissioners and staff were present except for Commissioner Stan Sidor, who joined later.

**3. Approval of Agenda**

Commissioners requested a correction to item 7.2 from "driveway" to "drive by." Staff will make the correction.

Chair Biethan made a **MOTION** to approve the agenda with corrections. Commissioner Brent Palmer **SECONDED** the motion, and it was **APPROVED**.

#### 4. Approval of Minutes

##### 4.1. Approval of November 17, 2022, minutes.

Commissioner Dean Potter made a **MOTION** to approve the minutes as presented. Commissioner Palmer **SECONDED** the motion, and it was **APPROVED**.

#### 5. Awards/Recognition

None.

#### 6. Old Business

##### 6.1. PAREA Update

Ms. Baur gave an update on Practical Application of Real Estate Appraisal (PAREA) and the Appraisers Qualifications Board (AQB). She said drafting language for trainees and students is in process, with a deadline of Jan 17, 2023. Once completed, staff will forward the language to the Commissioners for feedback.

Chair Biethan asked if it is on target to be completed in March with an adoption in September 2023. Ms. Baur said yes if everything goes as planned.

#### 7. New Business

##### 7.1. Elect new Subcommittees.

*Commissioner Sidor joined at 10:10 AM*

##### 7.1.1. Education & Experience Work Group

Chair Biethan shared that he and Commissioner Sullivan worked on requirements for credentials for appraisal licensure. With Commissioner Sullivan's absence, he is alone with the committee work.

##### 7.1.2. Diversity, Equity, & Inclusion (DEI) Work Group

Commissioner Sidor made a **MOTION** to approve the nomination and appointment of Commissioners Potter and Sidor as DEI Workgroup Members. Commissioner Potter **SECONDED** the motion, and it was **APPROVED**.

##### 7.2. Desktop, Drive by, and Full Appraisal Disparity

Commissioner Sheryl Knittel shared an update on desktop appraisals, assignment types and discrepancy for time frames. She found that in 2005 the Commissioners discussed at length the types of appraisal assignment products, and the WAC was adopted in 2006. In the past 17 years, there have been many changes in the appraisal industry with technology, regulatory changes, and client needs. She recommended a work group be formed to study the WAC regarding the contemporary appraisal work products and allowable work experience hours.

Commissioner Knittel made a **MOTION** for the formation of a committee. Commissioner Potter **SECONDED** the motion.

**Discussion:**

Commissioner Potter suggested to start by finding out what type of experience the Department of Licensing (DOL) has been awarding for different types of appraisal products. From there, group into relevant categories of similar work products and develop an equitable number of hours to be put toward each group of appraisal type.

Commissioner Claire Elston suggested another approach of conducting surveys to constituents for feedback on typical times for different products.

Commissioner Potter would like to get a feel of the ratio between different products in the industry. Chair Biethan said the work group could make recommendations and implementation.

Commissioner Potter said, of our current Commissioners, there are not many residential appraisers and suggested reaching out to someone in the industry. Commissioner Sidor asked if non-board members can participate in work groups. Assistant Administrator Debra Allen-Bâ said anyone, including staff and members of the public, can participate in a work group, and reminded the Commission to just ensure there is not a quorum. Chair Biethan said it would be a great opportunity for Commissioners and stakeholders to interact.

Commissioner Palmer made a **MOTION** for the formation of the committee. Commissioner Potter **SECONDED** the motion, and it was **APPROVED**.

**Additional Discussion:**

Chair Biethan asked Commissioner Knittel if she would be willing to be on the committee and she said she would. Commissioner Palmer said he would also like to be on the committee as long as Commissioner Knittel is the Chair.

Chair Biethan said the committee could even revisit some other issues, such as mass appraiser work and Diversity, Equity, and Inclusion at a later date.

Commissioner Palmer made a **MOTION** to approve the committee appointments of Commissioner Knittel as Chair and Commissioner Palmer as a member. Commissioner Potter **SECONDED** the motion, and it was **APPROVED**.

**7.3. Trainee Demonstration Reports**

Program Manager Tanya Hessler said the appraiser licensing laws require trainees to provide a log identifying required number of appraisal experience hours with a licensed certified supervisor. The rule states that all reports or experience must meet the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) current roles, identify examples of qualifying experience in [WAC 308](#). Trainees and supervisors are certifying that experience meets the standard USPAP. We need additional research and information to determine how demonstration reports would meet the requirements of USPAP.

Commissioner Palmer asked if the appraisal reports have to meet USPAP, why it matters whether it is a demonstration report or working report. Commissioner Sidor said USPAP requires identifying the client on an appraisal report, with demonstration reports the client is theoretical (made up) or the name of the supervisor, and not an actual client.

Commissioner Elston said it doesn't sound like an issue, adding when doing an appraisal report, she states whether it conforms with USPAP. She said it is an issue if a demonstration report doesn't state that it complies, and the supervisor isn't attesting that it complies.

Ms. Allen-Bâ asked if the Commission would be okay with the hypothetical scenario of a trainee log of only demonstration appraisals being submitted. Chair Biethan clarified that if the supervisor attests that they oversaw the appraisal training and it was USPAP compliant, then he would be okay with it. The other Commissioners agreed.

**ACTION ITEM:** Staff to do additional research on how demonstration reports meet the requirements of USPAP.

## **8. Reports**

### **8.1. Committee Reports**

#### **8.1.1. DEI Update**

Commissioner Sidor provided an update on changes that are happening at the federal level to promote DEI. The Appraisal Foundation has issues with its fourth draft which expands on information to DEI and fair housing laws.

Chair Biethan would like to keep this on our radar regarding ethics.

### **8.2. Staff Reports**

#### **8.2.1. BOSS Organization Changes**

Ms. Baur introduced the Board Outreach Support Services' (BOSS) new Administrator, Mike George, and reviewed the BOSS organizational chart.

Mr. George clarified that outreach is about engaging all professions and stakeholders to understand how to better serve. The Outreach Team is going to serve boards, commissions, and professions that aren't represented by a board. He added that the agency will build out that program and add additional people to take on the additional workload.

#### **8.2.2. Complaint Case Counts**

Ms. Baur presented a graph for the Real Estate Annual Complaint Case Count and reported on the statistics for 2022. She clarified that a few cases from 2021 are not closed yet and are reflected in the report.

Commissioners Elston, Potter, and Palmer asked to see a comparison of complaint case counts from the previous three years as it may be valuable with DEI and other issues.

**ACTION ITEM:** Staff to provide complaint case counts for the past three years.

### 8.2.3. Licensee Counts

Ms. Baur presented a graph for the Real Estate Appraiser Licensee Count and reported on statistics.

Commissioners Knittel and Sidor noticed there was a steep decline with certified general appraisers and would like to see data of how many trainees are coming up in the ranks. Ms. Allen-Bâ addressed the data for trainees, she said it may not be possible and will double check. Mr. George said when a trainee gets their trainee license, they do not have to specify their career path. Assistant Administrator Julia Manley said staff will research to see if the trainee has a certified general or certified residential supervisor to shed some light on career path and that it's up to the Commission to decide if its valuable information.

**ACTION ITEM:** Staff to provide data on trainees' specialties, based on supervisor's area of expertise.

### 8.2.4. Review Master Action Items List

Ms. Baur provided an update on action items for Commissioners and staff.

Commissioner Palmer made a **MOTION** to accept the reports as presented. Commissioner Potter **SECONDED** the motion, and it was **APPROVED**.

## 9. Public Comments

**Dallas Kordowski:** He said he appreciates the discussion regarding trainees' experience. He asked what he should be putting in his log and what is expected to comply. Regarding surveys, he said he does less volume as a rural appraiser than an appraiser in the metro area might do in the same amount of work hours. He would like clarification on whether experience hours only apply to residential, or if it also applies to commercial training. He provided the example question of if a certified residential appraiser wanted to become a certified general appraiser, whether they could through the PAREA. He thinks having the perspective of trainees is a good thing.

Chair Biethan asked for clarification on the question of what should be in the log. Mr. Kordowski clarified full appraisals, drive-bys and desktops.

**Bob Mossuto:** He said the Appraisals Coalition of Washington (ACOW) has two bills in session this year, one for evaluations and one on statute of limitations. He said he is considering writing a blacklisting bill.

Mr. Mossuto also requested an update on whether DOL still requires the 7-hour USPAP Update course. He said AQB provided a letter stating that states are not required to have appraisers complete the course based on the current USPAP, because they found ethics rule to be misleading. He asked what is DOL is going to require for renewing license.

Mr. Mossuto added that the ACOW conference will be in Spokane this May (2023) and is going to be DEI heavy.

**Dave Towne:** He said he has a copy of the update to the USPAP Update class which has to do with bias and discrimination. He suggested that finding a replacement for Heather Sullivan, should be put on the agenda under new business. He thanked Mr. George for assisting him with a personal situation involving appraisers.

Mr. Towne asked who will become the appraiser and AMC administrator to replace Mr. George. Chair Biethan said his question would be addressed in a follow-up after public comments.

Mr. Towne also asked for an answer to the question asked in a previous Real Estate Appraisal Commission Meeting: How many incoming complaints DOL is receiving from Fannie Mae. He said Fanny Mae is sending automatically generated complaints that are not signed. He would like DOL to look into the unsigned complaints from Fanny Mae and asked if it is constitutionally correct in the state of Washington for unsigned complaints to be accepted. He said incoming complaints are disruptive to appraisers in the state.

**Michelle:** She said there is no practical real-world experience in a demonstration report. She stressed that real world experience is very important and needs to happen to do this job. She also said a Commissioner's comment earlier in the meeting, referring to a supervisor signing an appraisal as being willing to put their neck in a noose, was completely and totally inappropriate.

Mr. Mossuto said he will take Mr. Towne's concerns to the ACOW Board.

Mr. Kordowski said, regarding demonstration appraisals, some lenders do not allow training to be mentioned in the report, so trainees are doing a lot of the work that is not mentioned in the report. He said trainees would like to get hours counted for those situations.

Ms. Baur read an emailed submitted by Mr. Mossuto which reiterated his earlier comments.

**ACTION ITEM:** Staff to provide USPAP update/clarification on whether AQB has changed requirements regarding renewal of license.

**ACTION ITEM:** Report out on replacement of Commissioner Heather Sullivan.

**ACTION ITEM:** Staff to provide clarification on whether we are accepting 100% of exp hours and demonstration reports for desktop only.

Justin Slack said he is a USPAP instructor and is just now hearing of the USPAP/AQB subject. He added it should rise to the level of a workgroup as it cannot wait until the next committee meeting.

Mr. Towne clarified that **ASB** does not control course content for appraisers. He added that a document was circulated by the **AQB** to be a supplement to the update course.

**ACTION ITEM:** Staff to send out ListServ regarding available Commissioner seat.

Ms. Allen-Bâ said Ms. Hessler would be the first to contact for licensing issues until Mr. George's position is replaced.

Regarding Fanny Mae complaints, Ms. Baur said there is no requirement for a complaint to be signed. Mr. Towne said the form is not consistent with the RCW as it requests a signature.

Commissioner Elston said she would like clarification whether trainees can be credited 100% of experience hours demonstration reports as desktop, without doing any actual inspections of property.

**ACTION ITEM:** Staff to provide clarification on whether DOL accepts 100% of experience hours and demonstration reports for desktop only.

## **10. Conclusion**

### **10.1. Announcements**

#### **10.1.a Annual Board Training**

Ms. Baur provided training on Open Public Meetings Act, Ethics in Public Service, Public Disclosure, and Parliamentary Procedures.

Commissioner Palmer asked about a quorum since the Commission is down a member. Ms. Baur clarified that a quorum is based on total seats (7) and that vacancies do not reduce the number required to meet a quorum.

Chair Biethan asked, regarding splintering a quorum, whether having a conversation with another member is a violation. Ms. Baur clarified, it constitutes as a quorum when Commission business is discussed, such as a member is trying to influence the actions of other Commissioners. Two members of the Commission

discussing personal matters, or other non-Commission subjects is not considered splintering a quorum.

Commissioner Sidor asked for clarification on the gift limit. Ms. Baur explained that if there is no affiliation to your profession, so the gift is exchanged with an individual outside of your profession and board, the \$50 limit does not apply. She added that gift exchanges cannot be reasonably deduced to influence a Commissioner's decision on Commission business.

Commissioner Potter asked, regarding lobbying or other similar situations, whether he should state that he is a Commissioner, but these are his personal views. Ms. Baur said if Commissioner Potter was attending a meeting as a Real Estate Appraiser, he should not mention his commission position. Commissioner Sidor asked what to do if a Commissioner is recognized and attention is brought to their Commission position. Ms. Baur stated they could confirm their position but make it clear that they are not representing the Commission in that instance. Ms. Allen-Bâ added a Commissioner should be very cautious and possibly fill out a public disclosure to submit to the Public Disclosure Commission.

#### **10.2. Requests for Agenda Items**

Ms. Schaefer read off the agenda items for the next meeting that were requested during this meeting. She asked the Commission for any additional agenda items, and there were none. New agenda items are:

- Fannie Mae complaints.
- Standing item: report out on replacement for Commissioner Heather Sullivan until the position has been filled.

#### **10.3. Review Action Items from This Meeting**

Ms. Schaefer read off the action items requested during this meeting. She asked the Commission for any additional items, and there were none.

New action items are:

- Staff to review [WAC 308-125-070\(2\)\(6\)](#) for clarity.
- Staff to get complaint case comparison data over prior three years.
- Staff to clarify whether Licensee Counts over Time numbers are total licensees or new licensees for that year.
- Staff to provide data on trainees' specialty based on Supervisor's area of expertise.
- USPAP update: Staff to provide clarification on whether AQB has changed requirements regarding renewal of license.
- Staff to send out ListServ regarding available Commissioner seat recruitment.
- Staff to provide clarification on whether DOL accepts 100% of experience hours and demonstration reports for desktop only.

### **11. Adjournment**

Chair Biethan **ADJOURNED** the meeting at 12:07 PM.

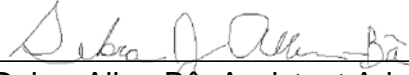


**Next Board Meeting:**

April 13, 2023, at 10:00 AM

Virtual via Teams

Submitted by:

  
Debra Allen-Ba, Assistant Administrator

05-19-2023

Date

Approved by:

  
Scott Biethan, Board Chair

05-19-2023

Date