



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

DATE: May 16, 2023
TIME: 1:30 PM
LOCATION: Virtual via Teams

COMMISSIONERS: Scott Biethan, Chair
Clare Elston, Vice Chair
Stan Sidor, Commissioner
Brent Palmer, Commissioner
Dean Potter, Commissioner
Sheryl Knittel, Commissioner

STAFF MEMBERS: Sandy Baur, Program Specialist
Saundra Schaefer, Program Specialist
Bill Dutra, Administrator

1. Call to Order

Chair Scott Biethan called the meeting to order at **1:30 PM**.

2. Roll Call

Program Specialist Saundra Schaefer conducted roll call. All Commissioners were present.

3. Approval of Agenda

Commissioner Brent Palmer made a **MOTION** to approve the order of agenda as presented. Commissioner Stan Sidor **SECONDED** the motion, and it was **APPROVED** by a vote of 6-0.

4. Approval of Minutes

4.1. Approval of January 12, 2023 minutes

Commissioner Palmer asked for a correction on page 13, in the third paragraph to the spelling of the word "of."

Commissioner Palmer Made a **MOTION** to approve the minutes as corrected. Commissioner Sidor **SECONDED** the motion, and it was **APPROVED** by a vote of 6-0.

4.2. Approval of April 13, 2023 minutes

Commissioner Palmer made a **MOTION** to approve the minutes as presented. Commissioner Dean Potter **SECONDED** the motion, and it was **APPROVED** by a vote of 6-0.

5. Awards/Recognition

5.1. Recognition of Heather Sullivan's service

Program Specialist Sandy Baur and Chair Biethan thanked Heather Sullivan for her work with the Commission.

6. Old Business

6.1. Practical Applications of Real Estate Appraisers (PAREA) Update

Staff will provide an update concerning the rulemaking process.

Ms. Baur stated the rulemaking team had not completed the required revision to the language prior to the end of the 2023 legislative session. Legislative sessions are when resources are available to write rule making. Staff had been writing the rule change with PAREA and AQB standards in one rule making effort, however they may need to be separated. She said there were more steps to be completed before changes could be submitted. Staff were planning more listening sessions, outreach opportunities, and surveys.

Ms. Baur said she was compiling the data from the last survey and would present it at the July 13, 2023, Commission meeting. She was hopeful that everything would be completed prior to the 2024 legislative session.

7. New Business - None.

8. Reports

8.1. Committee Reports

8.1.1. Diversity Equity & Inclusion (DEI) Update

The DEI Committee will provide an update as it relates to the Commission.

Commissioner Sidor said he had been monitoring legislation, and no bills were moving forward. Commissioner Potter said the biggest thing he saw was the Appraisal Standards Board (ASB) has approved the Fifth Exposure Draft and the biggest change with the new Uniform Standards of Professional Appraisal Practice (USPAP) 1124 was it would not have an expiration date. He said the most significant change was the obligation of an Appraiser and encouraged the Commission to read the final Fifth Exposure Draft.

Vice Chair Clare Elston asked, since USPAP will have no expiration date, whether the state will require taking the USPAP when licensees recertify.

ACTION ITEM: Staff to research the requirement for taking the USPAP when a licensee recertifies.

8.2. Staff Reports

8.2.1. Boards, Commissions, and Outreach Organizational Changes

Staff will provide an overview of recent changes to the agency and the Boards, Commissions, and Outreach team organizational structure.

Ms. Baur reviewed organizational charts describing the Department of Licensing (DOL) Business and Professions Division (BPD) and Boards, Commissions, and Outreach roles with the Commission.

8.2.2. Complaint Case Counts

Staff will provide data on the status of current and closed complaint cases.

Ms. Baur reviewed the complaint case counts report with the Commission.

8.2.3. Licensee Counts

Staff will provide data on the current licensees by age, status, and county.

Ms. Baur reviewed the licensee count report with the Commission.

8.2.4. Complaint Process Presentation

Staff will provide details on the steps taken to research and resolve complaints.

Ms. Baur gave a presentation of the investigation process with DOL and outlined each step of the process. She also said state law did not require a signature on complaints, which was compliant with state law and administrative guidelines.

Chair Biethan said Fannie Mae had information on their website about appraiser quality monitoring. He will share the website link with Ms. Baur, and she will send it on ListServ for those who would like to better understand their approach with the complaint process. He researched the process that they follow prior to sending a state tip or state referral. He said it was a very involved process with many touch points.

Voluntary compliance appeared in Ms. Baur's Complaint Process Presentation. Administrator Bill Dutra explained it is something minor or simple that had transpired throughout an investigation. An example he gave was a licensee who has a license lapse of a few days before renewing and performed work while their license was expired. The compliance would be to ensure they are actively licensed at the time they are conducting any activities.

ACTION ITEM: Staff to send ListServ with the website information for Fanny Mae complaint process.

8.2.5. Review Master Action Items List

Staff will provide a review of the current and ongoing action items.

Ms. Baur provided a status update of the current action items.

Commissioner Palmer made a **MOTION** to accept the reports. Commissioner Knittel **SECONDED** the motion, and it was **APPROVED** by a vote of 6-0.

9. Public Comments

The public may address the Board on matters within the Board's jurisdiction, either verbally during the meeting or by submitting written comments. The Board is limited to directing staff to study the matter further or requesting that the matter be rescheduled for discussion and consideration at a later time.

Members of the public who address the Board verbally are limited to one three-minute comment. In lieu of a verbal comment, individuals may submit their comment in writing at least two days prior to the meeting by emailing DOLBoards@dol.wa.gov. Written comments are limited to no more than 500 words and will be read by staff during this portion of the meeting.

Heather Sullivan addressed the Commission and shared the USPAP seven-hour course is still required and will be updated every two years. She also asked, "If the Department/Commission is not the intended user of a demonstration appraisal, who is?" and said it does have replications in USPAP as far as what form should be used. She recommended providing more guidance around what the expectation is.

Todd Reddington addressed the Commission concerning House Bill (HB) 1110 and requested that the Commission investigate the negative impacts on the residential appraisal industry and come up with guidance for residential appraisers.

George Nervik addressed the Commission with three items. First, they said the 500-word response is not adequate and should be removed. Second, they said the unsigned complaints from Fannie Mae are a violation of constitutional rights, specifically a person has a right to know and face their accuser. Lastly, they said that it is in state law that appraisers have to associate with licensed/registered people and that anyone contributing to a report must be mentioned by name and license/registration number. However, with hybrid appraisals, unlicensed people are participating in the appraisal process and the state is allowing it to happen. They will follow-up with a detailed letter.

Dave Towne addressed the Commission and suggested that staff put the Commissioners' names in the roll call section on the agenda. They said, regarding USPAP, if there is no change to USPAP during the two-year periods, a different class will likely be developed. They said governmental agencies need to stop accepting formal complaints that are not signed and the Commission may need to establish a Revised Code of Washington (RCW) to address the issue.

Dallas Kiedrowski addressed the Commission and said according to [RCW 18.140.230](#) the Commission's composition is not meeting statutory requirements. They said it is crucial to recognize the intent to establish a proactive body that encompasses the diverse perspectives of the entire appraisal industry. They urged the Commission to review the current composition and take necessary steps to rectify any deviation from statutory requirements. They also asked for clarification on whether mass appraisers are included in the licensee count report.

Kathy Walsh addressed the Commission and said they recently submitted a letter and another letter in March 2023 with an extensive study regarding Fannie Mae and the value acceptance program. They said inaccurate information is being collected from properties due to lack of qualified personnel performing inspections, which violates Washington state law. They also said in a letter from the Appraisal Institute to the Federal Housing Finance Agency stated the program is creating an alternate workforce that may negatively affect aspiring appraisers' ability to enter the valuation profession.

10. Conclusion

10.1. Announcements

Staff and Commissioners will provide information, updates, and news impacting the industry. This will be informational only; no discussion or action will be taken.

Chair Biethan announced that Commissioner Knittel will be stepping down from the Commission and thanked her for her service.

Ms. Baur announced that the DOL Director has appointed Jay Sporn to the Real Estate Appraiser Commission. He currently works in the Spokane County Assessor's Office, and has been a certified residential appraiser since 1994.

10.2. Requests for Agenda Items

Commissioners will request staff to add items to the next meeting agenda, or master action item list, based on public comments or other discussion from this meeting.

Chair Biethan, Ms. Baur and Ms. Schaefer reviewed future agenda items.

- Recognition of Sheryl Knittel and welcoming Jay Sporn.
- PAREA/AQB Update Follow-up.
- Discuss whether unsigned complaints should be allowed to be submitted.
- Discuss third party Property Data Collection (PDC), including hybrid appraisals.
- HB 1110 Update: Requested by the Appraisers' Coalition of Washington (ACOW), especially regarding the impacts of section 3.1.
- Report-out on Commission Composition.

10.3. Review Action Items from This Meeting

Staff will review the new action items from this meeting.

Ms. Schaefer reviewed the master action item list.

- Staff to research PAREA and AQB as it relates to Commissioner questions.
- Staff to research HB 1110.
- Staff to send ListServ with the website information for Fanny Mae complaint process.
- Staff to research the guidance on demonstration reports being used for experience, intended use and user, and the 1004 form.
- Staff to research the requirement for taking the USPAP when a licensee recertifies, now that there is no expiration date.
- Staff to get clarification on whether licensee counts report includes mass appraisers.

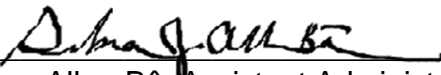
11. Adjournment

Commissioner Sidor made a **MOTION** to adjourn the meeting. Commissioner Palmer **SECONDED** the motion, and it was **APPROVED** by a vote of 6-0.

Chair Biethan **ADJOURNED** the meeting at **3:07 PM**.

Next Board Meeting:

July 13, 2023, at 10:00 AM
Virtual via Teams

Submitted by: 
Debra Allen-Bâ, Assistant Administrator

07-13-2023
Date

Approved by: 
Scott Biethan, Chair

07-13-2023
Date