

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
January 19, 2012

MEMBERS PRESENT:

Mr. Joseph Lundy (Chairman)
Mr. Kenneth D. Wallis, III (Vice-Chairman)
Mr. Fred Crochen
Mr. Joseph Lambert
Mrs. Dot Wood
Mr. Chris Pettey
Mrs. Cornelia Tisher
Mr. Mark Moody left at 9:01 a.m., returned at 9:20 a.m.
Mr. Chester Mallory

MEMBERS ABSENT:

None

OTHERS PRESENT:

Mrs. Lisa Brooks, Executive Director
Ms. Neva Conway, Legal Counsel
Mrs. Carolyn Greene, Executive Secretary
Mr. Sam Davis, Investigator
Mr. Joe Dixon, Investigator

GUESTS PRESENT:

Mrs. Kristi Klamet
Mrs. Denise Graves
Mr. Neal Fenochietti
Ms. Penny Nichols

- 1.0 With quorum present Mr. Joseph Lundy, Chairman, called the meeting to order at 8:23 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held in the 3rd Floor Conference Room, 100 North Union Street, Montgomery, Alabama. Prior notice of the meeting was posted on the Secretary of State's website on January 31, 2012 in accordance with the Alabama Open Meetings Act.
- 2.0 The meeting was opened with prayer by Mr. Lundy and followed by the Pledge of Allegiance, led by Mr. Wallis.
- 3.0 Members present were Mr. Joseph Lundy, Mr. Chris Pettey, Mr. Fred Crochen, Mrs. Dot Wood, Mr. Kenneth Wallis III, Mrs. Cornelia Tisher, Mr. Joseph Lambert, Mr. Mark Moody and Mr. Chester Mallory.

Mr. Lundy welcomed guests, Mrs. Kristi Klamet, Mrs. Denise Grave, Mr. Neal Fenochietti, and Ms. Penny Nichols and asked the Board members to introduce themselves.

- 4.0 On motion by Mr. Lambert and second by Mr. Pettey, the regular minutes for November 17, 2011 were approved as written. Motion carried by unanimous vote.

On motion by Mr. Mallory and second by Mr. Lambert, the regular minutes from September 15, 2011 were approved as corrected. Motion carried by unanimous vote.

- 5.0 Ms. Conway included, for Board information, new filings on Complaint AB-08-131 (Donald W. Manuel, R00460), pending in the Circuit court of Jefferson County.

Mr. Lundy informed the Board that the hearing previously scheduled for January 18, 2012 in this matter had been continued for two weeks for Mr. Manuel to obtain a new attorney. Mr. Lundy also informed the Board that Mr. Manuel had withdrawn his request for a hearing before the Board.

- 6.0 The Board discussed the elimination of the State Registered and Licensed Real Property Appraiser classifications. On motion by Mr. Wallis and second by Mr. Moody, the Board voted to develop legislation to be introduced in the 2012 Legislative session to eliminate the State Registered Real Property Appraiser and Licensed Real Property Appraiser classifications. Existing State Registered and Licensed Real Property Appraisers would be allowed to continue to hold those licenses as long as they follow the appropriate renewal procedures. Motion carried by unanimous vote.

- 7.0 On motion by Mrs. Wood and second by Mrs. Tisher the following applications were voted on as listed. Motion carried by unanimous vote.

- 7.1 **Trainee Real Property Appraiser application approved:** Walter Brian Harris and Peter Sandner Hennessey. **Applications deferred:** None. **Applications denied:** None.

- 7.2 **State Registered Real Property Appraiser applications approved:** Darlene Daugherty. **Applications deferred:** Greg Thompson. **Applications denied:** None.

- 7.3 **Licensed Real Property Appraiser application approved:** Matthew J. Markert (Recip.)(GA). **Applications deferred:** None. **Applications denied:** None.

- 7.4 **Certified Residential Real Property Appraiser applications approved:** Martin Duerrmeier (Recip.)(TN). **Applications deferred:** Philip Brantley. **Applications denied:** None.

- 7.5 **Certified General Real Property Appraiser applications approved:**

Blake Fine (Recip.)(GA), Trevor L. Miller (Recip.)(MO), Kyung Ho Min (Recip.)(GA), Andrew J. Robinson (Recip.)(GA), and Jeffrey N. Watkins (Recip.)(GA). **Applications deferred:** Daniel T. Enslin. **Applications denied:** None.

7.6 **Mentor applications approved:** James Williams. **Application deferred:** None. **Applications denied:** None.

8.0 Mr. Mallory presented the Finance report and stated that the Board was 25% into Fiscal Year 2012 and 24 % into budget expenditures. Mr. Mallory stated that there were no negative trends that could not be reconciled at this time.

On motion by Mr. Pettey and second by Mr. Wallis, the Board voted to approve the Financial Report. Motion carried by unanimous vote.

9.0 On motion by Mrs. Wood and second by Mr. Crochen, the following education courses and instructor recommendations were approved, deferred, or denied as indicated. Motion carried by unanimous vote.

DYNASTY SCHOOL

(LIC) Advanced Residential Applications and Case Studies - 15 Hours – Online
(Instructor: Robert Abelson)
Both Course and Instructor Approved

MCKISSOCK, LP

(CE) 2012-2013 7 hour National USPAP Update Course – Live Webinar – 8 Hours – Online
(Instructors: Dan Bradley, Tracy Martin and Charles Fisher)
Both Course and Instructors Approved

(CE) 2012-2013 7 hour National USPAP Update – 7 Hours – Classroom
(Instructors: Dan Bradley, Wally Czekalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, John Willey, Susanne Barlow and Paul Lorenzen)
Both Course and Instructors Approved

(LIC) 2012-2013 15-Hour National Uniform Standards of Professional Appraisal Practice Course – 15 Hours – Online
(Instructors: Dan Bradley)
Both Course and Instructor Approved

(CE) Residential Appraisal Review – Live Webinar - 7 Hours – Online
(Instructor: Dan Bradley, Tracy Martin and Susanne Barlow)
Both Course and Instructors Approved

(CE) REO & Short Sale Appraisal Guidelines – 4 Hours – Classroom

(Instructors: K. Tracy Martin)
Instructor Approved

- (CE) Introduction to Regression Analysis for Appraisers – 4 Hours – Classroom
(Instructors: Dan Bradley, Wally Czekalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, John Willey, Susanne Barlow and Paul Lorenzen)
Both Course and Instructors Approved

INTERNATIONAL RIGHT OF WAY ASSOCIATION

- (CE) University of Alabama Annual ROW Conference – 7.5 Hours – Classroom
(Instructor: Judy Jones)
Both Course and Instructor Approved

The motion carried by unanimous vote.

- 10.0 The Board reviewed the following disciplinary reports.

AB 10-14 On November 17, 2011, the Board approved a Consent Settlement Order and issued a private reprimand to a Trainee Appraiser. The Licensee also agreed to pay an administrative fine of \$1050. The violations in the residential appraisal were: Licensee failed to include the research and analysis that was necessary, to develop an acceptable scope of work with credible appraisal assignment results. Licensee overlooked the Subject being located in a PUD with homeowners' association and fees. Licensee failed to state and analyze, accurate and complete data within the Sales Comparison Approach. Licensee used unsupported data and miscalculated in developing the Cost Approach. Licensee developed the appraisal report with non-credible and unsupported square footage (GLA). Licensee failed to research and analyze data that was significant to the appraisal assignment. Licensee's appraisal order required four (4) comparables and Licensee only provide three (3) comparables in the Sales Comparison Approach. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach. Licensee used unsupported square footage in the dwelling calculations of the Cost Approach. Licensee failed to analyze accurate and complete sales data in the Sales Comparison Approach. Licensee failed to use supported and credible data in the Cost Approach. Licensee used unsupported data and miscalculated in developing the Cost Approach resulting in the Approach being non credible. Licensee failed to state and analyze a PUD/Homeowners' Association, when applicable to the Subject and comparables. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach. Licensee used unsupported square footage in the dwelling calculations of the Cost Approach. Licensee failed to identify some of the relevant characteristics of the Subject property. The Subject was located in a PUD with a Homeowners' Association, homeowners' fees and amenities associated with the development. Licensee used unsupported square footage of the

GLA in the Sales Comparison Approach, which resulted in non-credible GLA adjustments. Licensee analyzed the location of the Subject and comparables as "Good", when market data did not support all having the same or similar characteristics and attributes of location. Licensee failed to provide reasoning, within the report, as to the lack of an analysis between the properties. Licensee failed to state the analysis of the PUD/Homeowners' Associations of the Subject and Comparables #1 and #3 or state a reason for the lack of an analysis. Licensee failed to state the analysis of the lack of a PUD/Homeowners' Association of Comparable #2, when the Subject was located within a PUD/Homeowners' Association. Licensee analyzed the subject site as Good and the comparables sites as Similar, when market data did not support all having similar characteristics and attributes. Licensee failed to provide the elements of comparison, within the Porch/Deck/Patio grid, for Comparable #2 and Comparable #3. Licensee failed to state a reason for the lack of an analysis. Licensee failed to analyze the characteristics and attributes of Comparable #2 being located on a golf course with a view of the golf course. Licensee failed to analyze the characteristics and attributes of Comparable #3 being located within a development with boat slips. The location of the development provided water access through the canal to the bay and on to the gulf. Licensee analyzed unsupported square footage in the GLA of Comparable #3. Licensee analyzed a site improvement (privacy fence) within the dwelling calculations/figures to arrive at a total estimate of cost new that was not credible. The square footage used to develop the dwelling cost was an unsupported square footage. Licensee failed to accurately analyze the accrued depreciation (physical depreciation) due to including a site improvement cost within the dwelling cost new calculations/figures, which was non credible. The square footage used to develop the dwelling cost was an unsupported square footage. (*Accrued depreciation developed from non-credible data*). Licensee failed to reconcile the quality and quantity of data available, which was analyzed or not analyzed in the Sales Comparison Approach and Cost Approach. Licensee failed to recognize the data available and use this data to develop the credible approaches to value within the appraisal report. Licensee stated the year of the census information as the map reference, which was an outdated date for current census information at the time of the appraisal. Licensee failed to clearly and accurately state the neighborhood boundaries within the Neighborhood section of the appraisal report. The description stated was not the boundaries of the neighborhood named within the appraisal report. Licensee failed to state the accurate site dimensions and site area within the appraisal report. Licensee failed to state the accurate zoning of the Subject property within the Site section of the appraisal report. Licensee failed to state an accurate FEMA map number within the appraisal report. Licensee failed to disclose the Subject property was located both within Flood Zone X and Flood Zone AE. Licensee only stated Flood Zone X within the appraisal report. Licensee stated the information for the storm sash/insulated in the screen section of the Improvements/Exterior Description-Materials/Condition section of the appraisal report. The screen section information was misstated due Licensee's error. Licensee stated the closing attorneys or closing agents

as the data verification sources in the Sales Comparison Approach, when these were not the verification sources used by the appraiser. Licensee stated and analyzed unsupported square footage in the GLA of Comparable #3 in the Sales Comparison Approach. Licensee indicated the Reproduction Cost was estimated in the Cost Approach (typo error), when the Replacement Cost was actually estimated. Licensee made a comment in the FIRREA/USPAP Addendum under the Purpose section, which was not supported by Licensee's workfile or appraisal. Licensee provided photos of Comparables #2 and #3 in the Photo Addendum, which were not the accurate photos of the comparables. Licensee provided a Location Map addendum, which did not accurately locate the Subject and comparables. Licensee provided a Flood Map addendum, which was not the area where the Subject is located. Licensee failed to provide information about the homeowners' association fees and amenities of the subdivision where the Subject was located. Licensee failed to state the heating of the Subject was by force warm air (FWA). Licensee failed to state the condition of the exterior walls, roof surface, gutters & downspouts and windows within the Improvements/Exterior Description-Materials/Condition section of the appraisal report. Licensee failed to state the car storage space information for the driveway of the Subject. Licensee failed to indicate the garage was a "built in" garage for the Subject. Licensee failed to provide reasoning for the appraised value of the Subject exceeding the range of value for comparable properties sold and offered for sale within the subject neighborhood. Licensee failed to provide information, within the Sales Comparison Approach; Comparable #2 was located on a golf course. Licensee failed to provide information within the Sales Comparison Approach; Comparable #3 was located within a development with boat slips and access to the canal, bay and gulf. Licensee failed to provide adequate information for the lender/client to replicate the cost figures and calculations in the Cost Approach. Licensee failed to provide adequate information for the lender/client/intended user to realize the cost of the appliances were included within the per square foot cost of the dwelling in the Cost Approach. Licensee failed to provide the PUD information of if the developer/builder was in control of the homeowners' association and if the units were detached or attached. **Violations: Competency Rule, Standard Rule 10-1(a), 1-1(b), 1-2(e), 1-4(a), 1-4(b)(ii), 1-4(b)(iii), 1-6(a), 2-1(a), 2-1(b), USPAP 2008-2009 Ed. §34-27A-20(a)(6), §34-27A-20(a)(7), Code of Alabama, 1975.**

AB 10-15 On November 17, 2011, the Board approved a Consent Settlement Order and issued a private reprimand to a Certified General Appraiser. The Licensee also agreed to pay an administrative fine of \$1200. The violations in the residential appraisal were: Licensee failed to include the research and analysis that was necessary, to develop an acceptable scope of work with credible appraisal assignment results. Licensee overlooked the Subject being located in a PUD with homeowners' association and fees. Licensee failed to state and analyze, accurate and complete data within the Sales Comparison Approach. Licensee used unsupported data and miscalculated in developing the Cost Approach. Licensee developed the appraisal report with non-

credible and unsupported square footage (GLA). Licensee failed to research and analyze data that was significant to the appraisal assignment. Licensee's appraisal order required four (4) comparables and Licensee only provide three (3) comparables in the Sales Comparison Approach. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach. Licensee used unsupported square footage in the dwelling calculations of the Cost Approach. Licensee failed to analyze accurate and complete sales data in the Sales Comparison Approach. Licensee failed to use supported and credible data in the Cost Approach. Licensee used unsupported data and miscalculated in developing the Cost Approach resulting in the Approach being non credible. Licensee failed to state and analyze a PUD/Homeowners' Association, when applicable to the Subject and comparables. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach. Licensee used unsupported square footage in the dwelling calculations of the Cost Approach. Licensee failed to identify some of the relevant characteristics of the Subject property. The Subject was located in a PUD with a Homeowners' Association, homeowners' fees and amenities associated with the development. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach, which resulted in non-credible GLA adjustments. Licensee analyzed the location of the Subject and comparables as "Good", when market data did not support all having the same or similar characteristics and attributes of location. Licensee failed to provide reasoning, within the report, as to the lack of an analysis between the properties. Licensee failed to state the analysis of the PUD/Homeowners' Associations of the Subject and Comparables #1 and #3 or state a reason for the lack of an analysis. Licensee failed to state the analysis of the lack of a PUD/Homeowners' Association of Comparable #2, when the Subject was located within a PUD/Homeowners' Association. Licensee analyzed the subject site as Good and the comparables sites as Similar, when market data did not support all having similar characteristics and attributes. Licensee failed to provide the elements of comparison, within the Porch/Deck/Patio grid, for Comparable #2 and Comparable #3. Licensee failed to state a reason for the lack of an analysis. Licensee failed to analyze the characteristics and attributes of Comparable #2 being located on a golf course with a view of the golf course. Licensee failed to analyze the characteristics and attributes of Comparable #3 being located within a development with boat slips. The location of the development provided water access through the canal to the bay and on to the gulf. Licensee analyzed unsupported square footage in the GLA of Comparable #3. Licensee analyzed a site improvement (privacy fence) within the dwelling calculations/figures to arrive at a total estimate of cost new that was not credible. The square footage used to develop the dwelling cost was an unsupported square footage. Licensee failed to accurately analyze the accrued depreciation (physical depreciation) due to including a site improvement cost within the dwelling cost new calculations/figures, which was non credible. The square footage used to develop the dwelling cost was an unsupported square footage. (*Accrued depreciation developed from non-credible data*). Licensee failed to reconcile the quality and quantity of data available, which was analyzed

or not analyzed in the Sales Comparison Approach and Cost Approach. Licensee failed to recognize the data available and use this data to develop the credible approaches to value within the appraisal report. Licensee stated the year of the census information as the map reference, which was an outdated date for current census information at the time of the appraisal. Licensee failed to clearly and accurately state the neighborhood boundaries within the Neighborhood section of the appraisal report. The description stated was not the boundaries of the neighborhood named within the appraisal report. Licensee failed to state the accurate site dimensions and site area within the appraisal report. Licensee failed to state the accurate zoning of the Subject property within the Site section of the appraisal report. Licensee failed to state an accurate FEMA map number within the appraisal report. Licensee failed to disclose the Subject property was located both within Flood Zone X and Flood Zone AE. Licensee only stated Flood Zone X within the appraisal report. Licensee stated the information for the storm sash/insulated in the screen section of the Improvements/Exterior Description-Materials/Condition section of the appraisal report. The screen section information was misstated due Licensee's error. Licensee stated the closing attorneys or closing agents as the data verification sources in the Sales Comparison Approach, when these were not the verification sources used by the appraiser. Licensee stated and analyzed unsupported square footage in the GLA of Comparable #3 in the Sales Comparison Approach. Licensee indicated the Reproduction Cost was estimated in the Cost Approach (typo error), when the Replacement Cost was actually estimated. Licensee made a comment in the FIRREA/USPAP Addendum under the Purpose section, which was not supported by Licensee's workfile or appraisal. Licensee provided photos of Comparables #2 and #3 in the Photo Addendum, which were not the accurate photos of the comparables. Licensee provided a Location Map addendum, which did not accurately locate the Subject and comparables. Licensee provided a Flood Map addendum, which was not the area where the Subject is located. Licensee failed to provide information about the homeowners' association fees and amenities of the subdivision where the Subject was located. Licensee failed to state the heating of the Subject was by force warm air (FWA). Licensee failed to state the condition of the exterior walls, roof surface, gutters & downspouts and windows within the Improvements/Exterior Description-Materials/Condition section of the appraisal report. Licensee failed to state the car storage space information for the driveway of the Subject. Licensee failed to indicate the garage was a "built in" garage for the Subject. Licensee failed to provide reasoning for the appraised value of the Subject exceeding the range of value for comparable properties sold and offered for sale within the subject neighborhood. Licensee failed to provide information, within the Sales Comparison Approach; Comparable #2 was located on a golf course. Licensee failed to provide information within the Sales Comparison Approach; Comparable #3 was located within a development with boat slips and access to the canal, bay and gulf. Licensee failed to provide adequate information for the lender/client to replicate the cost figures and calculations in the Cost Approach. Licensee failed to provide adequate information for the

lender/client/intended user to realize the cost of the appliances were included within the per square foot cost of the dwelling in the Cost Approach. Licensee failed to provide the PUD information of if the developer/builder was in control of the homeowners' association and if the units were detached or attached. **Violations: Competency Rule, Standard Rule 10-1(a), 1-1(b), 1-2(e), 1-4(a), 1-4(b)(ii), 1-4(b)(iii), 1-6(a), 2-1(a), 2-1(b), USPAP 2008-2009 Ed. §34-27A-20(a)(6), §34-27A-20(a)(7), Code of Alabama, 1975.**

AB 10-47 On November 17, 2011, the Board suspended the Certified Residential License R00216 of Cleabron E. Pullum for a period of six months and assessed an administrative fine of \$1,200. The order of the Board followed an administrative hearing in this case where the Respondent was found to have committed the following violations: Respondent failed to use market based data to support the adjustments he used in the Sales Comparison Approach for age, condition, gross living area, and basement. Respondent failed to utilize the most comparable sales available to the subject property in preparation of the Sales Comparison Approach. Respondent used a flawed age/life method to calculate the depreciation on the subject property in the Cost Approach and by failing to show any justification for his decision to use an effective age of 10 years and a remaining economic life of 50 years when the subject property was 42 years old. Respondent failed to provide support for the adjustments he made in the Sales Comparison Approach, the effective age of the subject, the depreciation calculated in the Cost Approach, and by failing to describe the contributed information provided by Terry Mattison, identified on page four of the appraisal report. **Violations: Standards Rule 1-1(a), 1-1(b), 1-4(a), 1-4(b)(ii), 2-1(b), USPAP, 2010-11 Ed., §34-27A-20(a)(6), §34-27A-20(a)(7), §34-27A-20(a)(8), Code of Alabama, 1975.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board 20 new complaints were received since the November 2011 Board meeting, 19 complaints were re-opened, 4 complaints were dismissed, and 3 complaints were settled, leaving a total of 113 open complaints.

11.0 The Board reviewed Probable Cause Report **AB-10-119 companion to AB-11-03**: With Mr. Lundy and Mr. Wallis recusing, on motion by Mrs. Wood and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-11-03 companion to AB-10-119**: With Mr. Lundy and Mr. Wallis recusing, on motion by Mrs. Wood and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to issue a Letter of Warning. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-10-120**: With Mr. Wallis and Mr. Lundy recusing, on motion by Mrs. Wood and second by Mr.

Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-10-121**: With Mrs. Tisher and Mr. Lundy recusing, on motion by Mrs. Wood and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-11-030**: With Mrs. Tisher and Mr. Wallis recusing, on motion by Mrs. Wood and second by Mr. Pettey, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-11-056**: With Mrs. Wood and Mr. Wallis recusing, on motion by Mr. Mallory and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-11-36**: With Mrs. Wood and Mr. Wallis recusing, on motion by Mr. Mallory and second by Mr. Pettey, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote

The Board reviewed Probable Cause Report **AB-11-17**: On motion by Mrs. Wood and second by Mr. Wallis, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-11-28**: With Mrs. Wood recusing, on motion by Mr. Mallory and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

12.0 The Board reviewed Consent Settlement Order on **AB-10-48, AB-10-49 and AB-10-50**. With Mr. Wallis and Mr. Lambert recusing, on motion by Mr. Mallory and second by Mr. Moody, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-10-110, AB-10-111 and AB-10-112 (Robert J. Dow)**. With Mr. Lundy and Mrs. Wood recusing, on motion by Mr. Wallis and second by Mrs. Tisher, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

13.0 The following reciprocal licenses were issued since last meeting: Martin

Dean Duerrmeier (Recip.)(TN), Blake Fine (Recip.)(GA), Matthew J. Markert (Recip.)(GA), Trevor L. Miller (Recip.)(MO), Kyung Ho Min (Recip.)(GA), Andrew Justin Robinson (Recip.)(GA), and Jeffrey N. Watkins (Recip.)(GA).

14.0 The Temporary Permit report was provided to the Board for their information.

15.0 The Appraisal Management report was provided to the Board for their information.

16.0 There were no Administrative Items to discuss at this time.

17.0 Mr. Lundy discussed changing the Administrative Code to require Appraisal Management Companies registered in Alabama to inform the Board how they determine their fees. The Board asked Mrs. Brooks to write all registered Appraisal Management Companies to inquire about their fee determinations. The data gathered will be for informational purposes only.

On motion by Mr. Wallis and second by Mrs. Wood, the Board instructed Ms. Conway to amend the Administrative Code to provide for confidentiality of the business practice material received from the Appraisal Management Companies. Motion carried by unanimous vote.

18.0 At this time Mrs. Kristi Klamet from the Appraisal Subcommittee reported to the Board the findings of the review that she, Mrs. Graves and Mr. Fenochietti completed on the Board:

- The Appraisal Subcommittee is monitoring boards for adequate staffing and funding.
- Regarding Statutes and Regulations:
 - AQB approved USPAP instructors must also be certified appraisers.
 - Regarding Temporary Permits:
 - Tiffany Baker should have her own user name and password for accessing the Subcommittee reports. Mrs. Brooks stated that Ms. Baker had obtained a user name and password.
 - There should be back up for processing temporary permits in Ms. Baker's absence.
- There were no issues found with the National Registry.
- There were no issues found with the processing of applications. Mrs. Klamet discussed 2013 changes to the processing of reciprocal applications due to the Dodd-Frank Act.
- There were no issues found with Education processing.

- Regarding Enforcement:
 - 198 complaints have been received since the last review. There are 73 complaints outstanding, with around 39 of these being over 1 year old. This will appear as an area of non-compliance and the Board will be asked to provide a plan to correct the problem.
 - Area of concern – documentation of rationale behind the issuance of private versus public reprimands.
 - Area of concern – fair and equitable discipline.

Mrs. Wood discussed the Spring AARO conference.

19.0 At 10:49 a.m., on motion by Mr. Moody and second by Mr. Lambert, the Board voted to adjourn. Motion carried by unanimous vote. The Board's tentative meeting schedule for the remainder of 2012 is March 15, May 17, July 19, September 20 and November 15, 2012 in the 3rd Floor Conference Room of the RSA Union Building, 100 North Union Street, Montgomery, Alabama.

Sincerely,

Carolyn Greene
Executive Secretary

APPROVED: _____
Joseph Lundy, Chairman