

**UTAH APPRAISER LICENSING AND CERTIFICATION BOARD**  
HEBER M WELLS BUILDING  
Room 250  
9:00 a.m.  
March 24, 2021  
Zoom

**MINUTES**

**DIVISION STAFF PRESENT:**

Jonathon Stewart, Division Director  
Justin Barney, Hearing Officer  
Joy Natale, Division Analyst  
Mark Fagergren, Licensing Director  
Kadee Wright, Chief Investigator  
Maelynn Valentine, Board Secretary  
Laurel North, Investigator  
Stephen Gillies, Assistant Attorney General  
Amy Goodlett, Licensing Specialist

**BOARD MEMBERS PRESENT:**

Jeffrey T. Morley, Chair  
Keven Ewell, Vice Chair  
Kris Poulsen, Board Member

The March 24, 2021 meeting of the Appraiser Licensing and Certification Board began at 9:02 a.m. with Chair Jeff Morley conducting.

Determination Regarding Holding Meeting Without Anchor Location

Public Body: Utah Appraiser License and Certification Board

Chair Name: Jeff Morley

The public meeting scheduled for March 24, 2021 will be conducted electronically and without an anchor location. I have determined meeting with an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location.

Facts upon which my determination is based:

The Heber Wells Building is closed to the public due to Covid-19 and the state and local municipality's response to the pandemic. The prior virtual meetings have provided an adequate means of holding this meeting and facilitates all relevant parties, including the general public, division staff and board members.

Signed this 23rd day of March, 2021

Jeff Morley-Chair

**PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes –

A motion was made and seconded to approve the February 24, 2021 minutes. Chair Morley, Yes; Vice Chair Ewell, yes; Board Member Poulsen, yes; Board Member Brown, yes; Board Member Sloan, yes. The motion passes.

### **Public Comment Period**

Jesse Palmer a certified appraiser and owner of JLP Appraisal Group addressed the Board regarding cross training up to six applicants rather than the current amount allowed, which is three. JLP has seen an increase in applicants wanting to train and they have the capability to train them, but are limited on the amount they are allowed. If they are allowed to cross train this will allow more exposure to the trainees in different areas in appraisal writing.

Chair Morley asked Board members for their thoughts or feedback on the topic. Vice-Chair Ewell commented that he believed that the Board and Division were following the current AQB guidelines. Mr. Fagergren agrees with Vice-Chair Ewell and stated that the current AQB guideline only allows for 3 trainees per supervisor. Mr. Fagergren explained that other states have allowed for certain exemptions on the number of trainees, but require a written example to their Commission or Division. Chair Morley stated that the only state that he has knowledge of is Texas, where a supervisor in that state is able to provide training for up to five trainees, but in order to that they have to submit a periodic experience review check during training.

Chair Morley stated that he believes that it is valuable to have more than one supervisor's perspective when in training and would feel comfortable allowing more than one supervisor the ability to cross train multiple trainees. Director Stewart explained that the current rule allows for something like this and it states "although a trainee is permitted to have more than one supervisory appraiser a supervisory appraiser may not supervise more than three trainees at one time, **unless a Division programs provides for progress monitoring, supervisory certified appraiser qualifications and supervision and oversight requirements for supervisory appraisers.**" Emphasis added. Director Stewart stated that the rule contemplates the idea, but the Division has never established what it would look like if the Board wanted to allow for more than three trainees per supervisor and would require framework by the Division and Board to assess what monitoring might be required.

Board member Sloan asked for clarification on the request from Mr. Palmer and asked if they are wanting to have more than three trainees or if they requesting to allow for two supervisors to train one person. Mr. Palmer explained that he and his brother, both certified appraisers want the ability to train all six individuals. Mr. Palmer suggests to the Board to submit a plan and if needed, consider modifying it. Vice-Chair Ewell would like to see what that plan consists of to allow for building the framework. Chair Morley agrees with Vice-Chair Ewell's recommendation of submitting a plan, but does like the idea of some limitation. Director Stewart asked Mr. Palmer to submit the proposal to him so it can be discussed with Division staff and it will be added to the agenda and discussed at next month meeting.

## **DIVISION REPORTS**

### **DIRECTOR'S REPORT – Jonathon Stewart**

Director Stewart reported on the legislative session and informed the Board that H.B. 234 did pass. There was another bill that passed in regards to anchor location, it states that any Board or Commission must have an anchor location if a virtual meeting is held, unless the Board or Commission Chair determines there is a risk to the public's safety. Bills go in to affect May 5, 2021. If after that date the Board and Commission decide to hold virtual meetings, then an anchor location would be required where the public could attend in person, unless it poses a risk to the public.

Director Stewart gave an update on the Executive Order issued by Governor Cox. The Executive Order states that all regulatory agencies review current statutes and rules and submit a report to the Governor's Office by June 30, 2021. As a result of the Order, the Division has performed statute and rule mapping making sure the Division has explicit rulemaking authority to have those rules. There have been some rules identified that need further review, as the Division does not believe they have statutory authority. These items will be discussed with the Board at a later date. The Division is looking at possible ways to reduce barriers to entry and reduce regulation.

Chair Morley asked if there have been any projections made on the opening of the Heber Wells building. Director Stewart informed the Board that the opening of the building is being discussed as more Utahans now have access to a vaccine, but no firm date has been set and it will ultimately be up to the Executive Director to make that decision.

### **ENFORCEMENT REPORT – Kadee Wright**

Ms. Wright reported that Laurel North, a real estate investigator with the Division has completed the appraisal trainee courses and she will be able to review and coordinate appraisal complaints that come in to the Division.

Ms. Wright reported that in February the Division received five complaints, closed two cases, leaving 12 appraisal cases open with the Division. There is one case pending with the AG's office.

### **EDUCATION AND LICENSING REPORT – Mark Fagergren**

Mr. Fagergren reported that Division recently had both appraiser licensing specialists depart the Division and have hired Michael Genco to replace Amy Goodlett and are actively pursuing a replacement for Desha Pages.

Mr. Fagergren reported on statistics for the month February and informed the Board that there has been no dramatic shift or change in the stats, however, there has been a significant increase of 13 certified residential appraisers.

Mr. Fagergren reported there were five candidates approved by both the education and experience review committees to sit for the corresponding exam.

- Milinda Mace; approved to sit for the Certified Residential Appraiser exam.
- McKahl Strong; approved to sit for the Certified Residential Appraiser exam.
- Brian Plummer; approved to sit for the Certified General Appraiser exam.
- Melissa Kelly; approved to sit for the Licensed Appraiser exam.
- Devin Hales; approved to sit for the Licensed Appraiser exam.

“Yes” answers approved by Division Representatives.

- James Tyler Leard
- James Rostcki
- James T. Garber
- David B. Pitts

Mr. Fagergren reported on PAREA courses. PAREA is a proposal approved by the AQB as an alternative for an individual to acquire appraisal experience. Mr. Fagergren explained that the Division currently has a rule regarding experience hours and that it conflicts with the recommendations with PAREA. Mr. Fagergren recommended to maintain the rule for traditional experience. In order to sit for the Certified Residential exam an individual must acquire 1500 hours of appraisal experience, 500 of which, must be satisfied during the time the applicant is a state licensed appraiser. This is so the experience review committee has an opportunity to review an individual’s work once they apply for licensure. There is a similar rule that applies to certified general applicants that states that an individual must be licensed or certified residential in order to acquire at least 1000 hours while they were licensed or certified residential. Under the PAREA requirements an individual could take module 1 to be licensed and not necessarily apply for a license and take the second module and have all of the qualified experience to apply to be a certified residential appraiser, that is what is intended and would be allowed if adopted as the AQB is proposing.

Mr. Fagergren is recommending that the Board not require the PAREA experience expires in five years. He also recommends that the Board not require an individual who’s taken PAREA modules to have to pay and become licensed before they become a certified residential appraiser.

Prior to the Board meeting a two-page summary about PAREA was dispersed to Board members and Division staff. The summary condenses many of the question or concerns Board members may have. Mr. Fagergren addressed a few areas of the handout.

How do I know that a PAREA Program will be high-quality without seeing it?

Providers must follow the Criteria, PAREA Implementation Policies, and be sure they meet the PAREA Minimum Content Requirements for Licensed Residential and/or Certified Residential Classifications. The AQB will personally be reviewing each program to ensure that minimum standards are met.

How much experience credit can be gained by PAREA alone?

<b>Certification Type</b>	<b>Education</b>	<b>Experience</b>	<b>Exam</b>
Licensed Residential	150 hours	1000 hours under a Supervisor in 6 months OR PAREA can replace up to 100% of the required experience hours	Yes
Certified Residential	200 hours	1500 Hours under a Supervisor in 12 months OR PAREA can replace up to 100% of the required experience hours	Yes
Certified General	300 hours	3000 Hours under a Supervisor in 18 months OR PAREA can replace up to 50% of the required experience hours	Yes

How will the PAREA program benefit states?

- Having participants go through a structured, AQB-approved program assures consistent and accurate training (something that is not always the result of some individual supervisor/trainee arrangements).
- With a state’s full acceptance of PAREA experience, the need to review appraisal logs and appraisal work samples could be eliminated.
- Ensures the participant has experience writing USPAP compliant appraisal reports.
- Ensures the reports the participants demonstrate their own work product skills, rather than their supervisors.
- Participants are required to demonstrate mastery of each topic area before moving forward in the program. Thus, the emphasis is proficiency, not hours.
- PAREA will provide the participant opportunities to apply the complete appraisal process in the development of an appraisal report.
- The program is specifically designed to NOT provide competency for all types of specific appraisal problems. This is true of the existing licensing system today. As receiving an appraisal credential does not make one competent to perform all types of assignments. Just as it is now, all credentialed appraisers can gain competency before completing assignments, but they do not have to demonstrate competency before they are issued a credential.

Mr. Fagergren encourages the Board to consider and adopt the PAREA proposal.

**BOARD AND INDUSTRY REPORT- Justin Barney**

Mr. Barney reported the PAREA proposed rule amendment. The rule amendment starts with providing an exception for PAREA along the standard rule process. One suggestion would be to add a specific section on PAREA and experience requirements. There is nothing to present to the Board, but if the Board agrees, Mr. Barney will continue to work on the amendment for their consideration. Vice-Chair Ewell

commented that he likes the idea of calling it an exception and that there be two pathways to license an individual. Pathway A would be traditional and pathway B would be PAREA and have two sets of rules for each pathway. Chair Morley asked if any of the Board members had any strong opposition to PAREA and how it would be implemented. Board member Sloan did not voice any strong opposition and suggested that it may just be dealing with the unknown as to what kind of appraiser the program will produce as opposed to the traditional method. Vice-Chair Ewell stated that the Board has been urged to use the new method. It will be interesting to see the quality of licensees it produces.

Board member Poulsen commented that the Appraisal Foundations website states that Colorado and Iowa have full approval of PAREA. California will allow up to 1000 hours and in Pennsylvania they have an exception that up to 25% can be used for certified residential and 15% can be applied for certified general. Chair Morley addressed two of the items that Mr. Fagergren proposed. The first being the five-year expiration on PAREA courses, Chair Morley is okay with there not being an expiration date. The second item is not requiring an individual to become licensed before applying to become a certified residential appraiser. Chair Morley suggested to approve a majority, if not all, of the experience for certified residential, but would like them to become licensed first or have some way for them to provide real life appraisal reports.

Board member Poulsen commented that this would be compared to what mass appraising is currently doing where they create reports for licensing and to show competence. Mr. Fagergren explained that PAREA requires a trainee to create USPAP compliant appraisal reports for both licensed certified residential and need to be signed off by their mentor, which is part of the PAREA program. Board member Poulsen suggested that Board not make any decisions regarding PAREA too quickly as we are not pressed for time and to take a watch and see approach for now. Vice-Chair Ewell agrees, he supports the concept, but would like to see an actual approved course and what the trainees will be learning. Chair Morley asked Board members if it's a wasted effort to have Mr. Barney draft rules or an alternative approach to licensing and certification adopting PAREA. All Board members agree to allow Mr. Barney to continue drafting the rule amendment for PAREA. Board member Sloan asked if the PAREA courses would count as continuing education. Mr. Fagergren explained that the courses are for experience and not education. Mr. Fagergren also explained the current rule that states that experience to apply can be no older than five years from when they apply. Regarding PAREA its being suggested that there be no timeline on experience. Mr. Barney will continue to work on the rule and will discuss at the next meeting.

Mr. Barney reported on the current proposed rule amendment. This amendment will delete subsection 502a, this section relates to restrictions on inspections, the Board had approved the filing of the proposed amendment and it is currently in the public comment period portion of the filing. There has been public comment received on the amendment from Vern Myer. Mr. Barney has also received a request from the Utah Coalition of Appraisal Professionals to hold public hearing of the proposed rule amendment to consider the matter before adopting the change or reverse the filing. Mr. Barney

addressed the Board and proposed that the hearing be scheduled for the next Appraisal Board meeting in April. Chair Morley and Director Stewart agree on the hearing date. It will be scheduled directly after the Board meeting on April 28, 2021 at 9:30 am. The hearing will be added to April's agenda.

### **Experience Review**

Russell Sullivan

Vice-Chair Ewell and Board member Poulsen have recused themselves from the review.

A motion was made and seconded to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual: Chair Morley, yes; Vice Chair Ewell, yes; Board Member Poulsen, yes; Board Member Sloan, yes; Board Member Brown, yes. The motion passes.

### **CLOSED TO PUBLIC**

An Executive Session was held.

### **OPEN TO PUBLIC**

A motion was made to approve Russell Sullivan to sit for the exam, the motion was seconded. Vote: Chair Morley, yes; Board Member Brown, yes; Board Member Sloan, yes. The motion passes.

A motion was made and seconded to adjourn the meeting. Vote: Chair Morley, yes; Vice Chair Ewell, yes; Board Member Poulsen, yes; Board Member Brown, yes; Board Member Sloan, yes. The motion passes. The meeting adjourned at approximately 11:38 a.m.