

MINUTES
South Carolina Real Estate Appraisers Board
Board Meeting

10:00 a.m., May 19, 2011
Synergy Business Park
110 Centerview Drive, Kingstree Building Room 105
Columbia, South Carolina

Thursday, May 19, 2011

1. Meeting Called to Order

Carlton Segars, Jr., Vice Chair, called the regular meeting of the Real Estate Appraisers Board to order at 10:00a.m. Other members present for the meeting included Andrew Johnson, Joel Norwood, Ann King, Rhonwen Newton, and Terrence O'Brien.

Mr. Segars announced that the meeting was held in accordance with §30-4-80 of the South Carolina Freedom of Information Act by notice mailed to all requesting persons, organizations, and news media. In addition, notice was posted on the bulletin boards at the main entrance of the Kingstree Building.

Staff members participating in the meeting included Jay Pitts, Administrator; Sheridan Spoon, Advice Counsel; Tracey McCarley, Education Coordinator, Bill Plunkett, Investigator, Sharon Wolfe, Investigator and Laura Smith, Compliance Coordinator.

Also in attendance were the Appraisal Sub Committee members Kristine Klamet and Jenny Tidwell from Washington D.C.

2. Pledge of Allegiance

All present recited the Pledge of Allegiance.

3. Approval of Excused Absences

There were no absences.

4. Approval of the February 9, 2011 Meeting Minutes

MOTION

Mr. Johnson made a motion the Board approve the February 9, 2011 minutes. Ms. King seconded the motion which carried unanimously.

5. Administrator's Remarks – Jay Pitts

Mr. Pitts announced that Herb Sass, current Chair of the Appraisers Board, has stepped down due to accepting the elected position to the Charleston County Council.

a. Licensure Update – Laura Smith

Ms. Smith presented the following licensure numbers to the Board; as of May 19, 2011 there are 3070 total licensees. Of the 3070, 518 have not yet renewed.

Ms. Smith continued that there are 2552 active licensees which include:

180 Apprentice Appraisers
267 Licensed Appraisers
1,092 Certified Residential Appraisers
855 Certified General Appraisers
64 Licensed Mass Appraisers
65 Certified Residential Mass Appraisers
29 Certified General Mass Appraisers

b. Number of Investigations & Open Complaints – Sharon Wolfe

Ms. Wolfe briefed the Board that during 2011 there were 17 complaints and of those 22 have been closed. Ms. Wolfe answered questions from the Board regarding the number of investigations and complaints.

c. Financial Statement – Jay Pitts

Mr. Pitts discussed the changes occurring at LLR. OLC has been dissolved. Agency Boards now have responsibility of budgets which include items such as travel. Questions were asked by the Board. Mr. Pitts stated that he would research and report at next meeting.

d. ASC Audit Overview - Kristine Klamet and Jenny Tidwell

Ms. Klamet discussed the federal mandated requirements of the Board. She continued with information regarding the make-up of the ASC. Ms. Klamet discussed the work performed prior to arrival at SC LLR and processes that are necessary to conduct an audit. This is the seventh (7th) review for SC Appraisers Board. She thanked the Appraiser staff for the electronic access to all records and the work involved. SC has no compliance issues. In the future, however, processes must be proactive. National Registration fee will increase as of January 2012. Regulations must change – not statues. By July 2013, all states will be required to adopt 2-year examination validity – will require a statue change. In addition, by July 2013, supervisors and apprentices will be required to match AQB requirements.

Areas of concern:

- Sufficient resources to operate appraisers program. Staff has been reduced by two (2) since last audit. More information concerning sufficient resources will be in the final report.
- Temporary practice permits documentation. Scanned documents are not clear. New equipment has been purchased and is being utilized.
- Certificates effective dates. Issuance and effective dates do not match. Could possibly be a problem in the future.

Ms. Klamet continued with the items under review. She made suggestions for improvement of applications and will send samples of a checklist to utilize when processing these applications.

Ms. Klamet complimented Ms. Smith and the good job she is doing for the Board.

She suggested being proactive, monitor, and knowledgeable of the upcoming AQB changes to be in effect in 2015 such as: degree requirements, background checks, experience and education obtained before sitting for examinations.

Reciprocal applications are processed in an efficient manner. Education and reviewing courses are also conducted properly. Area of concern:

- Course expiration dates of IDECC and AQB. Ensure effective dates are flagged if different than the usual real estate 2-year course renewal cycle.

Enforcement concerns include cases exceeding 1-year requirement. Ms. Klamet acknowledged that the lack of investigative staff may be the cause of case work non-compliance issue.

Ms. Klamet will prepare a preliminary report for her director and submit the report to the Board for a response. The Board will be provided an opportunity to respond as to how an issue has been resolved or the plans for improved before submitting the report to the ASC.

Mr. Pitts commented that he and Ms. Smith expected these results. He also acknowledged that the issues mainly were a result of understaffing. Mr. Pitts wants to be proactive concerning staffing issues before future audits reflect a more negative result.

Ms. Klamet stated that the ASC has been approved to offer grants (funding through the National Registry fees) to boards for staffing and other needs for operation of the program. However, grants will not be available until fees are collected.

Ms. Klamet suggested checking ASC web site for information concerning the Dodd-Frank Reform Act.

Mr. Pitts provided the Board with the upcoming AARO Conference dates of October 14-17, 2011 in Washington, D.C. Attendees of the conference will be determined at the August Appraiser Board meeting.

6. Unfinished Business

a. IRC Reports

Mr. Pitts presented the IRC reports to the Board for approval. Board will review and accept by category.

- Dismissal

MOTION

Mr. Johnson made a motion to accept the dismissal. Ms. Newton seconded the motion which carried unanimously.

- Cease and Desist Order

MOTION

Ms. Newton made a motion to accept the cease and desist. Mr. Johnson seconded the motion which carried unanimously.

- Formal Complaint

MOTION

Mr. O'Brien made a motion to accept the formal complaint. Ms. King seconded the motion which carried unanimously.

- Letter of Caution

MOTION

Mr. Johnson made a motion to accept the letter of caution. Ms. King seconded the motion which carried unanimously.

b. AARO Mid-Year Meeting Update

Mr. O'Brien, Mr. Johnson, and Mr. Pitts attended the AARO Mid-Year in San Antonio, Texas. Mr. O'Brien reported that much was learned about Federal Updates, Dodd-Frank Reform Act, and Freddie Mac and Fannie Mae. He stated that it was a good opportunity to interact with others around the country. Mr. O'Brien also commented on the fact that it was up to the Board and staff to inform appraisers in the state of the upcoming changes. He stated that the AMC legislation and implementation changes are occurring rapidly and causing problems in some states in regards to needed resources and compliance. Mr. Pitts commended the SC Appraisers Board for waiting before making changes to our regulations.

7. New Business

a. AMC Legislation – Jake Knight, President of the SC of the Appraisal Institute
Mr. Knight discussed the Dodd-Frank Reform Act as it relates to SC. He will provide Mr. Pitts and the Board a bill for review before introduction. This process should be accomplished within the next two (2) years. The Appraisers Board and Mr. Pitts thanked Mr. Knight for his report.

b. Elections – Conducted by Mr. Pitts

The floor was opened for nominations of the office of Chair.

- Mr. Johnson nominated Mr. O'Brien. Mr. O'Brien accepted the nomination.
- Ms. Newton nominated Mr. Segars. Mr. Segars accepted the nomination.

MOTION

Mr. Norwood made a motion to close nominations. Ms. Newton seconded the motion which carried unanimously.

The Board decided to vote via ballot. The resulting vote ended in a tie. Mr. Spoon stated that another vote was in order according to Robert's Rules of Order.

Executive Session

MOTION

Mr. Johnson made a motion to enter executive session. Mr. Norwood seconded the motion which was carried unanimously.

Return to Public Session

MOTION

Mr. Johnson made a motion the Board return to public session. Ms. Newton seconded the motion which carried unanimously.

The Board made the suggested to have a re-ballot for both offices.

Another vote was conducted and resulted in the election of Mr. O'Brien as Chair and Mr. Segars as Vice Chair.

8. Application Hearings

a. ***Robert Atkinson***

The Board held an application hearing regarding Robert Atkinson. Mr. Atkinson appeared before the Board to present testimony. Courtney C. Atkinson, Counsel, was present to represent Mr. Atkinson.

Executive Session

MOTION

Mr. Johnson made a motion the Board enter executive session. Mr. Norwood seconded the motion which carried unanimously.

Return to Public Session

MOTION

Mr. Johnson made a motion the Board return to public session. Ms. Newton seconded the motion which carried unanimously.

MOTION

Mr. Johnson made a motion to approve, with no conditions, Mr. Atkinson's application. Mr. O'Brien seconded the motion which carried unanimously.

(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if requested in accordance with the law.)

9. Public Comments

There were no public comments made during the meeting.

10. Adjournment

The May 19, 2011 meeting of the SC Real Estate Appraisers Board adjourned at 12:50p.m.