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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

MICHIGAN BOARD OF REAL ESTATE APPRAISERS SEPTEMBER 20, 2016 MEETING

APPROVED MINUTES

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Michigan Board of Real Estate Appraisers met on September 20, 2016, at the Ottawa Building, Conference Room 4, 611 West Ottawa Street, Lansing, Michigan 48933.

CALL TO ORDER

David Worthams, Chairperson, called the meeting to order at 9:00 a.m.

ROLL CALL

Members Present: David Worthams, Chairperson, Public Member
James Hartman, Vice Chairperson Certified General Real Estate Appraiser
Delbert Denkins, Certified General Real Estate Appraiser
Maureen Mausolf, State Licensed Real Estate Appraiser
Norman Thomas, Certified General Real Estate Appraiser
Ronald Wheeler, Certified Residential Real Estate Appraiser

Members Absent: None

Staff: Andrew Brisbo, Director, Licensing Division
Janielle Houston, Board Support, Boards and Committees Section
Jon Campbell, Manager, Investigations and Inspections Division
Stephanie Rosenthal, Manager, Regulations Section
Kerry Przybylo, Analyst, Boards and Committees Section
Kiran Parag, Compliance Analyst, Compliance Section
Laurann Brown, Compliance Analyst, Compliance Section
Jennifer Fitzgerald, Assistant Attorney General

APPROVAL OF AGENDA

MOTION by Hartman, seconded by Wheeler, to approve the agenda as presented.

A voice vote was taken.

MOTION PREVAILED

APPROVAL OF MINUTES

MOTION by Wheeler, seconded by Hartman, to approve the minutes from June 21, 2016 as written.

A voice vote was taken.

MOTION PREVAILED

Parag introduced Laurann Brown to the Board. She will be the new analyst for the Board that introduces regulatory matters.

REGULATORY CONSIDERATIONS

Hearing Reports

MOTION by Denkins, seconded by Wheeler, to receive the Hearing Reports on the agenda.

A voice vote was taken.

MOTION PREVAILED

Alexandra Kanakis

MOTION by Hartman, seconded by Thomas, to assess a fine in the amount of \$4,000.00 and payment of restitution in the amount of \$600.00; Both to be paid within 90 days. If the fine and restitution are not paid within 90 days, then Respondent's license shall be revoked.

Discussion was held.

A voice vote was taken.

MOTION PREVAILED

OLD BUSINESS

None

NEW BUSINESS

Appraisal Subcommittee Federal Financial Institutions Examination Council Presentation

Presenters Kristi Klamet, Neal Fenochietti, and Denise Graves spoke about the role of the Appraisal Subcommittee and their work with states to ensure they are in compliance with the AQB criteria. The Board will receive the Annual Report for Michigan, which outlines key issues that need attention by Michigan. Some of those issues include: proof of work product being reviewed, compliance on complaints being resolved timely, and issues with courses being approved that may not have complied with the AQB criteria. They are currently reviewing those areas and will be working with staff to make sure the state is in compliance.

Thomas inquired whether there is an appeal process for course providers that have been denied. Klamet stated that the appeal process can be done through the state. The ASC looks at the title and the information within the application to determine if the purpose of the class matches the AQB criteria.

Thomas inquired about what was considered typical for outstanding complaint files. Klamet stated that a 1 year time frame is given. If it goes beyond that they look at other reasons, such as not having enough resources, as a possible cause that it went beyond the 1 year time frame. Fenochietti also stated that development of non-disciplinary avenues, such as education, mentoring, etc., could be another reason for noncompliance of the complaint process.

Klamet mentioned that the AQB is considering an Exposure Draft and will have a public hearing in November. She encouraged the Board to review the Exposure Draft and express any concerns at the public hearing.

Department Update

Przybylo discussed opening the rules to rescind Rule 339.23102 because the use of current USPAP standards is required in MCL 339.2605. Brisbo suggested rescinding that rule. Wheeler expressed concern with the non-use of Standard 3 when doing a case review and their protection as a Board member. Hartman stated he has spoken with someone about the issue and since they are part of the Board and there is no client, they do not need to use Standard 3 when reviewing cases. Przybylo stated that she did some research and found that Illinois was the only Great Lakes Region state that had specific language in statute to exempt board members from the use of Standard 3 when performing reviews.

Wheeler wanted to know if we could add in the rules the word "inquiry" instead of complaint to address issues that may not require actual disciplinary action. Brisbo stated that the statute does allow for citations but it is for limited violations. He also stated that the

Department has been working with boards to review circumstances in which a different disciplinary process could be used.

MOTION by Wheeler, seconded by Hartman, to begin the process to rescind Rule 339.23102.

A voice vote was taken.

MOTION PREVAILED

Worthams will appoint a rules committee in November in order to handle any other issues in the rules that need updating. The updates, if any, will be implemented after the rulemaking process rescinding R 339.23102 is complete.

Worthams introduced and welcomed Delbert Denkins to the Board.

PUBLIC COMMENT

Wheeler introduced Judge Abood of the Michigan Tax Tribunal.

Parag introduced Stephanie Rosenthal who is the manager of the Regulations Section under the Bureau of Professional Licensing.

ANNOUNCEMENTS

The next regularly scheduled meeting will be held November 15, 2016, at 9:00 a.m. at the Ottawa Building, 611 West Ottawa Street, Upper Level Conference Center, Conference Room 4, Lansing, Michigan.

ADJOURNMENT

MOTION by Wheeler, seconded by Hartman, to adjourn the meeting.

MOTION PREVAILED

Worthams adjourned the meeting at 9:58 a.m.

Minutes approved by the Board on November 15, 2016

Prepared By:
Janielle Houston, Board Support

Prepared: September 26, 2016