

REAL ESTATE APPRAISER ADVISORY COMMITTEE

Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Thursday, December 3, 2015

Time: 10:00 a.m.

Place: PVL Examination Room
King Kalakaua Building, 3rd Floor
335 Merchant Street, Room 330
Honolulu, Hawaii 96813

Present: Richard Stellmacher, Industry Member, Chairperson
Brian J. Walther, Industry Member, Vice-Chairperson
George Leong, Financial Institution Member
Shelly H. Tanaka, Industry Member
James Paige, Deputy Attorney General ("DAG")
Alan Taniguchi, Executive Officer
Lori Nishimura, Secretary

Excused: Lars B. Larson, Financial Institution Member

Guest: Cyrus Chen, Department of Transportation – Highway Division
Neal Fenochietti, Appraisal Subcommittee
Kirk Oshiro, Department of Transportation – Highway Division
Jenny Tidwell, Appraisal Subcommittee

Call to Order: There being a quorum present, the meeting was called to order at 10:00 a.m. by Chairperson Stellmacher.

Additions/
Revisions to the
Agenda: None.

Approval of the
October 7, 2015
Meeting Minutes:

After discussion, it was moved by Vice-Chairperson Walther, seconded by Ms. Tanaka, and unanimously carried to approve the October 7, 2015 meeting minutes as circulated.

New Business:

a. Review of Application

None.

b. Review of Courses

After discussion, it was moved by Ms. Tanaka, seconded by Mr. Leong, and unanimously carried to ratify the approval of the following CAP approved courses:

Course Provider: Appraisal Institute

Index #: Course Title & Approved Hours:

15-035 2016-2017 7-hour National USPAP Update Course
 [Classroom]
 7 CE

15-036 2016-2017 15-hour National USPAP Course
 [Classroom]
 15 QE/CE with exam
 14 CE without exam

15-037 Advanced Concepts and Case Studies
 [Synchronous Internet – Distance]
 40 QE/CE with exam
 37 CE without exam

15-039 Online Eminent Domain & Condemnation
 7 CE

Course Provider: McKissock, LP

Index #: Course Title & Approved Hours:

15-034 2016-2017 7-hour National USPAP Update Course
 [Asynchronous Distance – Internet]
 7 CE

15-038 2016-2017 7-hour National USPAP Update Course
[Classroom]
7 CE

c. Legislation

None.

d. Appraisal Management Companies (“AMC”) Update

Executive Officer Taniguchi stated that the Appraisal Subcommittee’s (“ASC”) final rules on AMC regulations and its’ mandatory audit process/oversight controls were published, and its effective date is August 10, 2015. He further stated the Department of Commerce and Consumer Affairs (“Department”) has three (3) years to decide whether or not to regulate AMCs.

e. Right of Way Agents

Chairperson Stellmacher stated that the Department of Human Resources Development inquired whether an appraiser’s license would be required for Right of Way Agents (employees related to the Department of Transportation, Highways Division), as it appears that they may be performing real estate appraisal work. Mr. Chen commented that levels one and two of Right of Way Agents are entry level staff members with a supervisor who holds an appraiser’s license; thus, not subject to hold an appraiser license. Mr. Chen further commented that levels three (3) and up of Right of Way Agents hold an appraiser’s license.

Executive Officer Taniguchi stated that entry level Right of Way Agents must register with the Department as appraiser trainees. The trainee’s supervisor would also need to be qualified by completing the Supervisor/Trainee course.

Unfinished
Business:

None.

The Appraisal
Subcommittee:

Jenny Tidwell and Neal Fenochietti, Policy Managers from ASC were introduced and welcomed by the Committee. Mr. Fenochietti

gave a brief history/description of ASC which oversees the appraisal regulatory programs established by States.

Mr. Fenochietti provided the following preliminary findings from this Program's bi-annual field review for compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989:

- Statute/Rules: the language in the rules should be amended to include the minimum AQB Criteria for Trainee appraisers; it was noted that in practice, the State is complying with AQB Criteria for trainee appraisers. Also the current language of the supervising appraiser's good standing and not subject to any disciplinary action within the last two (2) years needs to be changed to three (3) years to meet the AQB Criteria.
- Temporary Practice: "all in order/no issues".
- National Registry: "no issues".
- Application Process: "no issues".
- Reciprocity: "no issues".
- Education: course provider agreements – "no issues".
- Enforcement: "no issues" but noted an encouragement that background checks of supervisors needs to be checked?

Mr. Fenochietti stated that a preliminary findings "ASC staff report" will be sent to the State, and the State will be given 60 days to respond with a plan to correct/address concerns found from their field review. ASC staff will consider the State's response and make a formal recommendation(s) to ASC for final disposition. ASC will consider the State's response and ultimately issue a final Compliance Review Report and letter to the State with a determination regarding the State's compliance with Title 11.

Ms. Tidwell stated that effective January 1, 2015, all appraiser trainees and their supervising appraisers must meet the minimum course requirements. The supervisor's course is a one-time course

that a supervising appraiser would need to complete and it would be "good for life".

Correspondence: None.

Announcements: Holiday greetings were exchanged.

Next Meeting: Wednesday, February 3, 2016
10:00 a.m.
PVL Examination Room
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Adjournment: There being no further discussion, the meeting adjourned at 10:35 a.m.

Taken and recorded by:

/s/ Lori Nishimura

Lori Nishimura
Secretary

Reviewed and Approved by:

/s/ Alan Taniguchi

Alan Taniguchi
Executive Officer

AT:ln

12/31/15

[X] Minutes approved as is.

[] Minutes approved with changes. See Minutes of _____.