

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: Wednesday, February 3, 2016

Time: 10:03 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
Lars B. Larson, Financial Institution Member
George Leong, Financial Institution Member
James Paige, Deputy Attorney General ("DAG")
Alan Taniguchi, Executive Officer
Lori Nishimura, Secretary

Absent: Shelly H. Tanaka, Industry Member

Guest: None.

Call to Order: There being a quorum present, the meeting was called to order at 10:03 a.m. by Chairperson Stellmacher.

Additions/
Revisions to the
Agenda: None.

Approval of the
December 3, 2015
Meeting Minutes: After discussion, it was moved by Vice-Chairperson Walther, seconded by Mr. Leong, and unanimously carried to approve the December 3, 2015 meeting minutes as circulated.

New Business: a. Review of Application

None.

b. Review of Courses

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

Course Provider: Appraisal Institute

INDEX NO.	COURSE TITLE	HOURS
16-064	2016-2017 15-hour National USPAP Course [Classroom]	15 QE w/ exam 15 CE w/ exam 14 CE w/o exam
16-065	2016-2017 7-hour National USPAP Update Course [Classroom]	7 CE
16-066	Advanced Concepts and Case Studies [classroom]	40 QE w/ exam 37 CE w/ exam 37 CE w/o exam
16-148	Advanced Concepts and Case Studies [synchronous internet - distance]	40 QE w/ exam 40 CE w/ exam 37 CE w/o exam
16-067	Advanced Income Capitalization [classroom]	33 QE w/exam 33 CE w/exam 30 CE w/o exam
16-068	Advanced Income Capitalization - Synchronous	35 QE w/exam 35 CE w/exam 32 CE w/o exam

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16-069	Advanced Market Analysis and Highest & Best Use [classroom]	35 QE w/exam 35 CE w/exam 32 CE w/o exam
16-070	Advanced Market Analysis and Highest & Best Use [Synchronous]	35 QE w/exam 35 CE w/exam 32 CE w/o exam
16-071	Advanced Residential Applications and Case Studies, Part 1 [classroom]	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-072	Advanced Residential Report Writing, Part 2 [classroom]	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-073	Advanced Spreadsheet Modeling for Valuation Applications	15 CE w/ exam 14 CE w/o exam
16-074	Application & Interpretation of Simple Linear Regression	15 CE w/exam 14 CE w/o exam
16-075	Basic Appraisal Principles	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-076	Basic Appraisal Procedures [classroom]	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-077	Business Practices & Ethics [classroom]	4 CE
16-078	Case Studies in Appraising Green Commercial Buildings	15 CE w/exam 14 CE w/o exam

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16-079	Case Studies in Appraising Green Residential Buildings	8 CE w/exam 7 CE w/o exam
16-080	Condemnation Appraising: Principles & Applications	22 CE w/exam 21 CE w/o exam
16-081	Contract or Effective Rent: Finding the Real Rent	4 CE
16-082	FHA Appraising for Valuation Professionals	7 CE
16-083	Fundamentals of Separating Real and Personal Property from Intangible Business Assets	15 CE w/exam 14 CE w/o exam
16-084	General Appraiser Income Approach, Part 1 [classroom]	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-085	General Appraiser Income Approach, Part 2 [classroom]	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-086	General Appraiser Market Analysis & Highest & Best Use [classroom]	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-087	General Appraiser Report Writing & Case Studies [classroom]	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-088	General Appraiser Sales Comparison Approach [classroom]	30 QE w/exam 30 CE w/exam 27 CE w/o exam

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16-089	General Appraiser Site Valuation & Cost Approach	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-090	International Financial Reporting Standards for the Real Property Appraiser	15 CE w/exam 13 CE w/o exam
16-091	International Valuation Standards Overview	8 CE w/exam 7 CE w/o exam
16-092	Introduction to Green Buildings: Principles and Concepts	8 CE w/exam 7 CE w/o exam
16-093	Litigation Appraising: Specialized Topics & Applications	16 CE w/exam 15 CE w/o exam
16-094	Online AI's Cool Tools: New Technology for Real Estate Appraisers	7 CE
16-095	Online Analyzing Operating Expenses	7 CE
16-096	Online Appraising Convenient Stores	7 CE
16-097	Online Basic Appraisal Principles	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-098	Online Basic Appraisal Procedures	30 QE w/exam 30 CE w/exam 28 CE w/o exam

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16-099	Online Business Practices & Ethics	5 CE
16-100	Online Case Studies in Appraising Green Residential Buildings	8 CE w/exam 7 CE w/o exam
16-101	Online Comparative Analysis	7 CE
16-102	Online Data Verification Methods	5 CE
16-149	Online Eminent Domain & Condemnation	7 CE
16-103	Online Forecasting Revenue	7 CE
16-104	Online General Appraiser Income Approach, Part 1	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-105	Online General Appraiser Income Approach, Part 2	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-106	Online General Appraiser Market Analysis and Highest & Best Use	30 QE w/ exam 30 CE w/ exam 28 CE w/o exam
16-107	Online General Appraiser Report Writing and Case Studies	30 QE w/exam 30 CE w/exam 28 CE w/o exam

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16-108	Online General Appraiser Sales Comparison Approach	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-109	Online General Appraiser Site Valuation & Cost Approach	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-110	Online Introduction to Green Buildings: Principles & Concepts	8 CE w/exam 7 CE w/o exam
16-111	Online Rates & Ratios: Making Sense of GIMs, OARs & DCF	7 CE
16-112	Online Real Estate Finance, Statistics, & Valuation Modeling	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-113	Online Residential Market Analysis & Highest & Best Use	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-114	Online Residential Report Writing & Case Studies	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-115	Online Residential Sales Comparison & Income Approach	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-116	Online Residential Site Valuation & Cost Approach	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-117	Online Reviewing Residential Appraisals and Using Fannie Mae Form 2000	7 CE

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16-118	Online Small Hotel/Motel Valuation: Limited Service Lodging	7 CE
16-119	Online Subdivision Valuation	7 CE
16-120	Online The Discounted Cash Flow Model: Concepts, Issues, and Applications	5 CE
16-121	Online Thinking Outside The Form	4 CE
16-122	Online Using Your HP12C Financial Calculator	7 CE
16-123	Quantitative Analysis [classroom]	35 QE w/exam 35 CE w/exam 32 CE w/o exam
16-124	Quantitative Analysis [synchronous]	35 QE w/exam 35 CE w/exam 32 CE w/o exam
16-125	Real Estate Finance, Statistics, & Valuation Modeling	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-126	Residential and Commercial Valuation of Solar	15 CE w/exam 14 CE w/o exam
16-127	Residential Applications: Using Technology to Measure and Support Assignment Results	7 CE

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16-128	Residential Applications Part 2	7 CE
16-129	Residential Market Analysis and Highest & Best Use	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-130	Residential Report Writing and Case Studies	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-131	Residential Sales Comparison and Income Approaches	30 QE w/exam 30 CE w/exam 28 CE w/o exam
16-132	Residential Site Valuation & Cost Approach	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-133	Review Case Studies - General	32 CE w/ exam 30 CE w/o exam
16-134	Review Theory - General	33 QE w/exam 33 CE w/exam 30 CE w/o exam
16-135	Review Theory - Residential	17 CE w/exam 15 CE w/o exam
16-136	Supervisory Appraiser / Trainee Appraiser Course	5 CE w/exam 4 CE w/o exam
16-137	The Appraiser as an Expert Witness: Preparation & Testimony	16 CE w/exam 15 CE w/o exam

16-138	Two-Day Advanced Income Capitalization/A	15 CE w/exam 14 CE w/o exam
16-139	Two-Day Advanced Income Capitalization/B	15 CE w/exam 14 CE w/o exam
16-140	Unraveling the Mystery of Fannie Mae Appraisal Guideline - Synchronous	4 CE
16-141	Using Spreadsheet Programs in Real Estate Appraisals - Synchronous Version	7 CE
16-142	Valuation in Challenging Markets	30 CE w/exam 28 CE w/o exam

Course Provider: American Continuing Education Institute dba Calypso Continuing Education

INDEX NO.	COURSE TITLE	HOURS
16-060	A Brief Historic Stroll Through America's Architectural Styles	7 CE
16-061	Environmental Hazards Impact on Value	7 CE
16-062	FHA Site Inspection	7 CE

**Course Provider: OnCourse Learning Corporation
 dba Career Webschool**

INDEX NO.	TITLE	HOURS
16-157	2016-2017 7-hour Equivalent USPAP Update Course	7 CE
16-147	2016-2017 15-hour Equivalent USPAP Course [asynchronous internet - distance]	15 QE/CE w/exam 14 CE w/o exam
16-143	Cost Approach Overview	7 CE
16-144	Income Capitalization Overview	7 CE
16-145	Sales Comparison Approach	7 CE

Course Provider: Corelogic (formerly Marshall & Swift)

INDEX NO.	TITLE	HOURS
16-063	Commercial Cost Approach Certification	15 CE

Course Provider: Dynasty School

INDEX NO.	TITLE	HOURS
16-150	2016-2017 7-hour Equivalent USPAP Update Course	7 CE
16-156	2016-2017 15-hour Equivalent USPAP Course [asynchronous internet - distance]	15 QE/CE w/exam 14 CE w/o exam
16-151	FHA and VA Today	7 CE
16-152	Foreclosure Basics for Appraisers	7 CE
16-153	Green in Residences and Appraisals	7 CE

Course Provider: McKissock, LP

INDEX NO.	TITLE	HOURS
16-001	2016-2017 7-hour National USPAP Update Course [classroom]	7 CE
16-002	2016-2017 7-hour National USPAP Update Course [asynchronous distance - internet]	7 CE

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16-146	2016-2017 15-hour National USPAP Course [asynchronous distance - internet]	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-003	A Review of Disciplinary Cases - Live Webinar	3 CE
16-154	Adjustments: Supported or Not Supported? Live Webinar	5 CE
16-004	Advanced Hotel Appraising - Full Service Hotels	7 CE
16-005	Advanced Residential Applications and Case Studies	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-006	Analyze This! Applications of Appraisal Analysis (Live Webinar)	4 CE
16-007	Appraisal of Assisted Living Facilities	8 CE
16-008	Appraisal of Fast Food Facilities	7 CE
16-009	Appraisal of Industrial Incubators	7 CE
16-010	Appraisal of Land Subject to Ground Leases	7 CE

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16-011	Appraisal of Owner-Occupied Commercial Properties	7 CE
16-012	Appraisal of Self-Storage Facilities	7 CE
16-013	Appraisal Review for Commercial Appraisers	7 CE
16-014	Appraisal Subject Matter Electives	20 QE w/exam 20 CE w/exam 18 CE w/o exam
16-015	Appraising Manufactured Homes	7 CE
16-155	Appraising Small Apartment Properties	6 CE
16-016	Avoiding Mortgage Fraud for Appraisers	7 CE
16-017	Basic Appraisal Principles	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-018	Basic Appraisal Procedures	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-019	Commercial Appraisal Review - Subject Matter Elective	15 QE w/exam 15 CE w/exam 13.5 CE w/o exam

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16-020	Essential Elements of Disclosures and Disclaimers	5 CE
16-021	Even Odder: More Oddball Appraisals	7 CE
16-022	Expert Witness for Commercial Appraisers	12 CE
16-023	Expert Witness for Commercial Appraisers - Subject Matter Electives	15 QE w/exam 15 CE w/exam 13.5 CE w/o exam
16-024	Expert Witness Testimony: To Do or Not To Do - Live Webinar	4 CE
16-025	Fannie Mae Appraisal Guidelines - Live Webinar	4 CE
16-026	Fundamental Concepts of Analysis	7 CE
16-027	General Appraiser Income Approach	60 QE w/exam 60 CE w/exam 55 CE w/o exam
16-028	General Appraiser Market Analysis Highest & Best Use	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-029	General Appraiser Sales Comparison Approach	30 QE w/exam 30 CE w/exam 27 CE w/o exam

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16-030	General Appraiser Site Valuation & Cost Approach	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-031	General Report Writing & Case Studies	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-032	Heating, Ventilation, and Air Conditioning Systems in Green Buildings	4 CE
16-033	Introduction to Legal Descriptions	2 CE
16-034	Land and Site Valuation	7 CE
16-035	Managing Appraiser Liability	6 CE
16-036	Modern Green Building Concepts	6 CE
16-037	Mold, Pollution and the Appraiser	2 CE
16-038	Relocation Appraisal and the New ERC Form	6 CE
16-039	REO and Foreclosures	5 CE

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16-040	Residential Appraisal Review (Online)	7 CE
16-041	Residential Appraiser Site Valuation and Cost Approach, Internet	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-042	Residential Market Analysis and Highest & Best Use	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-043	Residential Report Writing and Case Studies, Internet	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-044	Residential Report Writing: More Than Forms	7 CE
16-045	Residential Sales Comparison and Income Approaches, Online	30 QE w/exam 30 CE w/exam 27 CE w/o exam
16-046	Reviewer's Checklist - Live Webinar	4 CE
16-047	Statistics, Modeling and Finance	15 QE w/exam 15 CE w/exam 14 CE w/o exam
16-048	Supervisor - Trainee Course for Hawaii	4 CE
16-049	The Cost Approach	7 CE

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16-050	The Dirty Dozen	3 CE
16-051	The New FHA Handbook 4000.1 (Classroom)	7 CE
16-052	The New FHA Handbook 4000.1 (Internet)	7 CE
16-053	The New FHA Handbook 4000.1 (Live Webinar)	5 CE
16-054	The Nuts and Bolts of Green Building for Appraisers	3 CE
16-055	The Sales Comparison Approach	7 CE
16-056	The Thermal Shell	3 CE
16-057	UAD - Up Close and Personal (Live Webinar)	3 CE
16-058	Understanding Residential Construction	7 CE
16-059	Work File: Your Best Defense Against an Offense - Live Webinar	5 CE

c. Legislation

None.

d. Appraisal Subcommittee (“ASC”) Compliance Review

Committee members were provided with a copy of the final ASC Compliance Review Report. Executive Officer Taniguchi stated that the Program was awarded an ASC Finding of “Good”, subsequent to the audit by ASC for the Program’s compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. He briefly summarized the report:

- In practice, the State is complying with AQB Criteria for Trainee Appraisers and must continue the process to amend its Rules.

e. Hawaii Administrative Rules (“HAR”) Proposed Amendments

Committee members were provided with a copy of the proposed amendments to HAR chapter 16-114. Executive Officer Taniguchi commented the proposal should codify the state’s regulations on supervisory and trainee appraisers to comply with AQB Criteria requirements. After discussion, it was moved by Vice-Chairperson Walthers, seconded by Mr. Leong, and unanimously carried to approve the proposed amendments to HAR chapter 16-114.

Unfinished
Business:

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

Mr. Taniguchi inquired with Messrs. Leong and Larson for their comments/opinions as financial institution members to the Committee, whether AMCs should be regulated by this state. Mr. Larson commented that his employer’s commercial appraisals are completed in house with oversight within their bank. Mr. Larson further commented that they are actively looking at AMCs, as assuring reliability and consistency. Mr. Leong commented that

residential appraisals are completed in house and commercial appraisals are sought the “old way”. Executive Officer Taniguchi commented that the Committee/Department should deliberate on the opinions of appraisers, financial institutions, and the public to determine if the Department should regulate AMCs.

Correspondence: None.

Announcements: None.

Next Meeting: Wednesday, April 6, 2016
10:00 a.m.
King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Adjournment: There being no further discussion, the meeting adjourned at 10:16 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

02/11/16

[] Minutes approved as is.

[X] Minutes approved with changes. See Minutes of April 6, 2016.