

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, December 7, 2016

Time: 10:03 a.m.

Place: King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

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

Excused: George Leong, Financial Institution 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.

Approval of the October 5, 2016 Meeting Minutes: After discussion, it was moved by Ms. Tanaka, seconded by Vice-Chairperson Walther, and unanimously carried to approve the October 5, 2016 meeting minutes as circulated.

New Business: a. Review of Courses

After discussion, it was moved by Vice-Chairperson Walther, seconded by Ms. Tanaka, and unanimously carried to approve the following course, based on the initial review and recommendation by Vice-Chairperson Walther:

Course Provider: Appraisal Institute

Index #: Course Title & Approved Hours:

16-197 Valuation of Conservation Easements
 30 CE w/ exam
 28 CE w/o exam

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

Course Provider: McKissock, LP

Index #: Course Title & Approved Hours:

16-195 Appraisal Practices of Manufactured Housing
 Live Webinar
 4 CE

16-196 Supporting Your Adjustments – Methods for
 Residential Appraisers
 3 CE

b. **Hawaii Administrative Rules (“HAR”) Proposed
Amendments - Update**

Executive Officer Taniguchi provided an update to the proposed amendments to HAR chapter 16-114, to codify the state’s regulations on supervisory and trainee appraisers to comply with AQB Criteria requirements. At the previous Committee meeting, miscommunication lead to an announcement that the Governor had approved the adoption of the rules, and that those rules were at the Office of the Lieutenant Governor for filing. Executive Officer Taniguchi stated the Governor approved the adoption of the rules on November 17, 2016 and it has been filed with Lieutenant Governor’s office; thus, the rules are now amended with the effective date of November 27, 2016.

**Unfinished
Business:**

a. **AMC Regulation**

Discussion ensued on the Committee’s formal recommendation to Director Awakuni Colón who had

requested for the Committee to propose a formal recommendation regarding the level of regulation that should be implemented based on the context of Hawaii's current and future real estate appraisal needs on the new federal requirements relating to the minimum requirements for Appraisal Management Companies ("AMCs"). At the previous Committee meeting, the Committee provided their formal recommendation to Director Awakuni Colón to defer AMC regulation at this time as AMC regulation is not mandated, and there would not be any penalties for implementing regulation at a later date.

The Committee reiterated that their rationale to defer AMC regulation were based on survey findings from the 49 responses they received from an email survey to 300 recipients who were mostly appraisers:

- Revenue from licensing fees would not cover cost.
 - estimate cost to annually regulate is \$200,000.00; and
 - based on potential AMCs (58 AMCs identified by survey respondents) that may be doing business in Hawaii – the Program may experience a deficit of \$55,000.00/year if annual license fees are \$2,500.00 or charge \$3,448.00/year to break even.
- Most of the AMCs work with fewer than 4 appraisers.
 - AMCs that conduct business in Hawaii may not generate enough revenue to warrant a \$2,500.00+ licensing fee.
- Lack of overwhelming support in favor of regulation.
- Comments of low appraisal fees and slow payment times.
 - regulation would not address these concerns/ complaints.
- Fees & independence.
 - these matters are covered under Federal statutes; thus, may be "redundant" to address at the State level.

Announcements: None.

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Next Meeting: Wednesday, February 8, 2017
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
10:14 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

01/04/17

[X] Minutes approved as is.

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