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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

F I N A L M I N U T E S

MEETING OF:

**STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS**

TIME: 10:33 A.M.

Held at

PENNSYLVANIA DEPARTMENT OF STATE

2525 North 7th Street

CoPA HUB, Eaton Conference Room

Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

Thursday, May 23, 2024

State Board of Certified
Real Estate Appraisers
May 23, 2024

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ALSO PRESENT: (cont.)

Francesca Tracy
Teresa Cochran, Executive Director, Assessors'
Association of Pennsylvania
Sarah Whyler, Certified Residential Appraiser &
Realtor, Commonwealth Residential Appraisal
Group
Christopher Bourland, JB Real Estate Valuation &
Advisory
Jonathan Green
Autumn Karper, Sargent's Court Reporting Service,
Inc.

1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 May 23, 2024

5 ***

6 [Pursuant to Section 708(a)(5) of the Sunshine Act,
7 at 9:00 a.m. the Board entered into Executive Session
8 with Ronald K. Rouse, Esquire, Board Counsel, to have
9 attorney-client consultations and for the purpose of
10 conducting quasi-judicial deliberations. The Board
11 returned to open session at 10:30 a.m.]

12 ***

13 [Ronald K. Rouse, Esquire, Board Counsel, informed
14 everyone that the meeting of the State Board of
15 Certified Real Estate Appraisers was being held in a
16 hybrid format, in person and by livestreaming
17 teleconference, pursuant to Act 100 of 2021, which
18 requires boards to use a virtual platform to conduct
19 business when a public meeting is held.

20 Mr. Rouse noted the meeting was being recorded
21 and voluntary participation constituted consent to be
22 recorded.

23 Mr. Rouse also noted the Board entered into
24 Executive Session with Board Counsel to have
25 attorney-client consultations and for the purpose of

1 conducting quasi-judicial deliberations.]

2 ***

3 The regularly scheduled meeting of the State
4 Board of Certified Real Estate Appraisers was held on
5 Thursday, May 23, 2024. Mark V. Smeltzer Sr.,
6 Chairman, Professional Member, officially called the
7 meeting to order at 10:33 a.m.

8 ***

9 Roll Call

10 [Mark V. Smeltzer Sr., Chairman, Professional Member,
11 requested a roll call of Board members. A quorum was
12 present.]

13 ***

14 Introduction of Attendees

15 [Mark V. Smeltzer Sr., Chairman, Professional Member,
16 also requested an introduction of attendees.]

17 ***

18 Approval of minutes of the April 11, 2024 meeting

19 CHAIRMAN SMELTZER:

20 Do I have a motion to approve the
21 minutes?

22 MR. AUSERMAN:

23 I so move.

24 MR. STOERRLE:

25 Second.

1 CHAIRMAN SMELTZER:

2 We have a motion and a second.

3

4 William Stoerrle, yes; Michael
5 McFarlane, aye; John Ausherman, aye;
6 Chandra Mast, aye; Jonathan Schuck,
7 aye; Scott Hartman, aye; Paul Edger,
8 aye; Paul Wentzel, aye; Mark Smeltzer,
9 aye.

10 [The motion carried unanimously.]

11

12 Report of Prosecutorial Division

13 [Timothy A. Fritsch, Esquire, Board Prosecutor,
14 presented a Consent Agreement and Order for Case No.
15 23-70-011753.

16 Chair Smeltzer commented that he wanted to make
17 sure that, for all appraisal reviews, the independent
18 contractor reviews were focused on the appraisal
19 reports and the work file and not a discussion of the
20 appraiser as much as the appraisal in general. He
21 asked whether Prosecution had the ability to instruct
22 the independent contractor reviewers.

23 Chair Smeltzer elaborated that to infer ethics
24 violations because this appraiser should have had a
25 class and should have known this does not mean that

1 they definitely know this. He noted it should be
2 focused more on the appraisal than the appraiser.

3 Mr. Fritsch noted they have discussions with
4 their experts about how they would like the reports
5 to be prepared and the language but do not want to
6 influence their findings. He stated he would have a
7 discussion with the experts about their process and
8 reports.

9 Mr. Ausherman asked whether they look to have a
10 residential appraiser who specializes in residential
11 work do a residential review or just looking at
12 somebody who has a wide standard because it looks
13 like this reviewer does primarily commercial work and
14 teaching.

15 Mr. Michalowski suggested having an open
16 discussion later in the meeting.]

17 MR. ROUSE:

18 Regarding the Consent Agreement at item
19 2 on the agenda at Case No. 23-70-
20 011753, after discussion in Executive
21 Session, I believe the Chair would
22 entertain a motion to adopt the Consent
23 Agreement.

24 CHAIRMAN SMELTZER:

25 I would entertain a motion to accept

1 the Consent Agreement.

2 MR. STOERRLE:

3 I make that motion.

4 MR. HARTMAN:

5 I'll second.

6 MS. HENNESSY HEMLER:

7 William Stoerrle, yes; Michael
8 McFarlane, aye; John Ausherman, aye;
9 Chandra Mast, aye; Jonathan Schuck,
10 aye; Scott Hartman, aye; Paul Edger,
11 aye; Paul Wentzel, aye; Mark Smeltzer,
12 aye.

13 [The motion carried unanimously. That is the Matter
14 of BPOA v. James Thomas Coventry, Case No. 23-70-
15 011753, at item 2 on the agenda.]

16 ***

17 [Ray Michalowski, Esquire, Senior Board Prosecutor,
18 stated the largest part of the Board's budget is
19 prosecution costs, and they are one of the few
20 business boards where almost everything goes to an
21 expert at some point. He noted building a very
22 efficient system with the prereview experts and in-
23 house preview experts.

24 Mr. Michalowski provided a summary of how experts
25 were chosen in the past. He mentioned that it is

1 very difficult to find an expert, not so much in the
2 Philadelphia, Pittsburgh, and Harrisburg, south
3 central regions because many people have experience
4 in those areas. He noted difficulty finding coverage
5 in the Pocono area because a lot of appraisers have
6 marks on their record from issues that have happened
7 in the past.

8 Mr. Michalowski addressed how to leverage the
9 good experts they currently have and work with more
10 residential experts as either doing a full report or
11 assisting in a report. He mentioned that one of the
12 reasons general appraisers and individuals who teach
13 do a mix of commercial and residential is because
14 there used to be almost a standard that someone had
15 to teach the Uniform Standards of Professional
16 Appraiser Practice (USPAP) to be an expert. He noted
17 the Board changed several years ago.

18 Mr. Michalowski addressed highest and best use
19 analysis and whether a property should be residential
20 or commercial. He noted many times where it helps to
21 have a general appraiser say whether or not it is
22 okay and to not get help or assistance from somebody
23 else.

24 Mr. Michalowski discussed moving toward more
25 appraisals being done from a distance. He noted

1 states are greatly varied, where Indiana and North
2 Carolina have investigators who are appraisers and
3 travel the entire state and do their appraisals with
4 an investigative appraiser. He noted very few states
5 do that because it is expensive, and if the
6 individual leaves, all of the appraisal reports go
7 with them because they are no longer returning to
8 testify. He reported having the same problem with
9 the Bureau of Enforcement and Investigation (BEI).

10 Mr. Michalowski mentioned that the Board is in
11 the middle because they have experts across the state
12 that they use. He noted other states simply do
13 everything on paper, where it is submitted to them,
14 and some states allow board members themselves to be
15 the appraiser.

16 Mr. Michalowski stated the profession is evolving
17 to where people are working cooperatively with data
18 collectors. He asked whether the Board would look to
19 either find some experienced real estate agents
20 and/or residential appraisers who could be paired
21 with other appraisers, sometimes doing it on their
22 own depending on the experience level and their
23 ability to write.

24 He noted that writing an appraisal report is
25 difficult and demands many hours of training and

1 education. He also mentioned that doing an expert
2 report for any of the boards is very difficult,
3 noting many of the experts for various professions
4 are brilliant and can explain everything on paper in
5 a way that can be brought to the boards.

6 Counsel further stated costs are rising
7 considerably, especially in areas that are distant,
8 because only a few people can cover them. He noted
9 that he would like to have the experts they know and
10 reports they like to see be able to participate and
11 expand their reach or join their reach to someone
12 else.

13 Mr. Michalowski mentioned that data collectors
14 are part of the industry and experienced real estate
15 agents could be explored because they have access to
16 the MLS. He noted wanting to find a way to cover the
17 difficult-to-reach parts of the state with good,
18 trustworthy, competent experts and also, if
19 necessary, competent individuals helping them or
20 assisting them. He noted the Board is paying a lot
21 of money for experts to travel a considerable
22 distance because there is no coverage in those areas.

23 Chair Smeltzer noted looking at investigators as
24 data collectors, because they are getting all of the
25 information, and if the data shows that in your

1 decision that it needs to go to a reviewer, then it
2 goes to a reviewer. He expressed a concern with some
3 of the reviews, where some reviews have a lot of
4 extensive detail in the scope of work and does not
5 want a reviewer expecting the same scope of work that
6 the reviewer would do to be done in the appraisal
7 that they are reviewing. He referred to the word
8 "peers" being utilized in expert reports.

9 Mr. Michalowski noted telling experts in the past
10 if you would like to comment on something that they
11 believe is not a best practice that is acceptable to
12 identify it as "this is not as a best practice,"
13 because the best practices are not enforced, noting
14 they enforce the required standards. He mentioned
15 that only Mr. Fritsch handles some expert reports,
16 because they are complicated and longer.

17 Chair Smeltzer referred to the scope of work,
18 noting it has three tests to see if it is acceptable.
19 He noted there was no support for site value in the
20 report or in the workfile. He noted scope of work
21 has to result in something that is credible and has
22 to meet what users of similar services expect. He
23 mentioned it was a mortgage lending case, what do
24 mortgage lenders and government-sponsored enterprises
25 (GSEs) expect to be done, noting that it did not meet

1 that requirement. He referred to the language "what
2 your peers' actions would be." He noted their peers
3 are not necessarily that one reviewer and expressed
4 concern that someone not in the residential field
5 doing this may not be aware of what the peers in that
6 field are doing. He believed they should not hold
7 people to something beyond that scope of where the
8 bar is set.

9 Chair Smeltzer referred to grant money and asked
10 whether they should have the reviewers attend
11 training programs. He mentioned the Association of
12 Appraiser Regulatory Officials (AARO) meetings are
13 going to one virtual and one in-person meeting a year
14 and attending virtual training for enforcement might
15 be a good idea.

16 Chair Smeltzer also noted The Appraisal
17 Foundation is offering training for enforcement and
18 suggested having reviewers attend those programs,
19 especially if they can get funding.

20 Mr. Michalowski explained that they planned on
21 sending selected people who do a considerable number
22 of reviews to that training. He also mentioned that
23 he would like to have a small core of investigators
24 who are contracted experts who form the basis and the
25 ability to work with other appraisers that we may

1 hire or contract with or any other data collectors of
2 any sort. He stated their investigators are not good
3 data collectors, noting he could train them all in
4 appraisal, but they will not understand it.

5 Mr. Michalowski mentioned that training a large
6 number just in real estate is very difficult and
7 believed it is much easier for people to investigate.
8 He noted data collectors are data collectors of fact
9 only, and they are missing the ability to data
10 collect on the property.

11 He asked whether they could find real estate
12 professionals to work with the experts such as a
13 residential appraiser who may be less experienced,
14 not yet ready to be a full reviewer in every case,
15 and/or an experienced real estate agent who they feel
16 has enough knowledge who can work with their experts.

17 He noted being able to expand their reach and maybe
18 working with residential appraisers elsewhere to form
19 sort of a mentor-mentee relationship, where they can
20 start giving residential reviews more to residential
21 appraisers and find residential appraisers in more
22 places.

23 Mr. Michalowski offered to suggest training to
24 several individuals but explained that data
25 collectors and their investigators is not really

1 going to work as far as property data investigators.

2 Mr. Stoerrle commented that there are good
3 residential appraisers out there that have no
4 intention of becoming a general certified appraiser
5 and just specialize in residential all their lives.

6 Chair Smeltzer stated they have some people who
7 are generally certified who do a lot of residential
8 and some reviewers who have a very strong residential
9 background who are generally certified.

10 Mr. Stoerrle referred to rural areas where it is
11 very difficult to find commercial appraisers and
12 general appraisers, noting they may be able to reach
13 out to some residential appraisers that have done
14 that all their lives.

15 Mr. Michalowski commented that the model is to
16 have general appraisers they can connect them with
17 from a distance.

18 Ms. Mast mentioned that their model position of
19 long-distance traveling to remote locations and a
20 significant amount of traveling does not fit
21 typically with what women do with being homemakers
22 and having children at home. She noted that fits
23 typically more with what men do and is why general
24 appraisers typically are attracted to what their role
25 is and the residential appraiser, as more women are,

1 would not fit generally with what their role is
2 requiring with long travels away from home. She
3 noted that may be why they are not attracting more
4 residential appraisers.

5 Mr. Michalowski stated the appraiser who covered
6 most of the northern tier of Pennsylvania for a very
7 long time, who is now either in retirement or
8 semiretirement, was a woman. He also mentioned they
9 have two contracted individuals in central
10 Pennsylvania, and it is almost always the female
11 partner who takes on those cases for them and does a
12 fabulous job, as did the one that was up north.

13 Mr. Michalowski explained that they do not want
14 people to travel because of expenses and want to be
15 able to connect somebody in those areas who is
16 already local to either do the work or to do the work
17 in conjunction with one of their individuals who has
18 done reports. He addressed the importance of being
19 geographically competent.

20 Mr. Michalowski addressed an email from Mr.
21 Stoerrle asking whether they had any requests for the
22 grants. He mentioned not being sure whether there is
23 anything they could do to qualify for a grant
24 request, noting Mr. Stoerrle and Mr. McFarlane have
25 become experts as far as what is eligible. He did

1 not believe paying for experts qualifies for that
2 because of procurement rules through Pennsylvania's
3 requirements for contracting. He noted the training
4 to send experts away would be fabulous.

5 Mr. Ausherman asked whether the various
6 investigators they have are qualified to be sent for
7 training.

8 Mr. Michalowski explained that they would not
9 typically qualify to be sent by the state. He noted
10 previous training was offered and paid directly by
11 The Appraisal Foundation for up to two or three of
12 them. He mentioned they no longer do that, because
13 they no longer hold the programs in that form.

14 Mr. Michalowski explained that they could
15 probably send experts to a conference, but it would
16 probably be easier to use grant money than try to go
17 through the states. He offered to work with Mr.
18 Rouse to see what the rules are as far as paying for
19 people who are not board members or paid staff of the
20 entity.

21 Mr. McFarlane stated that, as far as seeking
22 grant money to offset costs particularly for
23 conferences, the Appraisal Standards Board (ASB) does
24 have a limitation of three individuals that applies
25 to the Board or auxiliary members and is a

1 restriction. He noted it is consistent with their
2 historical practice of sending three members paid for
3 by the state and then the intention to seek funding
4 for an additional three members, whether they are
5 Board members, directly or auxiliary members, which
6 can be considered in their grant application.

7 Mr. McFarlane noted he liked the idea of using
8 data collectors if it helps operation and reduces the
9 costs of investigations and the associated report.
10 He mentioned that it has to be consistent with the
11 conditions of the assignment, as well as the
12 established scope of work for said assignment, noting
13 Advisory Opinion 2 is pretty clear that the use of
14 unlicensed data collectors is permissible so long as
15 it is disclosed.

16 Chair Smeltzer addressed what was discussed at
17 AARO. He noted The Appraisal Foundation does have an
18 orientation for new members and state regulatory
19 training but are also asking for suggestions on any
20 additional training programs they might be able to
21 put together. He suggested approaching AARO and
22 requesting training for reviewers.

23 Mr. Michalowski stated the AARO training does not
24 compare to what had been offered before, noting AARO
25 offers a broader view of everything from the industry

1 viewpoint, but training that they previously offered
2 was more extensive, even if they offered it in a
3 virtual manner.

4 Chair Smeltzer offered to talk to the new
5 director of The Appraisal Foundation.

6 Mr. Hartman asked whether it is appropriate for
7 Board members to recommend residential appraisers as
8 reviewers in some of the areas where it is difficult
9 to provide coverage.

10 Mr. Michalowski explained that they could reach
11 out through their professional organizations rather
12 than as a Board member.

13 Chair Smeltzer also suggested having the state
14 look for reviewers rather than Board members making a
15 recommendation.

16 Mr. Michalowski noted Ms. Hennessy Hemler could
17 provide his email to everybody. He mentioned they
18 like interviewing individuals but not everybody loves
19 the contracting process with the Commonwealth and
20 always presume a 50% attrition rate. He also
21 mentioned that someone would have to be off the Board
22 at least a year to take on any expert work.]

23

24 [Mark V. Smeltzer Sr., Chairman, Professional Member,
25 and John D. Ausherman, Professional Member, exited

1 the meeting for recusal purposes at 11:25 a.m.]

2 ***

3 VICE CHAIR STOERRLE ASSUMED THE CHAIR

4 ***

5 Report of Board Counsel - Matters for Deliberation

6 MR. ROUSE:

7 Item 3 on the agenda. This is the
8 Motion for Reconsideration of the Final
9 Order in the Matter of BPOA v. Gino T.
10 Pusateri, Case Nos. 23-70-010747 & 23-
11 70-014550.

12 I believe the Chair would entertain
13 a motion to deny Mr. Pusateri's Motion
14 for Reconsideration of the Final Order
15 making the Preliminary Order Final in
16 the Matter of BPOA v. Gino T. Pusateri,
17 Case Nos. 23-70-010747 & 23-70-014550,
18 at item 3 on the agenda.

19 VICE CHAIR STOERRLE:

20 Do I have a motion?

21 MR. EDGER:

22 I'll make that motion.

23 MR. SCHUCK:

24 I'll second.

25 MR. ROUSE:

1 Any discussion?

2

3 Michael McFarlane, aye; Chandra Mast,
4 aye; Jonathan Schuck, aye; Scott
5 Hartman, aye; Paul Edger, aye; Paul
6 Wentzel, aye; Bill Stoerrle, aye.

7 [The motion carried. Mark Smeltzer and John
8 Ausherman recused themselves from deliberations and
9 voting on the motion.]

10 ***

11 [Mark V. Smeltzer Sr., Chairman, Professional Member,
12 and John D. Ausherman, Professional Member, reentered
13 the meeting at 11:27 a.m.]

14 ***

15 CHAIR SMELTZER RESUMED THE CHAIR

16 ***

17 Report of Board Counsel - Motion to Deem Facts
18 Admitted and Enter Default

19 MR. ROUSE:

20 Item 4 on the agenda is a Motion to
21 Deem Facts Admitted and Enter Default.

22 Regarding the Matter of Gregory P.
23 Rosato, Case No. 22-70-009330, at item
24 4 on the agenda, I believe the Chair
25 would entertain a motion to grant the

1 Motion to Deem Facts Admitted and
2 direct Board Counsel to prepare the
3 Adjudication and Order in accordance
4 with the discussion in Executive
5 Session.

6 CHAIRMAN SMELTZER:

7 The Chair would entertain a motion.

8 MR. HARTMAN:

9 So moved.

10 MS. MAST:

11 I second.

12 MS. HENNESSY HEMLER:

13 Bill Stoerrle, aye; Michael McFarlane,
14 aye; John Ausherman, aye; Chandra Mast,
15 aye; Jonathan Schuck, aye; Scott
16 Hartman, aye; Paul Edger, aye; Paul
17 Wentzel, aye; Mark Smeltzer, aye.

18 [The motion carried unanimously.]

19 ***

20 Applications for Review

21 MR. ROUSE:

22 Item 12 on the agenda, John Gula,
23 Licensed Appraiser Trainee, Review of
24 Supervisory Appraiser's Application.
25 The Supervising Appraiser is Clay

1 Cassidy.

2 At item 12 on the agenda, I believe
3 the Chair would entertain a motion to
4 provisionally deny the Application of
5 Clay Cassidy to be the Supervisory
6 Appraiser for John Gula, Licensed
7 Appraiser Trainee.

8 MR. AUSERMAN:

9 I so move.

10 MR. STOERRLE:

11 Second.

12 MS. HENNESSY HEMLER:

13 Bill Stoerrle, aye; Michael McFarlane,
14 aye; John Auserman, aye; Chandra Mast,
15 aye; Jonathan Schuck, aye; Scott
16 Hartman, aye; Paul Edger, aye; Paul
17 Wentzel, aye; Mark Smeltzer, aye.

18 [The motion carried unanimously.]

19 ***

20 MR. ROUSE:

21 Item 13 on the agenda is the
22 Application for Certified Residential
23 Appraiser of Johnathan Carter Green.

24 I believe the Chair would
25 entertain a motion to grant the

1 Application for Certified Residential
2 Appraiser of Jonathan Carter Green,
3 Case No. 23-70-017737.

4 CHAIR SMELTZER:

5 I would entertain a motion.

6 MS. MAST:

7 I make a motion to approve.

8 MR. EDGER:

9 I'll second.

10 MS. HENNESSY HEMLER:

11 Bill Stoerrle, aye; Michael McFarlane,
12 aye; John Ausherman, aye; Chandra Mast,
13 aye; Jonathan Schuck, aye; Scott
14 Hartman, aye; Paul Edger, aye; Paul
15 Wentzel, aye; Mark Smeltzer, aye.

16 [The motion carried unanimously.]

17 ***

18 Report of Board Counsel - Miscellaneous

19 [Ronald K. Rouse, Esquire, Board Counsel, provided a
20 copy of the 2023 State Board of Certified Real Estate
21 Appraisers Annual Report. He noted the Board
22 received a report in January from the prosecutorial
23 division.

24 Mr. Michalowski noted the only difference was
25 that prosecution presented preliminary numbers, and

1 the current report reflects the finalized numbers.]

2

3 Regulations/Statute - Regulatory Report

4 [Ronald K. Rouse, Esquire, Board Counsel, provided a
5 copy of the Regulatory Report for the Board's review.

6 He referred to Regulation 16A-7029 regarding
7 distance education and the Practical Applications of
8 Real Estate Appraisal (PAREA). He noted the Office
9 of General Counsel and the Office of Attorney General
10 have reviewed and approved the proposed rulemaking.

11 Mr. Rouse mentioned that they are currently
12 preparing the proposed rulemaking for delivery to
13 leadership at the Pennsylvania General Assembly and
14 to the Independent Regulatory Review Commission
15 (IRRC), as well as to getting the matter ready for
16 publishing in the *Pennsylvania Bulletin* for a 30-day
17 comment period.]

18

19 Regulations/Statute - Regulation 16A-7025

20 [Ronald K. Rouse, Esquire, Board Counsel, informed
21 Board members that regulatory counsel is working on
22 the annex for 16A-7025.]

23

24 Regulations/Statute - Regulation 16A-7031

25 [Ronald K. Rouse, Esquire, Board Counsel, announced

1 that the Independent Regulatory Review Commission
2 approved the final-omitted rulemaking for 16A-7031 on
3 May 16, 2024. He noted three main changes to the
4 regulations, and it will be published in the
5 *Pennsylvania Bulletin* on June 8, 2024.

6 Mr. Rouse explained that it will make training
7 on valuation bias and fair housing laws and
8 regulations a requirement for all certified
9 appraisers and licensed appraiser trainees in
10 Pennsylvania beginning with the 2025 to 2027 biennial
11 renewal period, where all certified appraisers and
12 licensed appraiser trainees will be required to
13 complete a 7-hour course as a condition of renewal of
14 certification or licensure.

15 Mr. Rouse noted receiving a Q&A from the
16 Appraiser Qualifications Board (AQB). He referred to
17 a question asking whether it would count if someone
18 takes the course before January 1, 2026, noting the
19 course would count.

20 Mr. Rouse noted that the final-omitted
21 rulemaking changes the name of USPAP Update Course to
22 USPAP Continuing Education Course. He also noted the
23 rulemaking amends the Board's Appraisal Management
24 Company regulations to be following the federal
25 regulations regarding AMC ownership limitations, and

1 their regulations are aligned with federal
2 requirements.

3 Chair Smeltzer asked whether there was anything
4 in there about the 4-hour continuing education taken
5 thereafter.

6 Mr. Rouse explained that it will require
7 appraisers and trainees to a complete valuation bias
8 and fair housing laws and regulation course that is
9 at least 4 hours in length as a condition of biennial
10 licensure or certification after the 7-hour course
11 requirement is satisfied.

12 Chair Smeltzer asked whether they have a
13 requirement for qualifying education, where they are
14 adding a 7-hour program plus a 1-hour exam.

15 Mr. Rouse stated it is already built in to their
16 regulations.

17 Mr. Hartman thanked Mr. Rouse for his great job
18 on the regulations.

19 Randy Waggoner, CPE, Assessors' Association of
20 Pennsylvania, asked whether the regulation applies to
21 certified Pennsylvania evaluators (CPEs).

22 Mr. Rouse explained that it does not include
23 certified Pennsylvania evaluators because that is a
24 separate regulatory package because the requirement
25 for appraisers is a federal requirement and was able

1 to be done in a final-omitted package, where it did
2 not have to go through the proposed rulemaking
3 process.

4 Mr. Rouse noted they could not include certified
5 Pennsylvania evaluators as part of their final-
6 omitted package, and it has to go through the regular
7 process because valuation bias and fair housing laws
8 and regulations training is not federally required
9 for certified Pennsylvania evaluators. He mentioned
10 that he is currently drafting the regulatory analysis
11 form to prepare the proposed rulemaking package.]

12 ***

13 Regulations/Statute - House Bill 2220 of 2024
14 [Ronald K. Rouse, Esquire, Board Counsel, addressed
15 House Bill 2220 of 2024. He stated the bill has been
16 introduced in the House and would amend Section
17 6(a.1) of the Real Estate Appraisers Certification
18 Act to clarify that an appraiser trainee shall
19 operate under the direct supervision of one certified
20 residential appraiser or certified general appraiser
21 per assignment.
22 for the purpose of completing the experience
23 requirements for an appraiser credential in
24 subsection (a).

25 Mr. Rouse noted it is consistent with their

1 regulations at 49 Pa. Code § 36.13(c)(1), where an
2 appraiser trainee may not be supervised by more than
3 one residential or general appraiser on each
4 appraisal assignment.

5 Mr. Rouse also noted Section 6(a.1) would be
6 amended, where the supervisory appraiser shall be in
7 good standing, have at least three years of
8 experience as a certified residential appraiser or
9 certified general appraiser, and shall not supervise
10 more than three appraiser trainees. He noted it
11 would reduce the number of years of experience
12 required for a supervisor appraiser from five years
13 to three years, which is consistent with the federal
14 requirements.

15 Chair Smeltzer asked whether they are also
16 removing the requirement that the last three years be
17 in Pennsylvania. He explained that they used to
18 require five years, the last three of which had to be
19 in Pennsylvania.

20 Mr. Rouse explained that this is an amendment to
21 the statute. He noted the Board could not change
22 their regulations to three years when the statute has
23 five years, but if the statute is changed to three
24 years, then they can go back into their regulations
25 and address the other changes attached to five year

1 experience requirement.

2 Mr. Schuck commented that Senators Farry and
3 Fontana have essentially reintroduced Senate Bill
4 1196, which proposes having home inspectors fall
5 under the State Board of Certified Real Estate
6 Appraisers.

7 Chair Smeltzer thanked Mr. Rouse for the great
8 job on the regulations.]

9 ***

10 Report of Board Chairman - No Report

11 ***

12 Report of Board Administrator - Proposed 2026 Board
13 Meeting Dates

14 [Kristel Hennessy Hemler, Board Administrator,
15 requested a vote from Board members on the proposed
16 2026 Board meeting dates.]

17 MR. ROUSE:

18 Would the Chair entertain a motion to
19 adopt the 2026 Board meeting dates?

20 CHAIRMAN SMELTZER:

21 I would entertain that motion.

22 MR. STOERRLE:

23 I make a motion.

24 MR. AUSHERMAN:

25 Second.

1 MS. HENNESSY HEMLER:

2 Bill Stoerrle, aye; Michael McFarlane,
3 aye; John Ausherman, aye; Chandra Mast,
4 aye; Jonathan Schuck, aye; Scott
5 Hartman, aye; Paul Edger, aye; Paul
6 Wentzel, aye; Mark Smeltzer, aye.

7 [The motion carried unanimously.]

8 ***

9 [Kristel Hennessy Hemler, Board Administrator, noted
10 the 2026 Board meeting dates are January 15, February
11 19, April 30, June 4, July 16, August 27, October 16,
12 and December 3.]

13 ***

14 Report of Board Administrator - Certified

15 Pennsylvania Evaluator by Endorsement Examination

16 [Kristel Hennessy Hemler, Board Administrator,

17 provided an update regarding the Certified

18 Pennsylvania Evaluator by Endorsement Exam. She

19 reported Pearson VUE completed that exam in February

20 and is now ready for use.

21 Ms. Hennessy Hemler noted the Board does not

22 receive many applications where somebody is licensed

23 in another state who comes into Pennsylvania, so they

24 created a state-specific endorsement exam. She

25 mentioned staff is working on the application

1 revisions and process to get that online.]

2

3 Conference Reports/Report of Committees

4 [Mark V. Smeltzer Sr., Chairman, Professional Member,
5 noted three Board members attended the Association of
6 Appraiser Regulatory Officials Conference (AARO).

7 Mr. Stoerrle stated the Department of Housing and
8 Urban Development (HUD) started their investigation
9 process and plan on sending it to various state
10 boards if they find a violation. He noted they are
11 also allowing the reconsideration of value similar to
12 the Veterans Affairs (VA), where if the property is
13 undervalued that the buyer has the opportunity to
14 file.

15 Mr. Stoerrle noted the The Appraisal Foundation
16 discussed virtual training for the regulators. He
17 stated Fannie Mae and Freddie Mac are looking at the
18 confidentiality rule of the appraisal as far as the
19 reconsiderations of value when an appraisal is done,
20 it is done for the client, which in most cases is the
21 lender.

22 Mr. Stoerrle noted The Appraisal Foundation
23 mentioned the AMCs as far as the state, "I wasn't
24 sure on this. Do we as a state have a goal as to
25 payment from the AMC foreign accreditation? We do."

1 Chair Smeltzer explained that they were talking
2 about "customary and reasonable," which is in the
3 Dodd-Frank bill and, at the AARO Conference, they
4 wanted to know what states were doing as far as
5 enforcing customary and reasonable. He addressed the
6 issue, where Louisiana was the first state that
7 actually tried to enforce customary and reasonable.

8 Chair Smeltzer stated they used a VA fee for
9 residential appraising as a customary and reasonable
10 fee and said anyone paying less than what the VA
11 identified as a fee was not paying a customary and
12 reasonable fee and were going after the AMCs for not
13 paying it. He noted they were sued by the AMCs and
14 Federal Trade Commission for price fixing and it did
15 not go well for them. He noted their response when
16 asked by ASC was that they would sue them. He
17 explained that the problem with it is there is no
18 measurement of what is customary and reasonable
19 because everybody has different interpretations of
20 it.

21 Chair Smeltzer stated the ASC approached the
22 states asking how they are enforcing this, and the
23 response was that there is not any real enforcement
24 in any of the states, because they do not want to go
25 through what Louisiana went through, and there is no

1 set measurement for customary and reasonable. He
2 mentioned that until they come up with a way of
3 measuring customary and reasonable that they would
4 not get a lot of enforcement on it.

5 Mr. Michalowski commented that they have had no
6 no complaints but have seen them in other states. He
7 noted having complaints on failure to pay and delayed
8 payments and those sorts of things, which can be
9 considered ways of influencing the appraisal process
10 itself. He mentioned they have not seen that issue
11 recently since AMCs have gone to a smaller group of
12 larger AMCs.

13 Chair Smeltzer noted they also brought up an
14 issue with some states having a problem with the AMC
15 registry not matching the ASC registry list and
16 wanted to know if they were having issues.

17 Ms. Hennessy Hemler informed Board members that
18 Pennsylvania is 100% matched up according to policy
19 managers at the ASC.

20 Mr. Stoerrle stated they spoke about who oversees
21 the data collectors but believed that part to be
22 short-lived with the technology coming on board.

23 Mr. Michalowski mentioned that they would hold
24 the appraiser responsible and potentially the AMC.
25 He noted seeing a lot of them where the AMC hires the

1 data collector independent of hiring the appraiser,
2 where the appraiser is stuck with that data
3 collector. He noted that would be their two avenues
4 for enforcement unless they got into the point where
5 they actually were performing an appraisal and can be
6 charged with unlicensed practice.

7 Mr. Stoerrle asked whether an appraiser is on the
8 chopping block if the appraiser uses the data supply
9 of the person collecting.

10 Mr. Michalowski explained that the danger is
11 determining the data being used is credible. He
12 believed it to be unfair to the appraisers who deal
13 with that AMC model, where they are not choosing
14 somebody that they know and trust to be their data
15 collector and is being chosen by the AMC.

16 Chair Smeltzer reported that there were 8
17 complaints to HUD in 2020, 77 in 2021, 80 in 2022, 58
18 in 2023, and 12 so far this year. He mentioned it
19 spiked at the same time that values were increasing
20 and everything else was going on. He noted 70% of
21 complaints were with refinances and seems to be
22 dropping.

23 Chair Smeltzer also reported that there were 382
24 Fannie Mae tips in 2020, 499 in 2021, 1,083 in 2022,
25 1,470 in 2023, and 284 in 2024. He noted 3,086 tips

1 concerned comparables, 1,818 adjustments, 1,010
2 integrity, and reconciliation. He mentioned that they
3 were not talking about code words, although the code
4 words kind of touch them off to looking at other
5 things. He commented that the increase has shown the
6 need for prosecution and why expenses for
7 investigations continues to increase.

8 Mr. Michalowski stated prosecution is handling
9 most of the code word issues without having to
10 investigate. He mentioned that Fannie Mae is a good
11 source for raising quality concern issues that come
12 before the Board formally, whether they go into their
13 remedial system or require a warning letter with
14 recommended education as opposed to consumer
15 complaints in general.

16 Chair Smeltzer recommended notifying appraisers
17 of the new reconsiderations of value (ROV)
18 requirements adopted by the Federal
19 Housing Administration (FHA), Fannie Mae, and Freddie
20 Mac. He noted they are all having an ROV program and
21 limiting it to five sales. He reminded appraisers to
22 keep a copy of every original report in their
23 workfile of any type of revisions or changes.

24 Mr. Michalowski commented that it would be higher
25 than expected if 5% or 10% of the population is

1 actually keeping all of the copies of the reports in
2 their workfile.

3 ***

4 [Paul H. Wentzel Jr., Senior Legislative Director,
5 Department of Banking and Securities designee, exited
6 the meeting at 12 p.m.]

7 ***

8 Chair Smeltzer asked education providers to work
9 that requirement into their state law education
10 program because keeping copies in their workfile is
11 an issue in Pennsylvania.

12 An inquiry was made as to whether reconsideration
13 of value was effective immediately.

14 Chair Smeltzer explained that it was effective
15 May 1.

16 There was a comment that reconsiderations of
17 value is similar to the Tidewater initiative the VA
18 had since the 90s, where the comparables were
19 provided by either the buyer or the agent. He
20 reminded everyone what happened in 2006, 2007, and
21 2008.

22 Chair Smeltzer thought everyone should keep in
23 mind that the Property Appraisal and Valuation Equity
24 (PAVE) Report addressed this and said that there
25 should be a program, and therefore everyone adopting

1 that ROV already had one and had their Tidewater
2 initiative, but for the others to now have a program
3 for reconsiderations of value is consistent with what
4 they are seeing.

5 Mr. Stoerrle commented that appraisers having a
6 problem coming up to contract price will notify the
7 lender prior to concluding value with the VA
8 Tidewater, and he is fine with that. He noted with
9 the reconsideration, if the appraiser sends a report
10 and then the reconsideration comes in and changes it
11 to 120 that it kind of holds the appraiser out, the
12 first report they did and asked whether that is
13 correct.

14 It was noted that Tidewater happened in the
15 Virginia Beach area, where there were a lot of
16 veterans back in that period of accelerated prices
17 and veterans were missing out on houses because the
18 appraisals were coming in less than sale price.
19 Reconsiderations of value is totally different, where
20 the appraisal has already been submitted and then
21 they are going back and reviewing comparables, where
22 it will create additional work for appraisers.

23 Ms. Mast stated the reconsiderations of value
24 position is more due to skepticism and was
25 unfortunate for them, rather than with the vets

1 needing to get financed.

2 Chair Smeltzer inquired as to whether it is a
3 violation if an appraiser finds out they made an
4 error and correct the error; which is what happens
5 with the reconsiderations of value. He noted that
6 sometimes it is a sale that was under contract but
7 did not close and they did not find the error which
8 may have occurred because of the way it was entered
9 in the database. Something that did not come up in
10 the search they did, because it was incorrectly
11 identified in the database, comes up afterwards. He
12 mentioned that he did not want to be telling
13 appraisers they should not be changing their numbers
14 because they are subject to a complaint.

15 Mr. Michalowski mentioned that it is often a
16 software issue, where people simply save over top of
17 it. He mentioned seeing it is individuals who are
18 doing appraisals from their desktops at a distance
19 and probably missing something to begin with. He
20 mentioned that some appraisers are very defensive and
21 it does not appear they did an actual
22 reconsideration.

23 Chair Smeltzer referred to the ASC and asked
24 whether or not they can have a question, depending on
25 state law, concerning age, gender, or ethnicity of

1 applicants coming into their industry to keep stats
2 on diversity. He mentioned their industry is 92%
3 white.

4 Ms. Mast commented that she has been reading a
5 book on data diversity and data gap, and unless they
6 differentiate data and measure it that they will
7 never improve the diversity of the profession.

8 Mr. Michalowski stated he did not believe age is
9 something that they redact when people make a request
10 for a licensure record. He noted there is also the
11 question of identifiable versus de-identified
12 information, which is how most statistical studies
13 are done, and with de-identifying the individuals and
14 providing data in a de-identified form of a group
15 rather than person by person.

16 Mr. McFarlane noted it to be an honor to be part
17 of the Board, and both Chairman Smeltzer and Vice
18 Chair Stoerrle are very well regarded at the AARO
19 Conferences. He reported that the Board is very well-
20 administered in all facets and functions.

21 Mr. McFarlane stated the AARO Conference was very
22 informative, and he put in a submission for the next
23 AARO conference to provide a course on practical
24 applications of artificial intelligence and real
25 estate valuation.

1 Mr. McFarlane informed Board members that
2 diversity in the industry, reducing barriers of
3 entry, attrition in the industry, and increase in
4 fees are pain points that other boards across the
5 country are experiencing. He also reported
6 violations, particularly unsupported adjustments in
7 land valuation, continues to also be an issue across
8 boards.

9 Mr. McFarlane addressed ASC grant funding, noting
10 the grant director, Regeane Frederique, presented a
11 very informative class. He stated the first deadline
12 for submission for funding is the first week of June.

13 He noted the Board has an application packet
14 prepared. He mentioned that the Board removed
15 seeking funding for electronic equipment based on the
16 new boardroom.

17 Mr. McFarlane noted it produces a slight
18 inefficiency for Board members because they cannot
19 review material on the fly that is part of their
20 consideration. He asked whether the Board wished to
21 reinsert seeking funding for electronic personal
22 devices. He noted being prepared to submit the
23 package prior to the first week of June deadline for
24 consideration of ASC funding.

25 Mr. Stoerrle asked whether he is including

1 personal computers.

2 Mr. McFarlane noted that it is not included in
3 the application.

4 Chair Smeltzer believed the position is that it
5 would be inappropriate to be using electronic devices
6 during meetings because someone could be given a
7 subpoena to turn over the electronic device to see
8 everything discussed during that meeting. He
9 commented that everything should be transparent. He
10 noted Ms. Hennessy Hemler provides information
11 electronically and notice of what will be discussed
12 one week ahead of time.

13 A comment was made that it is difficult to read a
14 120-page appraisal report and review everything that
15 will be discussed at the meeting one week prior to
16 the meeting. He noted it would be nice to have a
17 laptop.

18 Mr. Rouse commented that information technology
19 (IT) probably cannot put state information on a
20 personal computer but can confirm that.

21 It was noted that the personal tablet devices
22 would be the property of the Commonwealth and would
23 be assigned to a Board member. He also mentioned
24 having an additional screen, where someone could
25 review documentation on the fly because it is

1 difficult to see the screen depending on where
2 someone is sitting.

3 Ms. Hennessy Hemler offered to have a
4 conversation with the Acting Commissioner Claggett
5 and get back with Board members.

6 Chair Smeltzer informed everyone that the grant
7 is up to a \$120,000 a year for three years for a
8 total of a \$360,000 grant from the ASC. He explained
9 that they want to see anything that will reduce
10 barriers to entry into the profession. He noted prior
11 discussion of a practicum. He mentioned being asked
12 about a scholarship for the PAREA program, noting
13 they can have grants go to a school but cannot give
14 grants to individuals. He noted the Board could ask
15 for anything that would improve the state's overall
16 process and is why they are talking about having
17 access to some sort of a device to look at documents
18 as they are going through them. He noted a practicum
19 program could address some of the lack of diversity
20 and anything that would serve their underserved areas
21 would be helpful. He mentioned that sometime in
22 September is another application time period.

23 Mr. McFarlane noted the intention was to submit
24 what they have ready by June. He mentioned the
25 practicum course might not be ready by then. He did

1 not believe there was a prohibition against
2 submitting for the first round of funding
3 consideration and second within this calendar year.
4 He recommended submitting what they already have by
5 early June and any additional requests in September.

6 Mr. McFarlane noted the requested funding would
7 include three individuals to attend the AARO
8 Conference, bringing on auxiliary board staff, PAREA
9 stipend, and USPAP funding. He mentioned the request
10 so far is for \$97,000 and notwithstanding the
11 personal electronic devices would be approximately
12 \$80,000.]

13 MR. SCHUCK:

14 I would move that Mike McFarlane be
15 authorized to submit the ASC grant
16 application in advance of the June
17 deadline, including all items discussed
18 for that initial preliminary
19 submission, which would at this point
20 not include electronic devices as I
21 understand it.

22 MS. MAST:

23 I second.

24 CHAIRMAN SMELTZER:

25 Any other discussion on it?

1 [The Board discussed the motion.]

2 MR. MCFARLANE:

3 Can we amend the motion to say that if
4 the Commissioner grants approval that
5 we could add the amount of money. I
6 think it is \$17,000 for the tablet
7 computers, and that way we do not have
8 to wait until August and November or
9 December until we get an answer.

10 CHAIRMAN SMELTZER:

11 We have an amended proposal motion. Do
12 I hear a second for the amended
13 proposal?

14 MR. SCHUCK:

15 I'll second the amended motion.

16 MS. HENNESSY HEMLER:

17 Bill Stoerrle, aye; Michael McFarlane,
18 aye; John Ausherman, aye; Chandra Mast,
19 aye; Jonathan Schuck, aye; Scott
20 Hartman, aye; Paul Edger, aye; Mark
21 Smeltzer, aye.

22 [The motion carried unanimously.]

23 ***

24 Miscellaneous

25 [Mark V. Smeltzer Sr., Chairman, Professional Member,

1 referred to correspondence from Barbara Braun
2 regarding the need for interior inspections. He
3 noted their regulations states that 50% of the
4 required hours of experience for certified general
5 appraisers have to include an interior inspection of
6 the property. He noted the question asking about
7 people who do primarily land appraisals where there
8 is no interior inspection.

9 Barbara Braun, Real Estate Specialist, Appraiser
10 Trainee at Pennsylvania Department of Transportation,
11 stated she does land valuations for eminent domain
12 and try not to take entire properties. She noted
13 acquiring them in the Philadelphia area is so
14 prohibitive that they do not want taxpayers footing
15 the bill for that if there are other ways around it.

16 Ms. Braun stated 99.9% of their valuations
17 involve raw land. She mentioned that an appraiser
18 trainee acquiring hours under a supervisor doing
19 interior inspections is just about impossible, even
20 when we do get roadwork that requires a full
21 acquisition of a variety of properties. She
22 mentioned that because of the limitations the state
23 has on what they can spend money on for data
24 collection that she cannot many times secure enough
25 information to make valid adjustments and appraisal

1 considerations. She mentioned that most of that work
2 is then feed out to the appraisers.

3 Ms. Braun noted she does not have access to an
4 MLS through the state and gets access to the local
5 MLS through contacts in the outside real estate
6 world. She noted the MLS is the one that put the
7 limit on that and not the state. She mentioned she
8 does not have access to any data collection sources,
9 like CoreLogic, and that her limit comes from the MLS
10 and public record.

11 Ms. Braun stated doing an interior inspection of
12 a property that she is not valuing is even worse.
13 She asked whether any exceptions could be made when
14 someone works for the state appraising land. She
15 also personally looked at becoming a trainee under an
16 outside appraiser but outside appraisers always
17 wanted her to say that she will work directly for
18 them and that she would quit her full-time job.

19 Ms. Bran mentioned that it is not fair to expect
20 a general appraiser out there who is making a living
21 through his company to train her or someone else
22 knowing they are not going to get their money back
23 out of it. She also noted there is no PAREA course
24 for general appraisers and asked whether there is
25 anything the Board can do.

1 Mr. Rouse informed Ms. Braun that the Board
2 cannot give an advisory opinion but directed her to
3 regulation § 36.12(e)(2), where 50% of the total
4 experience requirement must be in the actual
5 preparation of real estate appraisal reports, which
6 includes physical inspections of the interior and
7 exterior of the subject properties and § 36.13
8 relating to experience options for preparation of
9 appraisal reports and experience logs. He also
10 stated there is nothing in the regulations that
11 contains an exception.

12 Chair Smeltzer stated their proposal for PAREA
13 acceptance is 100% for residential and 50% for
14 general and asked whether someone could use PAREA 50%
15 to meet their requirement for 50% since they allow
16 that for residential for 100%, including their
17 interior requirements.

18 Mr. Rouse explained that it would only be
19 speculation at this point because they actually do
20 not have a regulation in place.

21 Chair Smeltzer commented that the Board is
22 limited by their regulations to only enforcing what
23 our regulation calls for and is why they send people
24 to the regulations.

25 Ms. Braun commented that since there is no

1 exception that if she uses the PAREA method that it
2 gets really complicated because she could go through
3 PAREA, which gives her a residential license but
4 still applying for a general and has to gamble
5 whether or not that 50% she covers under the
6 residential inspections would count.

7 Mr. Rouse explained that he could not speak to it
8 again because they do not have regulations in place.

9 He noted that when the PAREA regulation gets
10 published as proposed that there is a 30-day comment
11 period.

12 Mr. Stoerrle asked whether someone could take
13 PAREA in Ohio if they had it in place.

14 Mr. Rouse stated he did not know how that is
15 going to work. He commented that unless there is a
16 regulation, they could have that conversation and
17 discuss that in executive section to kind of flesh
18 that out, but at this point, without a regulation, he
19 cannot speak to that.

20 Ms. Braun asked how to propose a regulation or
21 whether she only has the ability to comment on what
22 is proposed.

23 Mr. Rouse explained that anyone can make comments
24 for the Board to consider whether or not they want to
25 change the regulation based on those comments. He

1 suggested putting any comments in writing.]

2

3 Public Comment/Discussion

4 [Randy Waggoner, CPE, Assessors' Association of
5 Pennsylvania, complimented and commended Ms. Hennessy
6 Hemler, for resolving the issue of a CPE candidate in
7 Centre County who was unable to get her application
8 processed.

9 Mr. Waggoner stated the Assessors' Association,
10 in cooperation with the County Commissioners
11 Association, put together training for boards of
12 assessment appeals. He noted emphasizing that because
13 of the USPAP regulation of intended use and intended
14 user of appraisals that they wanted the boards of
15 assessment appeals to understand.

16 Mr. Waggoner explained that when a property owner
17 comes in to appeal an assessment and with their
18 appeal form, they submit an appraisal, but the
19 intended use of the appraisal was for mortgage
20 finance purposes or refinance and the intended user
21 was something like ABC Savings and Loan. He noted
22 they are instructing boards to give those appraisals
23 minimum weight, if any at all, because they are not
24 the intended user and the intended use of that
25 appraisal was not for market value or an assessment

1 appeal.

2 Mr. Waggoner mentioned that the Board may be
3 getting complaints because people are not going to
4 know where to complain because they had an appraisal
5 done, yet the Board of Appeals or Assessment Office
6 neglected to consider those. He believes it to be a
7 USPAP violation and does not want boards to revert
8 back to their CPE or expert.

9 Ms. Hennessy Hemler noted the candidates who take
10 the evaluator's exam were having issues with their
11 testing organization, Pearson VUE, related to
12 allowing the use of calculators. She noted Ms.
13 Cochran sent her an email noting that it is causing a
14 lot of issues with the candidate and employer. The
15 candidate takes time off from work, is getting to the
16 testing sites and then being refused to use the
17 calculator.

18 Teresa Cochran, Executive Director, Assessors'
19 Association of Pennsylvania, commented that getting
20 that CPE license is a continuation of their
21 employment and/or tied to a raise and it is a little
22 disconcerting for them.

23 Mr. Waggoner mentioned knowing three individuals
24 who were told they cannot take a calculator when they
25 went to sit for their CPE exam and ended up failing.

1 He noted that Pearson VUE, through communication,
2 realized that is not correct and allows them to use
3 calculators as long as they are not the programmable
4 types. He mentioned that Pearson VUE issued vouchers
5 so they could retest without any cost but the
6 candidate must still take additional time off in
7 order to schedule that and take the exam.

8 Ms. Hennessy Hemler noted forwarding the email to
9 their program manager at Pearson VUE yesterday
10 afternoon and sending a copy to the Commissioner and
11 Mr. Rouse. She noted receiving a response yesterday
12 and forwarding the response to Ms. Cochran and all of
13 the others on the email. She read the response to
14 Board members and noted they are going to try to fix
15 that process. She asked everyone to inform her of
16 any candidates who experiences any more issues.

17 Chair Smeltzer recommending printing out a copy
18 of the eligibility letter, so they have it when they
19 go to the site.

20 Mr. Hartman referred to a statement from Mr.
21 Waggoner, noting he understands the concept of
22 intended use and that appeal boards are being
23 instructed not to accept mortgage financing
24 appraisals as one example or maybe an estate
25 appraisal as another example. He noted Mr. Waggoner

1 is talking about a USPAP violation and stated USPAP
2 does not apply to the appeal boards because it
3 applies to the appraiser. He asked whether Mr.
4 Waggoner is suggesting, for instance, if he did an
5 appraisal for a mortgage lender, the borrower got a
6 copy of it, and he had no idea that he took it in to
7 the appeal board and presented it, whether he is
8 suggesting that there is a USPAP violation on his
9 part.

10 Mr. Waggoner apologized for misleading him but
11 said that it would not be a USPAP violation. He
12 mentioned that the only reason they bring it up in
13 training boards of assessment appeals is because some
14 boards rely very heavily on their CPEs who also sit
15 in on all appeals. He noted they are cautioning the
16 appeals boards that if they choose to accept to
17 either give them minimal weight or more specifically
18 to not ask their CPE to review those appraisals
19 and/or make comment or recommendations as a result of
20 those appraisals because it would be a violation on
21 the CPEs part.

22 Chair Smeltzer noted discussion concerning
23 intended use and intended user and provided his
24 understanding of intended use and intended user. He
25 noted it is identifying what the appraiser intended

1 when they did this. He noted what they intended when
2 they did this appraisal was that it would be used by
3 these particular people, so they wrote a report that
4 could be understood by those people, and by "intended
5 use" when they did it, they did everything that would
6 be necessary for that particular use.

7 Chair Smeltzer noted when someone identifies an
8 intended use and intended user, that does not forbid
9 other people from using it or using it for other
10 uses. He mentioned understanding the warning given
11 to the assessors. He noted it was not written with
12 the intention that they use it and was not written
13 for them or for them to understand it, and was not
14 written with the intention that they use it for that
15 purpose. He mentioned it may not contain all the
16 information, but there is no forbidding other parties
17 from using that report or using it for other reasons
18 and is just identifying what the appraiser's
19 intention was when they did the appraisal.

20 Chair Smeltzer commented that it would go pretty
21 far to say that would be a USPAP violation. He noted
22 he can review any report done for anybody and keeping
23 the intended use and intended user in mind when he
24 does the review, just realize it was not done for
25 that purpose.

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CERTIFICATE

I hereby certify that the foregoing summary minutes of the State Board of Certified Real Estate Appraisers meeting, was reduced to writing by me or under my supervision, and that the minutes accurately summarize the substance of the State Board of Certified Real Estate Appraisers meeting.



Autumn Karper,
Minute Clerk
Sargent's Court Reporting
Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

May 23, 2024

	TIME	AGENDA
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5		
6		
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8		
9		
10	9:00	Executive Session
11	10:30	Return to Open Session
12		
13	10:33	Official Call to Order
14		
15	10:34	Roll Call
16		
17	10:34	Introduction of Attendees
18		
19	10:35	Approval of Minutes
20		
21	10:37	Report of Prosecutorial Division
22		
23	11:24	Report of Board Counsel
24		
25	11:29	Applications for Review
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27	11:31	Report of Board Counsel (cont.)
28		
29	11:31	Regulations/Statute
30		
31	11:44	Report of Board Administrator
32		
33	11:46	Conference Reports
34		
35	12:36	Miscellaneous
36		
37	12:47	Public Comment/Discussion
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39	1:00	Adjournment
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