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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: 10:30 A.M.

Held at
PENNSYLVANIA DEPARTMENT OF STATE
2601 North Third Street
One Penn Center, Board Room C
Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

Thursday, September 7, 2023

1 State Board of Certified
2 Real Estate Appraisers
3 September 7, 2023
4
5

6 BOARD MEMBERS:
7

8 Joseph D. Pasquarella, Chairman, Professional
9 Member

10 Mark V. Smeltzer Sr., Vice Chairman, Professional
11 Member

12 John D. Ausherman, Secretary, Professional Member

13 William T. Stoerrle Jr., Professional Member

14 Michael McFarlane, Professional Member

15 Martha H. Brown, Esquire, Secretary of the
16 Commonwealth designee

17 Paul Edger, Esquire, Office of Attorney General
18 designee

19 Paul H. Wentzel Jr., Senior Legislative Director,
20 Department of Banking and Securities designee
21
22

23 BUREAU PERSONNEL:
24

25 Shana M. Walter, Esquire, Acting Senior Counsel

26 Ronald K. Rouse, Esquire, Board Counsel

27 Jacqueline A. Wolfgang, Esquire, Regulatory Counsel

28 Ray Michalowski, Esquire, Senior Board Prosecutor and
29 Board Prosecution Liaison

30 Timothy A. Fritsch, Esquire, Board Prosecutor

31 Kristel Hennessy Hemler, Board Administrator

32 James Labalokie, Clerical Staff

33 Andrew LaFratte, MPA, Deputy Policy Director,
34 Department of State
35

36 ALSO PRESENT:
37

38 Randy Waggoner, CPE, Assessors' Association of
39 Pennsylvania

40 Emme Reiser, Political Programs Manager, Pennsylvania
41 Association of Realtors

42 Scott DiBiasio, Manager, State and Industry Affairs,
43 Appraisal Institute

44 Brittany Mellinger, Educational Outreach Coordinator,
45 Pennsylvania Human Relations Commission

46 Chandra Mast, General Commercial Appraiser, Red Rose
47 Appraisals

48 Teresa Cochran, Executive Director, Assessors'
49 Association of Pennsylvania

50 Derek Richmond

1 ***

2 State Board of Certified
3 Real Estate Appraisers
4 September 7, 2023

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 also noted that the Board entered into
21 Executive Session with Board Counsel to have
22 attorney-client consultations and for the purpose of
23 conducting quasi-judicial deliberations.]

24 ***

25 The regularly scheduled meeting of the State

1 Board of Certified Real Estate Appraisers was held on
2 Thursday, September 7, 2023. Joseph D. Pasquarella,
3 Chairman, Professional Member, officially called the
4 meeting to order at 10:30 a.m.

5 ***

6 Roll Call

7 [Joseph D. Pasquarella, Chairman, Professional
8 Member, requested a roll call of Board members.]

9 ***

10 Introduction of Attendees

11 [Joseph D. Pasquarella, Chairman, Professional
12 Member, also requested an introduction of attendees.]

13 ***

14 Approval of minutes of the July 27, 2023 meeting

15 CHAIRMAN PASQUARELLA:

16 Next on the agenda is approval of the
17 minutes.

18 Do I have a motion to approve the
19 minutes?

20 MR. STOERRLE:

21 I make a motion to approve.

22 CHAIRMAN PASQUARELLA:

23 Second?

24 MR. AUSERMAN:

25 I second.

1 CHAIRMAN PASQUARELLA:

2 Any discussion? All in favor of
3 approval of the minutes of July 27,
4 2023? Roll call vote.

5
6 Joe Pasquarella, aye; Mark Smeltzer,
7 aye; John Ausherman, aye; William
8 Stoerrle, aye; Michael McFarlane, aye;
9 Martha Brown, aye; Paul Edger, abstain;
10 Paul Wentzel, aye.

11 [The motion carried. Paul Edger abstained from
12 voting on the motion.]

13 ***

14 Report of Prosecutorial Division

15 [Timothy A. Fritsch, Esquire, Board Prosecutor,
16 presented the Consent Agreement and Order for Case
17 Nos. 21-70-017074, 22-70-004092, & 22-70-004093.

18 Mr. Smeltzer asked why they use certified general
19 appraisers when they are assigned for review for a
20 residential appraisal done by a certified residential
21 appraiser. He requested information concerning how
22 they are done and how they assign reviewers.

23 Mr. Fritsch believed that all of the experts on
24 contract are general, so they have someone with the
25 highest level of qualifications who could handle

1 residential and commercial. He stated all of those
2 individuals do both, but most of them do residential
3 because that is largely what they receive. He noted
4 they also look for geographic competency. He
5 mentioned that they receive very few commercial
6 complaints and occasionally seek out new experts to
7 do that work.

8 Mr. Smeltzer asked whether they could consider
9 putting someone on if they are certified residential
10 and have that background.

11 Mr. Fritsch noted that residential appraisers
12 could be considered.

13 Mr. Michalowski stated there were residential
14 reviewers in the past. He noted most of theirs have
15 gone the residential to general appraiser route and
16 guarantees a large level of experience.

17 Mr. Ausherman asked whether they have any
18 difficulty finding reviewers.

19 Mr. Michalowski stated it depended on the area,
20 and the northern central tier was probably the most
21 difficult area to find folks because there are fewer
22 properties and appraisers. He noted that experts
23 told them that they could expand their territory a
24 little bit if they had more Multiple Listing Service
25 (MLS) access.

1 Mr. Michalowski stated the compliance review
2 folks noted that could be their grant request. He
3 explained that they could look into seeking
4 assistance through the grant process to pay for Board
5 members, including the Board as an entity, to have
6 access to various MLSs.

7 Mr. Ausherman thanked prosecution for their hard
8 work.

9 Mr. Fritsch thanked Chairman Pasquarella for his
10 service.

11 Chairman Pasquarella thanked Mr. Michalowski and
12 Mr. Fritsch for all of their hard work and
13 contributions to the Board and state of
14 Pennsylvania.]

15 MR. ROUSE:

16 Regarding the Consent Agreement at item
17 2 on the agenda, Case Nos. 21-70-
18 017074, 22-70-004092, & 22-70-004093,
19 after discussion in Executive Session,
20 I believe the Chair would entertain a
21 motion to adopt the Consent Agreement.

22 MR. SMELTZER:

23 So moved.

24 CHAIRMAN PASQUARELLA:

25 Second?

1 MR. STOERRLE:

2 Second.

3 MS. HENNESSY HEMLER:

4 Joe Pasquarella, aye; Mark Smeltzer,
5 aye; John Ausherman, aye; William
6 Stoerrle, aye; Michael McFarlane, aye;
7 Martha Brown, aye; Paul Edger, aye;
8 Paul Wentzel, aye.

9 [The motion carried unanimously. That is the matter
10 of BPOA v. Kevin Kennedy, Case Nos. 21-70-017074, 22-
11 70-004092, & 22-70-004093.]

12 ***

13 Regulations/Statute - Regulatory Report

14 [Ronald K. Rouse, Esquire, Board Counsel, introduced
15 Jacqueline Wolfgang as Board regulatory counsel to
16 assist with regulations.

17 Ms. Wolfgang informed Board members that she has
18 been working on Board regulations over the past four
19 or five years and is looking forward to moving the
20 regulations a little faster.

21 Mr. Rouse provided a Regulatory Report for the
22 Board's review. He noted the proposed regulatory
23 package for licensure by endorsement for certified
24 Pennsylvania evaluators is under internal review.]

25 ***

1 Regulations/Statute - Regulation 16A-7025

2 [Ronald K. Rouse, Esquire, Board Counsel, referred to
3 Regulation 16A-7025 regarding fees. He stated there
4 was a proposed regulatory package created to increase
5 fees, but after reviewing the numbers and the budget
6 presentation on December 22, 2022, there was no two-
7 year period where expenditures exceeded revenues and
8 referred to the Real Estate Appraiser Certification
9 Act.

10 Mr. Rouse addressed email communications with
11 the Bureau of Finance and Operations (BFO), noting
12 they acknowledged no two-year period but were trying
13 to be proactive. He mentioned there was recognition
14 this might not have muster with the Independent
15 Regulatory Review Commission (IRRC) and recommended
16 the Board close the regulation.

17 Ms. Wolfgang noted there is specific language in
18 the Practice Act that requires a fee increase if
19 expenditures are outpacing revenues. She noted the
20 Board has general rulemaking authority and believed
21 IRRC would look at it with some scrutiny because
22 revenues are not insufficient.

23 Mr. Smeltzer commented that all of the
24 projections show the increase is coming, and the
25 Board is okay with moving forward.

1 Chair Pasquarella thanked Ms. Wolfgang for her
2 service over the years.

3 Mr. Rouse noted the Regulatory Analysis Form is
4 being drafted for the general revisions to certified
5 Pennsylvania evaluators, so regulations are in
6 compliance with Act 88 of 2020 amendments to the
7 Assessors Certification Act.]

8

9 Regulations/Statute - Regulation 16A-7029

10 [Ronald K. Rouse, Esquire, Board Counsel, referred to
11 Regulation 16A-7029 regarding distance education and
12 the Practical Applications of Real Estate Appraisal
13 (PAREA). He stated regulatory counsel reviewed that
14 and it had gone into the next step of internal
15 review.

16 Ms. Wolfgang mentioned that it is pending at the
17 Office of General Counsel, noting they are halfway
18 through the 30-day review period and may see a
19 turnaround in the next couple of weeks.]

20

21 Regulations/Statute - Regulation 16A-7031

22 [Ronald K. Rouse, Esquire, Board Counsel, referred to
23 Regulation 16A-7031 regarding federally mandated
24 revisions. He noted prior Board discussion
25 concerning the requirement of valuation bias and fair

1 housing laws and regulations as a requirement for
2 continuing education. He referred to § 36.41 of the
3 Board's regulations to add language to read,
4 effective as of the 2025-2027 biennial report period,
5 all certified real estate appraisers and licensed
6 appraiser trainees shall provide evidence of
7 completion of an Appraiser Qualifications Board
8 (AQB)-compliant 7-hour course on valuation bias and
9 fair housing laws and regulations as a condition of
10 renewal of certification or licensure.

11 Mr. Rouse noted every biennial renewal period
12 thereafter would be an AQB-compliant continuing
13 education course of at least 4 hours.

14 Mr. Rouse addressed amendments to § 36.412
15 regarding qualifications of owners and key persons
16 for appraisal management companies (AMCs). He
17 referred to § 36.412(b), where an individual would be
18 disqualified from eligibility to be certified or
19 licensed under the Real Estate Appraisers
20 Certification Act as provided in section 8(d)(1) of
21 the Appraisal Management Company Registration Act if
22 the individual had a license or certificate reviewed,
23 denied, canceled, suspended, or revoked, or
24 voluntarily suspended a license or certificate under
25 any of the following conditions of the Real Estate

1 Appraisers Certification Act (REACA) or the Criminal
2 History Records Information Act (CHRIA) or similar
3 provision of another jurisdiction.

4 Mr. Rouse noted the added language to read,
5 "unless the Board determines that the individual's
6 license or certificate was not reviewed, denied,
7 canceled, suspended, revoked, or voluntarily
8 suspended for substantive cause, and" the license or
9 certificate was subsequently granted or reinstated to
10 the individual. He explained that the Appraisal
11 Subcommittee wanted the language added, so the
12 regulations would be in compliance with federal
13 regulations.

14

15 Regulations/Statute - Regulation 16A-7032
16 [Ronald K. Rouse, Esquire, Board Counsel, noted a
17 separate annex for Regulation 16A-7032 Qualifying and
18 Continuing Education in Valuation Bias and Fair
19 Housing Laws and Regulations for certified
20 Pennsylvania evaluators.

21 Mr. Rouse explained that the regulations were
22 separated into two different regulations because
23 Regulation 16A-7031 is for items that are federally
24 required, but 16A-7032 is for an entity that is not
25 federally regulated, noting the need for Board

1 discussion as to whether or not assessors should also
2 have this requirement.

3 Mr. Rouse referred to § 36.261 for certified
4 Pennsylvania evaluators, noting it is proposed to be
5 amended as follows: (a) except as provided in
6 subsection (b), a certified Pennsylvania evaluator
7 shall complete 28 classroom hours of continuing
8 education, including the 7-Hour National USPAP
9 Continuing Education Course as taught by an AQB-
10 certified USPAP instructor, at least 2 hours on the
11 act, this chapter, and the policies of the Board and
12 an AQB-compliant continuing education course on
13 valuation bias and fair housing laws and regulations
14 during each biennial renewal period as a condition of
15 renewal of certification for the next biennial
16 renewal period.

17 Mr. Rouse noted additional language, where the
18 first time a certified Pennsylvania evaluator takes
19 the continuing education course on valuation bias and
20 fair housing laws and regulations, the course must be
21 7 hours in length and 4 hours in length every
22 biennial renewal period thereafter.

23 Mr. Rouse noted an amendment to § 36.262 of the
24 assessor regulations, which would add (a)(20)
25 valuation bias and fair housing laws and regulations

1 as a continuing education subject matter that was
2 acceptable.

3 Mr. McFarlane commented that certified
4 Pennsylvania evaluators should go through with the
5 additional valuation bias and training because they
6 are subject to USPAP, which now includes a
7 nondiscrimination section.

8 Mr. Smeltzer pointed out that USPAP has always
9 prohibited discrimination, noting the revisions
10 become more exact with the changes in the ethics
11 rule.

12 Mr. McFarlane noted § 36.204 allows for certified
13 Pennsylvania evaluators to complete singular
14 appraisals specific to tax purposes, so certified
15 Pennsylvania evaluators would also be subject to the
16 same allegations, not for mass appraising purposes.
17 He noted those two pieces determine the likely
18 outcome that certified Pennsylvania evaluators should
19 be subject to the continuing education course.

20 Randy Waggoner, CPE, Assessors' Association of
21 Pennsylvania, requested clarification that as far as
22 continuing education or recertification requirements,
23 certified Pennsylvania evaluators (CPEs) would be
24 required to take the 7-Hour AQB USPAP Update, 2 hours
25 of Act 28 Assessment Law, and an initial 7 hours of

1 evaluation bias and fair housing laws and
2 regulations. He stated, after the 2025-2027 biennial,
3 after they take the initial 7, a CPE needs 4 hours of
4 the valuation bias and fair housing laws and
5 regulations biennially.

6 Mr. Rouse noted that there was a distinction
7 between appraisers, wherein that the requirement was
8 for this to be done within that 2025-2027 renewal
9 period versus the assessors, where this would take
10 effect when the final regulation has been published
11 and would not be in that 2025-2027 period unless the
12 regulation had gotten through the regulatory process
13 within that period.

14 Mr. Waggoner commented that whenever the
15 regulation goes into effect, there would be 16 hours
16 of the 28 hours of required continuing education that
17 essentially is going to be mandated, 7 hours of the
18 USPAP Update, 7 hours of the initial valuation bias
19 and fair housing laws and regulations, and 2 hours of
20 Act 28. He noted, after that, 13 hours of the 28
21 would be mandated to 7 hours AQB, 2 hours for the
22 USPAP Update, and 4 hours for Act 28.

23 Mr. Waggoner thanked Chairman Pasquarella for
24 his knowledge and leadership on behalf of the
25 Assessors' Association of Pennsylvania.

1 Chairman Pasquarella also thanked Mr. Waggoner
2 for his service on the Board and in the community.

3 Teresa Cochran, Executive Director, Assessors'
4 Association of Pennsylvania, commented that it is
5 good for the profession that assessors are being
6 treated like appraisers and understands why they are
7 subject to the regulations. She noted that requiring
8 additional hours as part of the 28 hours of their
9 continuing education chips away at opportunities for
10 them to provide other types of courses and training
11 for their members.

12 Ms. Cochran stated the Assessors' Association of
13 Pennsylvania is looking into the idea of maybe
14 requiring their members to have more than the 28
15 hours of continuing education credits in order to
16 further their professional aims and to educate them
17 in the counties. She reported seeing a huge turnover
18 in people and people with very little experience to
19 no experience with the assessment profession.

20 Ms. Cochran mentioned having to educate people
21 from the entry level who have no experience and are
22 not going to pay for extra education once they have
23 their 28 hours, particularly in the lower levels of
24 government. She commented that the Assessors'
25 Association of Pennsylvania strives to do an

1 excellent job, noting there will be fewer
2 opportunities to get some of those additional
3 educational credit hours, so folks can do their best
4 for the counties and Pennsylvania citizens.

5 Ms. Cochran thanked Chairman Pasquarella for the
6 kindness shown to the Assessors' Association of
7 Pennsylvania.]

8 MR. ROUSE:

9 Would the Chair entertain a motion to
10 release Regulation 16A-7032 as an
11 exposure draft to stakeholders for
12 written comment.

13 MR. AUSERMAN:

14 I so move.

15 CHAIRMAN PASQUARELLA:

16 Second?

17 MR. MCFARLANE:

18 Second.

19 MS. HENNESSY HEMLER:

20 Joe Pasquarella, aye; Mark Smeltzer,
21 aye; John Auserman, aye; William
22 Stoerrle, aye; Michael McFarlane, aye;
23 Martha Brown, aye; Paul Edger, aye;
24 Paul Wentzel, aye.

25 [The motion carried unanimously.]

1 ***

2 Matters for Discussion

3 [Ronald K. Rouse, Esquire, Board Counsel, asked
4 whether any Board members wished to attend the
5 Association of Appraiser Regulatory Officials (AARO)
6 Conference October 7-9, 2023, in Salt Lake City, UT.]

7 MR. ROUSE:

8 Are there any nominations to send
9 someone to the AARO Conference in Salt
10 Lake City?

11 MS. BROWN:

12 I would nominate Mark and Bill to
13 attend.

14 MR. AUSERMAN:

15 I second.

16 MS. HENNESSY HEMLER:

17 Joe Pasquarella, aye; Mark Smeltzer,
18 aye; John Auserman, aye; William
19 Stoerrle, aye; Michael McFarlane, aye;
20 Martha Brown, aye; Paul Edger, aye;
21 Paul Wentzel, aye.

22 [The motion carried unanimously.]

23 ***

24 MR. ROUSE:

25 Would the Chair entertain a motion to

1 send Mark Smeltzer and Bill Stoerrle?
2 [The Board discussed the motion to include the Board
3 administrator and prosecution.]

4 MR. ROUSE:

5 Would the Chair entertain a motion to
6 send Mark Smeltzer and Bill Stoerrle to
7 the AARO Conference October 7-9, 2023,
8 in Salt Lake City, Utah?

9 CHAIRMAN PASQUARELLA:

10 Would someone make that motion?

11 MR. AUSERMAN:

12 I so move.

13 MS. BROWN:

14 Second.

15 MS. HENNESSY HEMLER:

16 Joe Pasquarella, aye; Mark Smeltzer,
17 aye; John Auserman, aye; William
18 Stoerrle, aye; Michael McFarlane, aye;
19 Martha Brown, aye; Paul Edger, aye;
20 Paul Wentzel, aye.

21 [The motion carried unanimously.]

22 ***

23 Matters for Discussion

24 [Ronald K. Rouse, Esquire, Board Counsel, provided an
25 update on areas where Pennsylvania exceeds AQB

1 minimum requirements. He informed Board members that
2 the Appraisal Subcommittee program manager conducted
3 an opening meeting in preparation for the onsite
4 federal review of Pennsylvania's appraiser and AMC
5 programs on August 10, 2023.

6 Mr. Rouse noted program manager, Neal
7 Fenochietti, from the Appraisal Subcommittee
8 identified areas where Pennsylvania exceeds federal
9 requirements. He stated Mr. Fenochietti wanted to
10 make the Board aware that the Property Appraisal and
11 Valuation Equity (PAVE) Task Force is looking at
12 areas that are considered barriers to entering the
13 appraisal profession, where areas that exceed
14 requirements may be considered a barrier, and the
15 Board may want to look at reducing those barriers.

16 Mr. Rouse noted the approval to take the
17 National Uniform Licensing and Certification
18 Examination is good for one year, but AQB criteria
19 allows examination approval to be good for two years,
20 noting one year is in the regulations at § 36.2(c).

21 Mr. Smeltzer commented that it should be
22 extended to two years to be in line with the national
23 standard.

24 Mr. Rouse referred to § 36.11(e)(2) of the
25 regulations, where the Board requires certified

1 residential real estate appraiser candidates to
2 complete at least 75 percent of the total experience
3 requirement in the actual preparation of real estate
4 appraisal reports, which includes physical
5 inspections of the interior and exterior of subject
6 property.

7 Mr. Rouse noted AQB criteria does not require 75
8 percent of total experience to be in physical
9 inspections of the interior and exterior of
10 properties for certified residential appraiser
11 candidates.

12 Mr. Ausherman commented that the Board needs to
13 look at this because the industry has been changing,
14 where Fannie Mae is now using a desktop appraisal
15 form where appraisers are not inspecting the
16 interior. He noted that it is going to be very
17 difficult for individuals to achieve 75 percent of
18 physical inspection.

19 Chairman Pasquarella noted it also makes it more
20 difficult for people to pass the tests and become
21 appraisers, so this would remove some of those
22 impediments toward entry of new appraisers. He also
23 noted a huge turnover of appraisers as they age out
24 of the industry and would be in favor of the change.

25 Mr. Smeltzer mentioned the importance of being

1 consistent with PAREA suggestions as well. He
2 believed they should remove that entry barrier and
3 recognize that there are different ways to get
4 experience, especially with the changes in the
5 industry.

6 Mr. Rouse referred to § 36.54(a)(3), where the
7 Board requires supervisory appraisers to accompany
8 appraiser trainees to physical inspections until the
9 trainee has 300 hours of appraisal experience or
10 until the supervisory appraiser feels the trainee is
11 competent under USPAP to perform physical inspections
12 unattended.

13 Mr. Rouse stated neither USPAP nor AQB criteria
14 have a requirement that the supervisory appraiser
15 must accompany the appraiser trainee to physical
16 inspections for at least 300 hours.

17 Mr. Smeltzer commented that the only place USPAP
18 references this is when they say that the experience
19 time that they need to put into this should be when
20 the supervisor finds that they are competent to do an
21 inspection on their own. He noted property data
22 collectors are going out there and need to have the
23 supervisory appraiser with them for the first 300
24 hours.

25 Chairman Pasquarella mentioned the importance of

1 protecting the public but commented that they could
2 have people with experience doing property
3 inspections before they become an appraiser,
4 including someone with an architectural background or
5 engineering background, and is another way to remove
6 barriers and get people involved. He noted the
7 supervisor makes the decision and is the person who
8 would be responsible for the actions of the trainee.

9 Mr. Smeltzer noted the supervisor is required to
10 sign the certification, which makes them responsible.

11 Scott DiBiasio, Manager, State and Industry
12 Affairs, Appraisal Institute, noted the Appraisal
13 Institute would support the change. He stated
14 Pennsylvania is one of a very small number of states
15 that still has a requirement in place for the
16 supervisor to accompany the trainee for a specific
17 number of hours or for a specific number of
18 inspections.

19 Mr. DiBiasio mentioned that states have been
20 gradually moving away from those requirements and
21 defaulting back to the AQB requirement, where the
22 supervisor attends the inspections until the
23 supervisor feels the trainee is competent. He
24 encouraged the Board to move forward with this
25 change.

1 Mr. Rouse referred to Section 6(a.1) of the Real
2 Estate Appraiser Certification Act, where a
3 supervisory appraiser must have at least five years
4 of experience as a certified residential or certified
5 general appraiser in accordance with § 36.54(b)(1) and
6 (4) of the Board's regulations, where a supervisory
7 appraiser must have five years' experience as a
8 certified real estate appraiser and must be licensed
9 in the Commonwealth for at least three years before
10 being able to train a licensed appraiser trainee in
11 Pennsylvania.

12 Mr. Rouse noted AQB criteria requires a
13 supervisory appraiser to have three years' experience
14 as a certified real estate appraiser, not necessarily
15 in this specific state. He explained that the
16 requirement of five years of experience is statutory.
17 He stated the item regarding being licensed in the
18 Commonwealth for three years is part of their
19 regulation, and there would have to be a statutory
20 change to address the five-year issue.

21 Mr. Smeltzer explained that there was no AQB
22 requirement for supervisory appraiser experience when
23 the Board made it five years and then AQB passed the
24 requirement of three years soon after. He stated the
25 experience should match AQB requirements and does not

1 need to require someone be certified in Pennsylvania.

2

3 Chairman Pasquarella commented that it is
4 another barrier being removed, noting more
5 supervisors could take on more trainees and he was in
6 favor of the change.

7 Chandra Mast, General Commercial Appraiser, Red
8 Rose Appraisals, informed Board members that she
9 turned away three trainees because she does not have
10 the five-year mark even though she has 15 years in
11 the real estate industry and is an instructor at
12 Lancaster County Association of Realtors. She
13 commented that she would love to see the change
14 because of the frustration of turning down trainees
15 and not being able to do anything about it.

16 Chairman Pasquarella agreed with Ms. Mast,
17 noting teachers learn most of what they do when they
18 actually have to teach somebody how to do it and the
19 appraisers and supervisory appraisers themselves
20 elevate their professional status as well.]

21

22 Report of Board Chairman

23 [Joseph D. Pasquarella, Chairman, Professional
24 Member, expressed appreciation for the knowledge from
25 each Board member and support provided to the real

1 estate community and real estate profession. He
2 thanked Ms. Hennessy Hemler and Mr. Rouse for their
3 skills and passion to see the profession grow and
4 protect the public.]

5

6 Report of Board Administrator

7 [Kristel Hennessy Hemler, Board Administrator,
8 presented Chairman Pasquarella with a proclamation
9 from the Commonwealth of Pennsylvania Department of
10 State Bureau of Professional and Occupational Affairs
11 for his contributions to the State Board of Certified
12 Real Estate Appraisers.

13 Chairman Pasquarella also thanked all of the
14 public members and participants over the years for
15 their contributions to the profession.

16 Ms. Hennessy Hemler addressed the Appraisal
17 Subcommittee's 2023 Compliance Review held August 15-
18 17 regarding the onsite assessment of the appraisal
19 program and AMC program. She informed everybody of
20 her participation, along with Mr. Rouse, Mr. Fritsch,
21 and Mr. Michalowski.

22 Mr. Rouse stated the Appraisal Subcommittee
23 program managers were very complimentary of
24 Pennsylvania during the period of COVID and also
25 complementary to the prosecutorial division because

1 of the great strides taken to make sure enforcement
2 cases are finished within the 12-month period of time
3 that the federal government requires.

4 Mr. Rouse thanked Board members and Ms. Hennessy
5 Hemler for all of their hard work. He noted the
6 program managers did state that they are going to
7 make a recommendation that the AMC program and the
8 appraiser program are rated as good.

9 Mr. Rouse informed Board members of a letter from
10 the ASC showing areas of concern or areas of
11 noncompliance. He mentioned that the Board has 60
12 days to respond to anything found in the onsite
13 inspection and then the Board would receive an
14 official determination from the ASC as to the grading
15 of the appraiser and AMC programs.

16 Mr. Rouse thanked the Board for always being
17 available and going beyond the statute and having
18 meetings every six weeks instead of four times a
19 year.

20 Ms. Hennessy Hemler commented that Pennsylvania
21 has never received anything higher than a needs
22 improvement since the federal audit has been
23 occurring. She noted both programs being recommended
24 to receive a "good" is a huge accomplishment.

25 Ms. Hennessy Hemler thanked James Labalokie for

1 an excellent job reviewing applications and all of
2 his hard work.

3 Ms. Hennessy Hemler provided an update of the
4 2023 audit for continuing education. She explained
5 that audits are conducted about two weeks after the
6 expiration date of the license, noting the ASC
7 requires that to be done within a certain amount of
8 time. She noted that 5 to 7 percent of the general
9 population is audited. She addressed an audit in
10 2021 of 5 percent and reported five people were not
11 compliant and sent to the Professional Compliance
12 Office for review and possible fines and prosecution.

13 Ms. Hennessy Hemler reported only three licensees
14 out of compliance during this year's audit, noting
15 two of those would have been accepted by the ASC
16 because Pennsylvania does not accept continuing
17 education from any provider who does not hold a
18 license here but the other one did not complete a 4-
19 hour course in time. She also addressed the
20 requirement of uploading certificates.

21 Mr. Smelter commended Ms. Hennessy Hemler on
22 making the change to uploading documents, noting it
23 has helped the Commonwealth of Pennsylvania and the
24 appraisers.]

25

1 Exploratory Committee

2 [Michael McFarlane, Professional Member, informed
3 Board members that he recently spoke with an
4 individual in the grant department at ASC. He stated
5 the funding was still closed but anticipated it would
6 be available October 1 through mid-December of 2023.

7 He noted the application was ready for submission
8 and ASC has contact information.

9 Mr. McFarlane noted the Board's items are
10 consistent with some of the other states who received
11 grants. He noted the Board's request does contain
12 allocations or appropriations for all members of the
13 Board, including the administrative staff and the
14 prosecutorial staff, to receive funding to attend the
15 Association of Appraiser Regulatory Officials
16 Conference.

17 Chairman Pasquarella thanked Mr. McFarlane for
18 the amazing work regarding the grant application.

19 Mr. Smeltzer asked whether anything needs to be
20 added or changed before submitting the application.

21 Ms. Brown asked whether anything would be needed
22 regarding the MLS data access.

23 Mr. McFarlane noted he would append the MLS data
24 to the application but asked how many MLS systems
25 they are looking to access because it is

1 approximately \$1,000 a year for MLS.

2 Mr. Michalowski stated most of the eastern half
3 of the state is covered by one large MLS, but the
4 western half is a lot more fractured, so they are
5 just starting to gain information because they never
6 had MLS access through the state in the past. He
7 noted they relied on their appraiser experts to use
8 their own access or to coordinate with another
9 appraiser if they were in a geographic area that did
10 not work for them.

11 Mr. McFarlane informed Board members that he
12 would share any information pertaining to the
13 particular cost of analysis and coverage areas if
14 counsel allows him to share that information.]

15 ***

16 Applications for Review

17 MR. ROUSE:

18 This is the Application of Jonathan
19 Green and is the Application for a
20 Certified Residential Real Estate
21 Appraiser.

22 After discussion in Executive
23 Session, I believe the Chair would
24 entertain a motion to direct the board
25 office to request appraisal samples

1 from Jonathan Green.

2 MR. AUSERMAN:

3 I so move.

4 MR. STOERRLE:

5 Second.

6 MS. HENNESSY HEMLER:

7 Joe Pasquarella, aye; Mark Smeltzer,
8 aye; John Auserman, aye; William
9 Stoerrle, aye; Michael McFarlane, aye;
10 Martha Brown, aye; Paul Edger, aye;
11 Paul Wentzel, aye.

12 [The motion carried unanimously.]

13 ***

14 Review of Requests

15 MR. ROUSE:

16 This is the Request for Extension to
17 Complete the Appraiser Application.

18 After discussions in Executive
19 Session, I believe the Chair would
20 entertain a motion to grant the License
21 Appraiser Trainee Renewal Extension of
22 John Grec.

23 CHAIRMAN PASQUARELLA:

24 Does someone want to make that motion?

25 MR. MCFARLANE:

1 So moved.

2 MR. SMELTZER:

3 Second.

4 MS. HENNESSY HEMLER:

5 Joe Pasquarella, aye; Mark Smeltzer,
6 aye; John Ausherman, aye; William
7 Stoerrle, aye; Michael McFarlane, aye;
8 Martha Brown, aye; Paul Edger, aye;
9 Paul Wentzel, aye.

10 [The motion carried unanimously.]

11 ***

12 Miscellaneous

13 MR. ROUSE:

14 Item 15 is the proposed 2025 CREA Board
15 meeting dates. I believe the Board has
16 had an opportunity to review those
17 dates.

18 I believe the Chair would entertain
19 a motion to approve the 2025 CREA Board
20 meeting dates.

21 MR. AUSERMAN:

22 I so move.

23 MR. EDGER:

24 Second.

25 MS. HENNESSY HEMLER:

1 Joe Pasquarella, aye; Mark Smeltzer,
2 aye; John Ausherman, aye; William
3 Stoerrle, aye; Michael McFarlane, aye;
4 Martha Brown, aye; Paul Edger, aye;
5 Paul Wentzel, aye.

6 [The motion carried unanimously.]

7 ***

8 Miscellaneous - Freddie Mac adopts ANSI Measurement
9 Standard

10 [Ronald K. Rouse, Esquire, Board Counsel, informed
11 Board members that Freddie Mac will require
12 appraisers to begin using the American National
13 Standards Institute (ANSI) Z765 to measure one-unit
14 detached and attached dwellings effective November 2,
15 2023. He read a bulletin from Freddie Mac, dated
16 July 7, 2023, and noted more information may be found
17 on the Fannie Mae and Freddie Mac websites.

18 Chairman Pasquarella commented that there have
19 been a lot of classes or courses that they have been
20 approving to deal with this topic, so the state is
21 moving this along as well.]

22 ***

23 Miscellaneous - Election of Officers

24 MR. ROUSE:

25 Is there a nomination for Chair of the

1 State Board of Certified Real Estate
2 Appraisers?

3 MR. STOERRLE:

4 I nominate Mark Smeltzer.

5 CHAIRMAN PASQUARELLA:

6 Second.

7 MR. ROUSE:

8 Are there any other nominations? Let's
9 take a roll call vote.

10 MS. HENNESSY HEMLER:

11 Joe Pasquarella, aye; Mark Smeltzer,
12 abstain; John Ausherman, aye; William
13 Stoerrle, aye; Michael McFarlane, aye;
14 Martha Brown, aye; Paul Edger, aye;
15 Paul Wentzel, aye.

16 [The motion carried. Mark Smeltzer abstained from
17 voting on the motion.]

18 ***

19 MR. ROUSE:

20 Is there a motion to elect Mark
21 Smeltzer as Chair?

22 MR. AUSHERMAN:

23 I so move.

24 MR. STOERRLE:

25 Second.

1 MS. HENNESSY HEMLER:

2 Joe Pasquarella, aye; Mark Smeltzer,
3 abstain; John Ausherman, aye; William
4 Stoerrle, aye; Michael McFarlane, aye;
5 Martha Brown, aye; Paul Edger, aye;
6 Paul Wentzel, aye.

7 [The motion carried. Mark Smeltzer abstained from
8 voting on the motion.]

9 ***

10 [Mr. Smeltzer thanked Chairman Pasquarella for his
11 service to the Board.

12 Chairman Pasquarella also thanked Mr. Smeltzer
13 for his wisdom and excellent work.]

14 ***

15 MR. ROUSE:

16 Is there a nomination for Vice Chair of
17 the State Board of Certified Real
18 Estate Appraisers?

19 MR. AUSERMAN:

20 I nominate Michael McFarlane.

21 MR. WENTZEL:

22 I'll second.

23 MR. ROUSE:

24 Let's vote on the nomination side.

25 MR. SMELTZER:

1 I would like to make another
2 nomination, Bill Stoerrle. Nothing
3 against Mike. Bill has been on a
4 little longer.

5 MR. ROUSE:

6 Is there a second?

7 CHAIRMAN PASQUARELLA:

8 I would second that.

9 MR. ROUSE:

10 Is there a motion to elect Mike
11 McFarlane as Vice Chair of the State
12 Board of Certified Real Estate
13 Appraisers?

14 MS. HENNESSY HEMLER:

15 Joe Pasquarella, aye; Mark Smeltzer,
16 aye; John Ausherman, aye; William
17 Stoerrle, abstain; Michael McFarlane,
18 abstain; Martha Brown, aye; Paul Edger,
19 aye; Paul Wentzel, aye.

20 [The motion carried. William Stoerrle and Michael
21 McFarlane abstained from voting on the motion.]

22 ***

23 MR. ROUSE:

24 Is there a motion to nominate Bill
25 Stoerrle for Vice Chair?

1 MR. SMELTZER:

2 I make the nomination.

3 CHAIRMAN PASQUARELLA:

4 Second.

5 MR. ROUSE:

6 Roll call.

7 MS. HENNESSY HEMLER:

8 Joe Pasquarella, aye; Mark Smeltzer,
9 aye; John Ausherman, aye; William
10 Stoerrle, abstain; Michael McFarlane,
11 aye; Martha Brown, aye; Paul Edger,
12 aye; Paul Wentzel, aye.

13 [The motion carried. William Stoerrle abstained from
14 voting on the motion.]

15 ***

16 MR. ROUSE:

17 Is there a motion to elect Mike
18 McFarlane as Vice Chair of the State
19 Board of Real Estate Appraisers?

20 MR. ROUSE:

21 Now, we're going to do a voice vote of
22 calling each person and ask who they
23 vote for.

24 MS. HENNESSY HEMLER:

25 Joe Pasquarella, Bill Stoerrle; Mark

1 Smeltzer, Bill Stoerrle; John
2 Ausherman, Bill Stoerrle; William
3 Stoerrle, abstain; Michael McFarlane,
4 abstain; Martha Brown, Bill Stoerrle;
5 Paul Edger, Bill Stoerrle; Paul
6 Wentzel, Bill Stoerrle.

7 [The motion carried. William Stoerrle and Michael
8 McFarlane abstained from voting on the motion.]

9 ***

10 MR. ROUSE:

11 Are there any nominations for Secretary
12 of the State Board of Certified Real
13 Estate Appraisers?

14 MR. SMELTZER:

15 I nominate Michael McFarlane.

16 MR. WENTZEL:

17 I'll second that nomination.

18 MR. ROUSE:

19 Are there any other nominations? Roll
20 call on the nomination.

21 MS. HENNESSY HEMLER:

22 Joe Pasquarella, aye; Mark Smeltzer,
23 aye; John Ausherman, aye; William
24 Stoerrle, aye; Michael McFarlane,
25 abstain; Martha Brown, aye; Paul Edger,

1 aye; Paul Wentzel, aye.

2 [The motion carried. Michael McFarlane abstained
3 from voting on the motion.]

4 ***

5 MR. ROUSE:

6 Is there a motion to elect Michael
7 McFarlane for Secretary of the State
8 Board of Certified Real Estate
9 Appraisers?

10 MR. AUSERMAN:

11 I so move.

12 MR. WENTZEL:

13 Second.

14 MS. HENNESSY HEMLER:

15 Joe Pasquarella, aye; Mark Smeltzer,
16 aye; John Auserman, aye; William
17 Stoerrle, aye; Michael McFarlane,
18 abstain; Martha Brown, aye; Paul Edger,
19 aye; Paul Wentzel, aye.

20 [The motion carried. Michael McFarlane abstained
21 from voting on the motion.]

22 ***

23 Miscellaneous

24 [Ronald K. Rouse, Esquire, Board Counsel, asked
25 whether any Board members wish to be on the

1 Applications Committee.

2 Ms. Hennessy Hemler provided a summary of the
3 responsibilities of the Applications Committee. She
4 noted John Ausherman and Chairman Pasquarella are on
5 the Applications Committee. Mr. Smeltzer noted he
6 would like to be a member.

7 Ms. Brown noted that she is a non-disciplinary
8 diversion reviewer for folks whose disciplinary
9 matter could be resolved via a non-disciplinary, non-
10 public action and is in need of an appraiser as a
11 second person.

12 Mr. Michalowski explained that it is the Board's
13 version of the Probable Cause Screening Committee.
14 He noted it is used for an immediate temporary
15 suspension petition or a petition for appropriate
16 relief, where somebody is either an immediate danger
17 to the profession or not complying with their
18 probation terms. He mentioned those matters are rare
19 within their profession.

20 Mr. Michalowski stated the compliance portion of
21 the review is called a remedial diversion program and
22 remedial agreements. He noted they are non-
23 disciplinary, non-public remedial agreements, noting
24 anyone who sits on the committee would be recused
25 from any further action in any of those cases. He

1 mentioned that the Chair is normally not on the
2 committee because they want to be able to preside
3 over the hearing that would come later if there was a
4 hearing. Mr. Ausherman volunteered to be a member of
5 the committee.]

6

7 Public Comment/Discussion

8 [Randy Waggoner, CPE, Assessors' Association of
9 Pennsylvania, informed Board members that AAP
10 submitted a course but was returned to the Assessors'
11 Association because they did not have a biography or
12 a resume of the instructor.

13 Mr. Waggoner asked whether it is now a
14 requirement to submit the biography or instructor
15 qualifications when the Assessors' Association
16 submits a course for initial or reapproval for a
17 continuing education course.

18 Mr. Rouse explained that the issue with the
19 application was it did not request whether someone
20 off the street or a certified Pennsylvania evaluator
21 was going to be doing the course because whoever is
22 doing the course or whatever type of course it is may
23 determine whether or not additional documentation is
24 needed.

25 Ms. Cochran requested clarification as to whether

1 the Board wanted to see the resume of the instructor
2 for all of the courses going forward or whether it
3 was just this course.

4 Mr. Rouse explained that the application is
5 actually going to be amended to request the
6 information for all of them because it was a
7 deficiency that was seen in the application itself.

8 Ms. Cochran asked whether someone other than a
9 CPE teaching the classes would be acceptable.

10 Mr. Rouse could not state what would be
11 acceptable or not, only that the Board needed to know
12 who was teaching the course because that information
13 was not requested.

14 Ms. Cochran asked whether AAP would need to
15 submit the resume of an instructor who is equally
16 credentialed and available to teach a class when the
17 instructor who normally teaches it was not available.

18 Ms. Hennessy Hemler mentioned that it has
19 happened in the past, and the provider emailed them a
20 biography of the speaker and explained the
21 circumstances. She stated the information is then
22 uploaded to the application for that course in case
23 there are any questions in the future.]

24 ***

25 Adjournment

1 CHAIRMAN PASQUARELLA:

2 Anybody care to make a motion to
3 adjourn?

4 MR. SMELTZER:

5 I will make that motion.

6 CHAIRMAN PASQUARELLA:

7 Second?

8 MS. BROWN:

9 Second.

10 CHAIRMAN PASQUARELLA:

11 All in favor, aye.

12 ***

13 [There being no further business, the State Board of
14 Certified Real Estate Appraisers Meeting adjourned at
15 12:28 p.m.]

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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.



Derek Richmond,
Minute Clerk
Sargent's Court Reporting
Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

September 7, 2023

	TIME	AGENDA
1		
2		
3		
4		
5		
6		
7		
8		
9		
10	9:00	Executive Session
11	10:30	Return to Open Session
12		
13	10:30	Official Call to Order
14		
15	10:30	Roll Call
16		
17	10:31	Introduction of Attendees
18		
19	10:33	Approval of Minutes
20		
21	10:33	Report of Prosecutorial Division
22		
23	10:44	Regulations/Statute
24		
25	11:14	Matters for Discussion
26		
27	11:40	Report of Board Chair
28		
29	11:41	Report of Board Administrator
30		
31	11:51	Exploratory Committee
32		
33	11:53	Applications for Review
34		
35	11:54	Review of Requests
36		
37	11:55	Miscellaneous
38		
39	12:19	Public Comments/Discussion
40		
41	12:28	Adjournment
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