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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

2601 North Third Street

One Penn Center, Board Room C

Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

Thursday, March 2, 2023

State Board of Certified
Real Estate Appraisers
March 2, 2023

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ALSO PRESENT: (cont.)

- Mark Kellerman, Assessors' Association of Pennsylvania
- R. Scott Hartman, SRA, Appraisal Institute
- Teresa Cochran, Executive Director, Assessors' Association of Pennsylvania
- Pete Manotti, MAI, MRICS, Managing Director/Market Leader, Valuation & Advisory Services at CBRE
- Brittany Mellinger, Educational Outreach Coordinator, Pennsylvania Human Relations Commission
- Aaron Moselle, Reporter, WHY?
- Adrian Garcia, Director, Fair Housing and Commercial Property Division, Pennsylvania Human Relations Commission

1 ***

2 State Board of Certified

3 Real Estate Appraisers

4 March 2, 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, March 2, 2023. Joseph D. Pasquarella,
3 Chairman, Professional Member, officially called the
4 meeting to order at 10:33 a.m.

5 ***

6 Roll Call/Introduction of Attendees

7 [Joseph D. Pasquarella, Chairman, Professional
8 Member, requested a roll call of Board members and
9 introduction of attendees. There was a quorum of
10 Board members.]

11 ***

12 Approval of minutes of the January 19, 2023 meeting

13 CHAIRMAN PASQUARELLA:

14 Do I have a motion to approve the
15 minutes from January 19, 2023?

16 MR. STOERRLE:

17 I make a motion to approve.

18 MR. WAGGONER:

19 Second.

20 CHAIRMAN PASQUARELLA:

21 Any discussion on the minutes? Hearing
22 none.

23 Roll call vote.

24

25 Joseph Pasquarella, aye; John

1 informed Board members that a copy of the first
2 exposure draft could be accessed on The Appraiser
3 Foundation's website at www.appraiserfoundation.org.

4 Mr. Rouse noted AQB is requesting written
5 comments to the first exposure draft by March 13,
6 2023, and can be submitted electronically at
7 www.surveymonkey.com/r/AQBComments or
8 AQB@appraisalfoundation.org. He also noted verbal
9 comments would be accepted at AQB's virtual public
10 meeting on Wednesday, March 22, 2023. He informed
11 Board members of his attendance at a webinar
12 concerning the exposure draft on March 1, 2023.

13 Mr. Rouse addressed changes to the AQB criteria,
14 where Valuation Bias and Fair Housing Law and
15 Regulations would be added to qualifying and
16 continuing education requirements for appraiser
17 candidates and credentialed appraisers. He stated
18 the exposure draft proposes to change the AQB
19 criteria to state that persons who want to become
20 appraisers would have to take 8 hours of a course
21 called Valuation Bias and Fair Housing Law and
22 Regulations and would be part of their education
23 program by January 1, 2025.

24 Mr. Rouse stated it would increase the core
25 curriculum requirement of licensed appraiser trainees

1 from 75 hours to 83 hours, noting the course would be
2 7 hours with a 1-hour examination. He stated there
3 would not be an increase in the core curriculum
4 requirements for certified residential real estate
5 appraiser or certified general real estate appraiser
6 candidates but would reduce the elective subjects by
7 8 credit hours, where they would still have the 200
8 hours of core curriculum requirement for certified
9 residential real estate appraisers and 300 hours for
10 general real estate appraisers for core curriculum
11 hours.

12 Ms. Brown suggested Mr. Rouse explain the
13 interplay between federal and state guidelines.

14 Mr. Rouse explained that all state appraiser
15 regulatory agencies have to follow federal
16 guidelines, noting the Appraisal Subcommittee is in
17 charge when it comes to what appraisers must adhere
18 to as minimum standards nationally. He stated the
19 Appraisal Subcommittee does its work through an
20 umbrella organization called The Appraisal
21 Foundation, which has two separate boards under it,
22 including the Appraisal Qualifications Board (AQB)
23 and the Appraisal Standards Board (ASB).

24 Mr. Rouse stated the AQB deals with issues of
25 appraisal candidates and continuing education for

1 credentialed appraisers, and the Appraisal Standards
2 Board (ASB) deals with standards of the appraisal
3 profession, noting both boards set minimum standards
4 for federal appraisal standards.

5 Mr. Rouse explained that AQB is setting the
6 federal minimum standards that all of the state
7 appraiser regulatory agencies would have to follow
8 and want all appraiser candidates throughout the
9 nation to have the Valuation Bias and Fair Housing
10 Law and Regulations Course. He mentioned that they
11 also want to change the AQB requirements, so all
12 appraisers who are currently credentialed take a 7-
13 hour Valuation Bias and Fair Housing Law and
14 Regulations Course by December 31, 2025.

15 Mr. Rouse explained why there is a 7-hour course
16 for credential appraisers and an 8-hour course for
17 appraiser candidates, noting that qualifying
18 education for appraiser candidates would include a 1-
19 hour exam. He mentioned an additional change to AQB
20 qualifications would be that, starting on January 1,
21 2026, credentialed appraisers would need a 4-hour
22 course that meets the content requirements of the AQB
23 in the subject of valuation bias and fair housing
24 laws within each two-year continuing education cycle.

25 Mr. Rouse further explained the requirement for

1 credentialed appraisers to have the 7-hour course by
2 December 31, 2025, and then every two years
3 afterwards take a 4-hour continuing education course
4 on valuation bias and fair housing laws because the
5 4-hour course would include current events and case
6 studies.

7 Mr. Rouse stated AQB requests to receive
8 comments by March 13, 2023, to discuss the issue at
9 AQB's virtual public meeting on March 22, 2023, to be
10 able to vote and change the AQB criteria. He
11 explained the reason why AQB is looking to implement
12 valuation bias and fair housing laws and regulations
13 as qualifying education by January 1, 2025, and for
14 credentialed appraisers by December 31, 2025. The AQB
15 understands that states would have to go through a
16 rulemaking process to change their regulations. He
17 commented that changing a regulation in Pennsylvania
18 usually takes about 18 months.

19 Mr. Rouse mentioned that some states already
20 implemented a fair housing and equal opportunity-type
21 course as a requirement for their appraisers but that
22 it would not count toward qualifying education or
23 continuing education because the course would have to
24 comply with AQB's course outline. He provided a list
25 of what should be included in the course.

1 Mr. Rouse noted other recommended changes,
2 including renaming the 7-Hour National Uniform
3 Standards of Professional Appraiser Practice (USPAP)
4 Update Course to the 7-Hour National USPAP Continuing
5 Education Course and changing the 7-Hour Instructor
6 Recertification Course to the Instructor
7 Certification Course.

8 Mr. Rouse referred to prior Board discussion
9 concerning the addition of valuation bias and fair
10 housing and/or equal opportunity as an allowable
11 continuing education topic. He informed Board
12 members that the first exposure draft is recommending
13 changing that from valuation bias and fair housing
14 and/or equal opportunity to valuation bias and fair
15 housing law and regulations, which came up in a
16 discussion that other boards brought to the
17 forefront.

18 Chairman Pasquarella thanked Ms. Brown for the
19 question regarding the interplay between federal and
20 state guidelines and thanked Mr. Rouse for his
21 thorough explanation.

22 Ms. Hennessy Hemler referred to the requirement
23 of credentialed appraisers needing the 7-hour course
24 on Valuation Bias and Fair Housing Law and
25 Regulations by December 31, 2025, and asked whether

1 there was any discussion on how that would be
2 captured better and whether the state regulatory
3 agencies would do an audit in January 2026 to confirm
4 the course was taken, where all of the appraisers
5 would have to provide their certificate to be
6 uploaded to files.

7 Mr. Rouse stated AQB did not provide any
8 mechanics in terms of an audit but did state that
9 appraisers not complying with the requirement of
10 having the course by December 31, 2025, would be
11 considered "not in compliance". He offered to
12 mention the question concerning the audit next week
13 at his meeting with someone from The Appraisal
14 Foundation.

15 Mr. Rouse informed Board members that the 7-hour
16 course would not be in addition to the 28 hours
17 appraisers have to take within the two-year period,
18 but the 28 hours must include the Valuation Bias and
19 Fair Housing Law and Regulations Course. He also
20 noted the 4-hour course afterwards could be included
21 in the 28 hours.

22 Ms. Hennessy Hemler commented that Pennsylvania
23 is set up differently compared to other states and
24 asked whether the change is going to be considered
25 for evaluators and assessors.

1 Mr. Rouse stated the AQB criteria applies to
2 appraisers nationally, noting that many state
3 appraiser boards do not have assessors under them,
4 and asked whether the Board wanted to discuss and
5 include the course as a requirement for certified
6 Pennsylvania evaluators and assessors.

7 Mr. Stoerrle commented that the course should be
8 included for assessors just like the 15-Hour USPAP
9 Course is required by assessors because they are
10 under their umbrella.

11 Mr. Rouse explained that AQB stated at their
12 webinar that if AQB votes to approve this and state
13 regulatory agencies go through their regulatory
14 process and get it in place before the requisite time
15 to go ahead and take the 8-hour appraiser candidate
16 course and 7-hour course for credentialed certified
17 appraisers.

18 Mr. Waggoner referred to certified Pennsylvania
19 evaluators (CPEs) and believed the Assessors'
20 Association was still waiting on clarification
21 because the 15-Hour USPAP requirement had not been
22 totally ironed out as far as the effective date of
23 when CPEs would need to take 15 hours as part of
24 their initial education in order to sit.

25 Mr. Waggoner asked whether this would trump the

1 expediency of the Assessors' Association of
2 Pennsylvania getting the 15-Hour USPAP and whether
3 this would be part of the next term for renewal or
4 whether it is separate. He commented that they would
5 need a couple of those questions answered for the
6 planning of future classes.

7 Mr. Rouse referred to Mr. Waggoner's statement
8 and explained that the 15-Hour USPAP was part of a
9 regulatory package that is in the process but not
10 actually a regulation yet and was an additional issue
11 as part of the discussion when the Board was trying
12 to address the regulatory package for the changes to
13 the Assessors Certification Act.

14 Mr. Rouse stated the Assessors Certification Act
15 itself did not talk about the 15-Hour USPAP, so in
16 terms of the statute, that was not part of the
17 statute but was part of the Board's discussion in
18 doing a regulatory package. He noted that part was
19 discussed, where the Board would add that, because
20 appraisers and assessors both have to comply with
21 USPAP and should be required to take the 15 hours,
22 but the regulatory rulemaking has not gone through.

23 Mr. Waggoner asked whether the 7-hour bias/fair
24 housing course would take precedence in terms of
25 scheduling for upcoming class cycles.

1 Mr. Rouse explained that the Board would have to
2 wait to see what happens on March 22 with AQB when
3 they make their determination because the Board would
4 need to draft a rulemaking as well.]

5

6 [The Board had technical difficulties in the
7 conference room and could not hear virtual
8 participants from 11:32 a.m. until 11:48 a.m., so the
9 Board utilized the time for its Executive Session.]

10

11 [Pursuant to Section 708(a)(5) of the Sunshine Act,
12 at 11:32 a.m. the Board entered into Executive
13 Session with Ronald K. Rouse, Esquire, Board Counsel,
14 to have attorney-client consultations and for the
15 purpose of conducting quasi-judicial deliberations.
16 The Board returned to open session at 11:48 a.m.]

17

18 MOTION

19 MR. ROUSE:

20 Regarding the Consent Agreement at item
21 2 on the agenda, Case Nos. 21-70-019979
22 & 22-70-013528, I believe the Chair
23 would entertain a motion to reject the
24 Consent Agreement as too lenient.

25

CHAIR PASQUARELLA: Does anyone want to

1 make that motion?

2 MR. AUSHERMAN:

3 So moved.

4 CHAIRMAN PASQUARELLA:

5 Do I have a second?

6 MR. WAGGONER:

7 I'll second.

8 MS. HENNESSY HEMLER:

9 Roll call voting.

10

11 Joseph Pasquarella, nay; John
12 Ausherman, aye; William Stoerrle, aye;
13 Randy Waggoner, aye; Martha Brown, aye;
14 Paul Edger, aye; Paul Wentzel, nay.

15 [The motion carried. Joseph Pasquarella and Paul
16 Wentzel opposed the motion.]

17 ***

18 Report of Board Counsel - Miscellaneous (cont.)

19 [Ronald K. Rouse, Esquire, Board Counsel, referred
20 back to discussion regarding the first exposure draft
21 of proposed changes to AQB criteria.

22 R. Scott Hartman, SRA, Appraisal Institute,
23 noted prior discussion with the Board about a year
24 ago, where the Appraisal Institute was proposing a
25 minimum of 5 hours of education in the area of

1 valuation bias and fair housing laws and regulations.

2 He stated the Appraisal Institute is clearly in
3 favor of the change and the increase from 5 to 7
4 hours. He commented that the regulatory process
5 could be difficult in Pennsylvania but suggested
6 making it part of the June 30, 2025 renewal to avoid
7 a duplicate paperwork process.

8 Mr. Hartman stated the Appraisal Institute is in
9 the process of developing a course but is waiting for
10 the AQB to pass their final piece, so the Appraisal
11 Institute could make sure all of the course material
12 already developed meets the requirements of the
13 course. He noted the Appraisal Institute would
14 submit the course and probably have an approval
15 immediately and believed other providers would do the
16 same.

17 Mr. Hartman mentioned that even if the Board
18 made the requirements six months earlier on June 30,
19 2025, instead of December 31, 2025, they would cause
20 angst among the appraisers because they would be able
21 to get the coursework they need. He noted that most
22 appraisers do not seek coursework until the last six
23 to nine months before renewal and believed there was
24 time.]

25

1 [Martha H. Brown, Esquire, Secretary of the
2 Commonwealth Designee, exited the meeting at
3 11:54 a.m.]

4 ***

5 [Mr. Hartman referred to the last big round of
6 changes for the AQB with respect to the hours around
7 2020 and asked whether the language was added to the
8 annex that states Pennsylvania automatically adopts
9 the rules that AQB or ASB changes or whether it was
10 removed.

11 Mr. Rouse explained that it was not part of that
12 and would have to give that more thought.

13 Mr. Hartman commented that the language would be
14 a benefit because they would not have to go back
15 through the difficulty of a 15- to 18-month
16 rulemaking process every time one little item
17 changes.

18 Mark Kellerman, Assessors' Association of
19 Pennsylvania, asked whether CPEs would have to take
20 the 8-hour course only as part of recertification
21 classes or whether they could take the 4-hour course
22 previously mentioned if this becomes a requirement
23 for CPEs.

24 Mr. Rouse explained that the Board would have to
25 discuss whether there should be a requirement for

1 assessors and whether there should be a course with
2 the same timing as appraisers, whether it would be
3 the
4 4-hour course for continuing education.]

5

6 Report of Board Counsel - Miscellaneous

7 [Ronald K. Rouse, Esquire, Board Counsel, referred to
8 the announcement from ASC regarding the fifth
9 exposure draft of proposed changes to USPAP. He
10 noted prior Board discussion regarding the fourth
11 exposure draft that proposed to add a
12 nondiscrimination section to the Ethics Rule of
13 USPAP.

14 Mr. Rouse addressed his attendance at an
15 Appraisal Standards Board public meeting on February
16 15, 2023. He informed Board members that there was
17 overwhelming support for adding a nondiscrimination
18 section of the Ethics Rule of USPAP. He noted the
19 comments requested more guidance, so the ASB decided
20 to put a pause on the fourth exposure draft and start
21 writing a fifth exposure draft that would have more
22 explanations and include proposed guidance in the
23 form of a proposed advisory opinion regarding
24 nondiscrimination.

25 Mr. Rouse also mentioned ASB would be consulting

1 with their housing experts to assist with the effort.
2 He explained that the purpose of the fifth exposure
3 drat is to ensure the nondiscrimination requirements
4 of the Ethics Rule are clear and enforceable.]

5

6 Report of Board Counsel - Miscellaneous

7 [Ronald K. Rouse, Esquire, Board Counsel, referred to
8 the Report on The Appraisal Foundation's Meeting of
9 the State Regulatory Advisory Group. He addressed
10 his attendance at the meeting, noting representatives
11 that are part of the state appraiser regulatory
12 agencies from all 50 states attended. He stated the
13 meeting provided updates on various matters of the
14 appraisal community.

15 Mr. Rouse noted the first discussion item was
16 bias and discrimination. He stated the Biden
17 Administration created the Interagency Task Force on
18 Property Appraisal and Valuation Equity (PAVE) Co-
19 Chaired by the Department of Housing and Urban
20 Development (HUD) Secretary, Marcia L. Fudge, and
21 White House Domestic Policy Advisor, Susan Rice, and
22 is dedicated to ending bias in home valuation.

23 Mr. Rouse noted that David Bunton, President of
24 The Appraisal Foundation, stated the PAVE Task Force
25 is interested in meeting with The Appraisal

1 Foundation to address bias and discrimination through
2 appraiser education requirements. He noted The
3 Appraisal Foundation wants to focus on enforcement
4 actions as it relates to complaints of bias and
5 discrimination.

6 Mr. Rouse mentioned that representatives from
7 several state appraiser regulatory agencies at the
8 meeting stated training must be developed to help
9 state investigators distinguish the difference
10 between incompetence in developing an appraisal
11 versus an appraisal developed based on bias and
12 discrimination.

13 Mr. Rouse noted representatives from North
14 Carolina stated their state regulatory agency
15 receives bias complaints but results often show
16 standard incompetence issues. He also noted
17 representatives from Washington State mentioned their
18 regulatory agency is partnering with the state's
19 Human Rights Commission in order to investigate
20 complaints of bias and discrimination in appraisals.

21 He noted their state regulatory agency is informing
22 the public of how they can file a complaint. He
23 noted Texas has partnered with the Texas Workforce
24 Commission Civil Rights Division to review complaints
25 from consumers related to appraisals that involve

1 possible fair housing violations.

2 Mr. Rouse noted the North Carolina
3 representative stated some civil rights agencies
4 require the complainant file directly to the civil
5 rights agency. He mentioned that North Carolina asked
6 if The Appraisal Foundation could discuss with the
7 PAVE Task Force the possibility of having the state
8 appraiser regulatory agencies refer matters directly
9 to the state's civil rights agency.

10 Mr. Rouse addressed general discussion at the
11 meeting, where state civil rights agencies may have
12 expertise through evaluating and investigating bias
13 and discrimination but may not have the expertise to
14 investigate appraisal issues and is imperative that
15 investigators for the state appraisal regulatory
16 agencies have adequate training to identify bias and
17 discrimination.

18 Mr. Rouse informed Board members there was also
19 discussion concerning proposed changes to the real
20 property appraiser qualification criteria and
21 Practical Applications of Real Estate Appraisal
22 (PAREA).

23 Mr. Rouse stated there are currently no PAREA
24 programs up and running, noting nine potential
25 providers of PAREA have submitted proposals to the

1 Appraisal Subcommittee and to the AQB for review,
2 with three that have publically announced their plan
3 to offer PAREA, including the Appraisal Institute and
4 McKissock. He reported 39 states and the District of
5 Columbia have either adopted PAREA or are in the
6 rulemaking process, including Pennsylvania.

7 ***

8 [Martha H. Brown, Esquire, Secretary of the
9 Commonwealth designee, reentered the meeting at
10 12:06 p.m.]

11 ***

12 Aaron Moselle, Reporter, WHYI, requested clarity
13 regarding Pennsylvania adopting regulations.

14 Mr. Rouse explained that there is a proposed
15 rulemaking packet being reviewed by counsel that
16 would need to be sent to senior regulatory counsel
17 for review before going out as proposed rulemaking.
18 He informed Mr. Moselle that there would then be a
19 30-day period, where the public could make comments
20 and then the Independent Regulatory Review Commission
21 (IRRC) also has a time period for comments.

22 Mr. Rouse stated counsel would have to respond
23 to any public comments or comments from IRRC and
24 submit final rulemaking that would again go through
25 the regulatory process through his office, send back

1 to the state legislature and IRRC for a determination
2 by IRRC as to whether the rulemaking is in the best
3 interest of the public. He noted it would then be
4 reviewed by the Attorney General's Office for form
5 and legality and then the final rulemaking is final
6 and published in the *Pennsylvania Bulletin*.

7 Mr. Rouse further explained that the whole
8 process takes about 18 months and is currently in the
9 middle of the process.]

10 ***

11 Regulations/Statutes

12 [Ronald K. Rouse, Esquire, Board Counsel, addressed
13 Regulation 16A-7027 regarding broker price opinion
14 (BPO), noting the Board did an annex because the Real
15 Estate Licensing and Registration Act had been
16 amended to include broker price opinion as something
17 brokers could perform. He noted that it affected
18 appraisal management company regulations, and there
19 is a proposal to amend the AMC regulations to be
20 consistent with the Real Estate Licensing and
21 Registration Act.

22 Mr. Rouse referred to § 36.434(a), where it was
23 amended to read, an appraisal management company may
24 recruit, engage, and negotiate fees with a broker to
25 prepare broker price opinions and may receive orders

1 for and submit broker price opinions to clients. He
2 noted (b) was amended to read, a BPO may not be used
3 as an appraisal or in lieu of an appraisal in a
4 federally related transaction; (b.1) in conjunction
5 with the purchase of real property, a BPO may not be
6 used as the primary basis to determine the value of
7 real property for the purpose of a loan origination
8 of a mortgage; and (d) a BPO prepared in accordance
9 with the requirements of section 608.6 of the Real
10 Estate Licensing and Registration Act shall be deemed
11 a comparative market analysis for the purposes of the
12 Appraisal Management Company Registration Act.

13 Mr. Rouse addressed comments received from
14 Robert Luciani regarding (c), which was a subsection
15 that was not amended, stating that is was not clear
16 to him why an appraisal management company (AMC) may
17 not solicit or order an evaluation because if the
18 federally related transaction (FRT) is under the
19 current de minimis amount, then the lender would have
20 the option to use an evaluation product in lieu of a
21 certified appraisal report.

22 Mr. Rouse noted he also had a comment concerning
23 (d), stating that since a BPO is now a legal service
24 that can be provided by Brokers in Pennsylvania, a
25 BPO should not be considered a comparative market

1 analysis nor vice versa because they have two
2 different distinct meanings and different functions
3 and should not be considered to be equivalent.

4 Mr. Rouse referred to section 8(b) of the
5 Appraisal Management Company Registration Act under
6 other prohibitions, where a registrant or exempt
7 company shall not (1) hire, employ, or in any way
8 contract with or pay a person who is not an appraiser
9 and who holds a license under the Real Estate
10 Licensing and Registration Act to perform a valuation
11 of real estate unless it is a comparative market
12 analysis as defined in section 201 of the Real Estate
13 Licensing and Registration Act.

14 Mr. Rouse explained that it is considered a
15 comparative market analysis because their statute for
16 the Appraisal Management Registration Act says they
17 are prohibited from employing a person who does
18 evaluations unless it is considered a comparative
19 market analysis. He stated the Real Estate Licensing
20 and Registration Act itself says that a BPO done with
21 certain requirements would be considered a
22 comparative market analysis.

23 Chairman Pasquarella commented that an
24 evaluation is not an appraisal product and anyone can
25 do an evaluation except a real estate appraiser who

1 is bound to follow USPAP, in which case the
2 evaluation product would really be an appraisal and
3 they have to follow the rules and regulations
4 regarding the appraisal report.

5 Chairman Pasquarella stated the reason for AMCs
6 in the first place goes back to Dodd-Frank to have
7 greater separation between lenders and appraisers.
8 He believed it was an extra layer that evolved out of
9 Dodd-Frank, noting their purpose is really related to
10 financing appraisals and should preclude them from
11 retaining BPOs for whatever purpose.

12 Chairman Pasquarella noted that BPOs cannot be
13 used for financial purposes and should not be used as
14 a substitute for an appraisal. He stated BPOs are
15 sometimes used for determination of a probable
16 selling price in the event of a property being taken
17 back in foreclosure or in a workout of a major
18 investment property.

19 Mr. Ausherman commented that he has seen BPOs
20 ordered for other reasons other than just liquidation
21 purposes and have actually seen them try to order
22 them for origination purposes.

23 Chairman Pasquarella commented that they are
24 supposed to be involved primarily between the
25 separation for a loan origination and not hiring

1 BPOs.

2 Mr. Hartman stated a BPO is supposed to be
3 limited to a one- to four-family property and a
4 workout situation and noted it is an important
5 product for the lending community in a workout or
6 foreclosure situation because it allows the lender to
7 monitor their collateral at a lower cost than
8 ordering an appraisal and provided an example. He
9 stated the agreed upon legislation was specific that
10 they are not allowed to be used for originations,
11 estate, imminent domain, or any other litigation-type
12 purposes.

13 Mr. Hartman stated there is a reason why AMCs
14 would want to add brokers to their panel that have
15 the qualifications. He commented that brokers also
16 have to complete an education course in order to be
17 able to do it and then the managing broker in a
18 multi-office company or the broker of record in a
19 single-office company is also required to countersign
20 the product.

21 Mr. Hartman explained that there are safeguards
22 built into the process, but it is legitimate for an
23 appraisal management company to be trying to build a
24 panel because, when looking at the market cycle, they
25 have not been in the foreclosure part of a typical

1 market cycle in residential for almost 10 years.

2 Mr. Hartman agreed with Mr. Ausherman and also
3 sees people asking them to perform a BPO in a
4 situation where it is totally inappropriate because
5 the law precludes it but commented that it is
6 legitimate for AMCs to be trying to build a panel
7 within the appropriate confines of what the law
8 allows.

9 Mr. Rouse asked whether the Board wanted to send
10 the annex back out as an exposure draft.

11 Chairman Pasquarella recommended waiting for
12 more people to weigh in on the topic.]

13 MR. ROUSE:

14 Chairman, would you entertain a motion
15 to send Regulation 16A-7027 Broker
16 Price Opinion out as a second exposure
17 draft?

18 CHAIRMAN PASQUARELLA:

19 Yes. Do I have such a motion, Board?

20 MR. STOERRLE:

21 So moved.

22 CHAIRMAN PASQUARELLA:

23 Do I have a second?

24 MR. AUSERMAN:

25 Second.

1 MR. ROUSE:

2 Could we have a roll call?

3

4 Joseph Pasquarella, aye; John
5 Ausherman, aye; William Stoerrle, aye;
6 Randy Waggoner, aye; Martha Brown, aye;
7 Paul Edger, aye; Paul Wentzel, aye.

8 [The motion carried unanimously.]

9

10 Regulations/Statute

11 [Ronald K. Rouse, Esquire, Board Counsel, provided a
12 Regulatory Report for the Board's review, including
13 licensure by endorsement, fees, general revisions for
14 the certified Pennsylvania evaluators, BPO, distance
15 education, PAREA, and AMC revisions.]

16

17 Regulations/Statute

18 [Ronald K. Rouse, Esquire, Board Counsel, addressed
19 Act 35 of 2022 regarding expediting applications of
20 service members, veterans, and military spouses. He
21 noted a question was included on all applications on
22 January 25, 2023, asking whether the applicant is a
23 service member, veteran, or military spouse. He
24 stated documentation could be uploaded to the
25 Pennsylvania Licensing System (PALS) demonstrating

1 their status.

2 Ms. Hennessy Hemler further explained that as of
3 January 25, 2023, applications would be reviewed
4 immediately for a service member, veteran, or
5 military spouse who places an initial application,
6 renewal application, or reactivation application with
7 their DD214 and veteran status or proof uploaded into
8 PALS.]

9

10 Matters for Discussion

11 [Kristel Hennessy Hemler, Board Administrator, noted
12 the Association of Appraiser Regulatory Officials
13 (AARO) Conference would be held in Savannah, GA, May
14 9-11, 2023, and requested approval for William
15 Stoerrle, Mark Smeltzer, and John Ausherman to
16 attend, so she could begin travel arrangements. She
17 informed Board member that the approval process
18 starts with the Board office, commissioner's office,
19 and then to the governor's office.]

20 CHAIRMAN PASQUARELLA:

21 We need a motion.

22 MS. BROWN:

23 I make a motion to approve William
24 Stoerrle, Mark Smeltzer, and John
25 Ausherman to attend the spring AARO

1 Conference May 9-11 in Savannah,
2 Georgia.

3 MR. WAGGONER:

4 Second.

5 CHAIRMAN PASQUARELLA:

6 Let's call the vote.

7
8 Joseph Pasquarella, aye; John
9 Ausherman, abstain; William Stoerrle,
10 abstain; Randy Waggoner, aye; Martha
11 Brown, aye; Paul Edger, aye; Paul
12 Wentzel, aye.

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

15 ***

16 Report of Board Chairman - No Report

17 ***

18 Report of Board Administrator - No Report

19 ***

20 Exploratory Committee

21 [Ronald K. Rouse, Esquire, Board Counsel, informed
22 Board members that Michael McFarlane, the Chairman of
23 the Exploratory Committee, is not in attendance today
24 but submitted documentation to the Board for its
25 review of recommendations for ASC Grants and

1 requested Mr. Smeltzer present the report, but he was
2 also not present and asked whether the Board wanted
3 to table this matter.

4 Chairman Pasquarella noted that there were no
5 objections to tabling the matter until the next
6 meeting.]

7 ***

8 Review of Requests - Licensed Appraiser Trainee -
9 2023

10 Renewal Extension Requests

11 MR. ROUSE:

12 We have items 11 through 16. This was
13 a matter discussed in Executive
14 Session. These are licensed appraiser
15 trainees that are requesting an
16 extension in order to submit a renewal
17 as part of the 2023 biennial renewal
18 period.

19 I believe the Chair would entertain
20 a motion to grant the Licensed
21 Appraiser Trainee Renewal Extensions
22 for items 11 through 16 on the agenda,
23 which include Diego Ferrer, Patrick
24 Maloney, Leslie Allen, Cheryl Bertucci,
25 Corey Frontz, and Edward Thompson.

1 CHAIRMAN PASQUARELLA:

2 Does anyone want to make that motion?

3 MR. AUSERMAN:

4 So moved.

5 CHAIRMAN PASQUARELLA:

6 Do we have a second?

7 MR. STOERRLE:

8 Second.

9 CHAIRMAN PASQUARELLA:

10 Roll call, Ms. Hemler.

11

12 Joseph Pasquarella, aye; John
13 Auserman, aye; William Stoerrle, aye;
14 Randy Waggoner, aye; Martha Brown, aye;
15 Paul Edger, aye; Paul Wentzel, aye.

16 [The motion carried unanimously.]

17

18 Public Comment/Discussion

19 [Joseph D. Pasquarella, Chairman, Professional
20 Member, thanked everyone for their patience and
21 participation, especially with the technical
22 difficulty during the meeting.

23 Adrian Garcia, Director, Fair Housing and
24 Commercial Property Division, Pennsylvania Human
25 Relations Commission (PHRC), informed everyone of a

1 virtual event during Fair Housing Month on April 12
2 with Dr. Junia Howell, who has done studies on
3 appraisal bias, and Jeffrey May from International
4 Development and Planning, who would be discussing how
5 investigations occur regarding appraisal bias. He
6 offered to provide the Board with the link to the
7 virtual meeting and thanked the Board for their
8 invitation.

9 Mr. Hartman also offered to provide the link
10 through the Appraisal Institute.]

11 ***

12 Adjournment

13 CHAIRMAN PASQUARELLA:

14 I'd like to have a motion to adjourn
15 the meeting today.

16 MR. WENTZEL:

17 So moved.

18 CHAIRMAN PASQUARELLA:

19 Do I have a second?

20 MR. EDGER:

21 Second.

22 CHAIRMAN PASQUARELLA:

23 All in favor, say aye?

24 [The motion carried unanimously.]

25 ***

1 [There being no further business, the State Board of
2 Certified Real Estate Appraisers Meeting adjourned at
3 12:49 p.m.]

4 ***

5
6 CERTIFICATE

7
8 I hereby certify that the foregoing summary
9 minutes of the State Board of Certified Real Estate
10 Appraisers meeting, was reduced to writing by me or
11 under my supervision, and that the minutes accurately
12 summarize the substance of the State Board of
13 Certified Real Estate Appraisers meeting.

14
15
16 

17 Amber Garbinski,
18 Minute Clerk
19 Sargent's Court Reporting
20 Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

March 2, 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	10:33	Official Call to Order
14		
15	10:34	Roll Call
16		
17	10:34	Introduction of Public Attendees
18		
19	10:38	Approval of Minutes
20		
21	10:40	Report of Prosecutorial Division
22		
23	10:49	Report of Board Counsel
24		
25	11:32	Executive Session
26	11:48	Return to Open Session
27		
28	11:48	Motion
29		
30	11:51	Report of Board Counsel (cont.)
31		
32	12:14	Regulations/Statute
33		
34	12:39	Matters for Discussion
35		
36	12:41	Exploratory Committee
37		
38	12:43	Review of Requests
39		
40	12:47	Public Comment/Discussion
41		
42	12:49	Adjournment
43		
44		
45		
46		
47		
48		
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