

**NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
TELECONFERENCE MEETING
FEBRUARY 7, 2017 MINUTES**

DEPARTMENT OF BUSINESS AND INDUSTRY
2501 E. SAHARA AVENUE
ADMINISTRATOR'S CONFERENCE ROOM
SUITE 303
LAS VEGAS, NV 89104

FEBRUARY 7, 2017

9:03 A.M.

1-A) Introduction of Commissioners in attendance

Via telephone: Glenn Anderson; Debbie Huber; David Stefan; Cynthia Hoonhout; Daniel Walsh; and Sarah Bradley as Commission Counsel.

1-B) Introduction of Division Staff in attendance

In Las Vegas: Sharath Chandra, Administrator; Teralyn Thompson, Administration Section Manager; Claudia Rosolen, Commission Coordinator; Safia Anwari, Education Program Officer.

Via telephone: Sharon Jackson, Deputy Administrator; and Stacey Spoerl, Program Officer.

2) Public Comment

None.

3-A-1) Administrator's Report: Personnel

Sharath Chandra presented this report. Mr. Chandra stated that Stacey Spoerl is the new Program Officer in the appraisal section. Mr. Chandra stated that Sharon Jackson is the new Deputy Administrator and the investigator position in the north is still open and that the Division is having some trouble filling it.

3-A-2) Administrator's Report: Division's Las Vegas office moving to another location

Sharath Chandra presented this report. Mr. Chandra stated that the Las Vegas office is in the process of moving into a different building with other agencies from Business and Industry. Mr. Chandra stated that the move should start by the middle of March.

Commissioner Walsh asked if the Division will have a press release announcing the new Program Officer.

3-A-3) Administrator's Report: 2017 Legislative Session and Division's budget

Sharath Chandra presented this report. Mr. Chandra stated that the Division submitted a flat budget. Mr. Chandra stated that it is going to be challenging because the market is improving, needs for services are increasing and the Division is constrained with what it has. Mr. Chandra stated that trying to maintain the current status is the Division's biggest challenge. Mr. Chandra stated that there is an industry sponsored Bill Draft Requests (BDR) for moving the Division towards the self-funding. President Anderson asked if any portion of the budget will be directed towards technological upgrades.

Mr. Chandra stated that technological upgrade is on the Division's priority list.

3-B) Discussion regarding Customary and Reasonable Fees in regard to the Dodd-Frank Act concerning the Coalition of Appraisers in Nevada (CAN).

Commissioner Walsh thanked the Coalition of Appraisers in Nevada (CAN) for the study. Commissioner Walsh stated that Nevada now has a stable base-line establishing how much appraisal management companies (AMC) should pay. Commissioner Walsh stated that for his suburban/rural area those prices seem reasonable except for the small income properties medium prices.

Commissioner Hoonhout stated that for the Reno area those prices seem common.

Commissioner Huber stated that the baselines for minimum medium, maximum medium reflects an accurate range of typical work in southern Nevada with the exception for income producing properties which are outside of the range on the low end.

President Anderson stated that the report seemed pretty comprehensive.

Dan Byrne, 2016 president of CAN, stated that CAN's intent to fund the study was to present information to industry partners, something that was public and accessible. Mr. Byrne stated that the report was done with data from 2015 and a lot of has changed in the industry since then, but it can be used as a baseline.

Commissioner Hoonhout stated that CAN did a comprehensive study. Commissioner Hoonhout stated that on question 15 of the report there was a comment about designation and education. Commissioner Hoonhout stated that designation and education are important for appraisers.

Mr. Byrne stated that for residential, the designation carries more weight when it comes to non-lending practices.

Brett West, designated residential appraiser, commented. Mr. West stated that AMCs do not manage, AMCs shops for the lowest fee. Mr. West stated that there is harm to the public in shopping for the lower fees. Mr. West stated that if a reasonable wage is paid to appraisers in Nevada, the AMCs will be forced to choose the best appraiser for the job, and the public interest would be protected. Mr. West requested to have this issue as an action item on the next agenda.

Commissioner Huber asked what is been done with the study, and what are the plans moving forward with the study.

Mr. Byrne stated that the original intent was for CAN to fund the study and for the Real Estate Division to adopt a model before CAN commence with the study in the hopes that it would be adopted into regulation. Mr. Byrne stated that the study was done to offer AMCs and appraisers some inclination of what a Customary and Reasonable Fees should be in Nevada.

President Anderson asked if this was an actionable item of any kind.

Mr. Chandra stated that the Dodd-Frank Act allows for different scenarios. Mr. Chandra stated that this study is a good option, but the Division has to be concerned about the other requirements that will need to be put in place after the study is adopted or moved into regulation. Mr. Chandra stated that this is a

discussion that the Division is having internally. Mr. Chandra stated that the Division has reached out to the Attorney general's office to get an opinion on the options that the Division has on this matter.

President Anderson stated that another point that should be considered should be the funding to keep the study updated.

Commissioner Walsh asked the Division to set a timeframe in order to get moving on this matter.

Commissioner Huber stated that there are two issues that are impacting the industry and therefore the public. Commissioner Huber stated that the lack of funding of the Division, and the Customary and Reasonable Fees in regard to the Dodd-Frank Act are the two issues. Commissioner Huber asked if the study was made available or distributed to the industry.

Mr. Byrne stated that with the Division's approval the study has been posted on CAN's website and can be downloaded.

Mr. West stated that this discussion item is posted on the agenda and it's incumbent upon licensees and AMCs to pay attention to the postings. Mr. West stated that this matter should move forward.

Commissioner Huber asked how often is the registration renewal for AMC.

Mr. Chandra stated that the renewal is annual.

Commissioner Huber asked if there is a way to provide this information to AMC when they are renewing their registration.

President Anderson stated that part of the issue is that this study has not been adopted as a State sponsored item.

Mr. Chandra stated that there is currently a debate at the attorney general's office about this been an NAC or NRS issue.

Commissioner Walsh asked if it was possible to have the attorney general's office opinion and an adoption of the study by the June meeting.

Mr. Chandra stated that the Division will work towards that timeline.

Commissioner Huber asked to have this matter as agenda item "for possible action".

Commissioner Stefan asked how much an update on the study might cost.

Mr. Byrne stated that Steven M. Miller PhD from the Center for Business and Economic Research at UNLV, did not investigate on what the cost would be to have a new study done. Mr. Byrne stated that in order to have an update, a survey would need to be sent out to lenders who do business in Nevada, compile the results, and produce a new report. Mr. Byrne stated that he does not have a cost for that type of work.

President Anderson asked about a mechanism to enforce the Dodd-Frank Act and possible consequences for those who are not in compliance. President Anderson asked the Division to explore how the study can be incorporated into regulation.

Commissioner Stefan asked to have a proposal on mechanism and cost for updates for the next meeting.

3-C) Disciplinary Report

Teralyn Thompson presented this report. Ms. Thompson stated that the highlighted parts on the report are the changes since the last Commission meeting. Ms. Thompson stated that on page 2 of the report Mr. Tomasini is up to date with his payments. Ms. Thompson stated that on page 3 of the report Mr. Cunningham is up to date with his payments, and, on page 4 Mr. Hatch is up to date with his payments.

3-D) Discussion regarding Discussion regarding the Division's change of testing vendors to Pearson Vue.

Safia Anwari stated that effective January 1, 2017 Pearson VUE is the Division's new exam service vendor. Ms. Anwari stated that the prior contract was due to expire at the end 2016.

President Anderson asked how long the contract is for.

Ms. Anwari stated that the contract is awarded for four years.

3-E) For possible action: Discussion and possible action to approve the minutes of October 11, 2016 Commission meeting

Commissioner Huber moved to approve the minutes of October 11, 2016 Commission meeting. Commissioner Hoonhout seconded.

Motion carried unanimously.

3-F) For possible action: Discussion and possible action on date, time, place and agenda items for upcoming meeting(s)

Teralyn Thompson stated that the next Commission meeting is June 6 - 8, 2017.

Commissioner Hoonhout asked to meet in person or video-conference and not as a phone-conference in order to give the proper attention to the topics on the agenda.

3-G) Discussion regarding Commissioners' speaking engagement requests

None.

3-H) Commissioner Comment

Commissioner Hoonhout welcomed the new staff members and requested not to conduct public meetings by phone-conference.

Commissioner Walsh encouraged Ms. Spoerl to contact him if she has questions regarding items that are within his scope of competence.

4) Public Comment

In Las Vegas: Dan Byrne, 2016 president of CAN, commented. Mr. Byrne stated that the requirement for a trainee to become certified is to attend at least 6 hours of Commission meetings. Mr. Byrne stated that at the last couple of meetings, continuing education credits had not been offered because of the

length of the meeting. Mr. Byrne asked to consider a way to give continuing education credit to licensees if a Commission meeting lasts less than 3 hours.

In Las Vegas: Britt West from Boulder City, Nevada, commented. Mr. West asked if there is a status update on the Appraisal Advisory Review Committee (AARC).

In Las Vegas: Gary Hardy commented. Mr. Hardy asked if there is a rule on how many classes can be taken online for general certificate.

5) Adjournment

The meeting adjourned at 10:30 a.m. on February 7, 2017.

Respectfully Yours,

Claudia Rosolen
Commission Coordinator

NOT APPROVED BY THE COMMISSION