

**NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
MEETING
JANUARY 25, 2022 MINUTES**

**VIA WEBEX VIRTUAL MEETING
JANUARY 25, 2022
9:03 A.M.**

1-A) Introduction of Commissioners in Attendance

Scott Krueger, Timothy O'Brien, Larry Michael Gandy, and Chief Deputy Attorney General Rosalie Bordelove sitting as Commission Counsel.

1-B) Introduction of Division Staff in Attendance

Sharath Chandra, Administrator; Charvez Foger, Deputy Administrator; Shareece Bates, Administration Section Manager; Jaye Lindsay, Appraisal Program Manager; and Kelly Valadez, Commission Coordinator.

2) Public Comment

None.

4-F) Discussion regarding The Appraisal Foundation's program Practical Applications of Real Estate Appraisal (PAREA) including a presentation by John Brenan.

John Brenan, Chief Appraiser at Clear Capital, stated that prior to his current position, he worked sixteen and a half years at The Appraisal Institute as Vice President of appraisal issues working closely with the Appraiser Qualifications Board and Appraisal Standards Board, nine years as the Chief of Licensing and Enforcement at the California Bureau of Real Estate Appraisers, as well as many years as a residential and commercial appraiser and managed a large residential appraisal department for a major financial institution. Mr. Brenan stated that his experience as a career appraiser has given him an understanding of the issues and concerns that a regulatory board might face and how it relates to the Practical Applications of Real Estate Appraisal (PAREA) program.

Mr. Brenan stated that PAREA is about trying to keep appraisers relevant with the modernization of the industry that can marginalize appraisers. Mr. Brenan stated that the industry needs to have an adequate capacity of appraisers to perform the transactions and increase the diversity in the appraisal profession. Mr. Brenan stated that the Bureau of Labor Statistics ranked real estate appraisers and assessors last out of 400 in diversity with 96.5% of appraisers being white and 70% being male.

Mr. Brenan stated that PAREA was formally adopted by the Appraiser Qualifications Board (AQB) on January 1, 2021, as an alternative experience model using simulated training for appraisers. Mr. Brenan stated that PAREA's simulated training can provide a broader base and more effective training than just working with a supervisor under the current model. Mr. Brenan stated that with PAREA the simulations can be used to change the property type and market conditions to expose the participant to all types of appraisals. Mr. Brenan stated that along with the technology, the AQB mandates at various established checkpoints throughout the training, a mentor, with the same qualifications as a supervisory appraiser, must review what the participant has been doing during the training and determine if the participant is able to proceed to the next level. Mr. Brenan stated that PAREA is a self-paced program that cannot be entered into unless the trainee has completed the required education for the license being sought and at each phase, the program requires the participant to prove that they can apply the education learned.

Mr. Brenan stated that the current requirement for a licensed residential classification is 1000 hours of real experience in no less than six months, whereas in the PAREA program it could be done in less time

because it is a focus emerged training and you are judged on what has been learned and how well it is applied instead of just an arbitrary number of hours.

Mr. Brennan stated that the benefits of allowing 100% credit for the PAREA program would again help the supply of new appraisers and diversity not only in minorities and women but also younger people in this profession that have grown up with and embraced this type of technology. Mr. Brennan stated that restricting PAREA to anything less than 100% credit does not solve the current trainee/supervisor problem and would still require the trainee to find a supervisor for the remaining experience which is a long-standing problem.

Commissioner O'Brien asked how many states have adopted PAREA.

Mr. Brennan stated that there are six states have formally adopted PAREA and thirteen states that automatically adopt the AQB criteria exactly as written which totals about twenty states that allow 100% experience credit for PAREA.

Commissioner O'Brien asked if PAREA is a completely built program.

Mr. Brennan stated that the PAREA program is in the process of being built and according to The Appraisal Foundation, there are five companies that have submitted a preliminary concept review, which is not mandatory, to help potential providers know if they are on the right track. Mr. Brennan stated that The Appraisal Foundation gave a grant to The Appraisal Institute for \$500,000 to build a PAREA product, with the terms of the grant not requiring The Appraisal Institute to have a PAREA product on the street until September of 2023.

Commissioner Gandy asked if the AQB will be who approves the companies creating a PAREA program.

Mr. Brennan answered yes, companies submit their programs to the AQB for review and approval.

Commissioner Gandy asked if it had ever been considered to have different levels of PAREA such as entry level licensure and then a secondary level for more complex issues.

Mr. Brennan stated that the AQB has not approved a commercial PAREA yet and the initial conversation was to have two PAREA modules for residential, one for licensed residential dealing with basic standard properties and another program on top of that for certified residential that would incorporate more complex and unique properties that would require additional research.

Commissioner O'Brien stated that he does not see the PAREA program being an all or nothing, but more as a tool for a supervisor to use and supplement with an intern. Commissioner O'Brien stated that he finds it hard to try and nationalize Nevada because there are a lot of differences between Carson City, Incline, Fallon, and other spots within our state. Commissioner O'Brien stated that as a supervisor, the time he spends with his intern is very valuable.

Mr. Brennan stated that he agreed that there are things to be benefitted from a person having an individual supervisor that would go above and beyond the PAREA concept, but instead of restricting PAREA to anything less than 100%, could possibly be to add another requirement that a certain number of appraisals would need to be completed under a certified supervisory appraiser in addition to PAREA.

President Krueger asked if any of the states that have already adopted PAREA are working with providers or giving any feedback.

Mr. Brennan stated that some states have spoken with providers, but because there is not a finished PAREA program, they do not have anything that they can speak about specifically. Mr. Brennan stated that it is important to remember that those states whose laws follow the AQB criteria at 100% and adopt PAREA at 100% still have the ability to put further controls by stating that it still needs to meet their

standard.

Mr. Brenan stated that there have been discussions with the Appraisal Subcommittee about the potential of them providing grants to states offering tuition free PAREA training for would be appraisers coming into their state to help the capacity and diversity issue.

4-A) Discussion Regarding the Disciplinary Report.

Shareece Bates presented this report. The Commission was provided with the report in the meeting packet.

4-B) Discussion Regarding the Administrator's Report on Division Updates.

Mr. Chandra stated that the Division is in the process of procuring a vendor for new licensing software to help streamline and automate as many services as possible. Mr. Chandra stated that the Division is trying to partially expand the licensing functionality in the Northern office and then during the next legislative session show that there is a need for funding to open more positions. Mr. Chandra stated that there is a plan to have regulation changes for appraisal and discussion regarding the lack of appraisers in the state and various ways of expanding the pool of appraisers by making less barriers to enter the profession and standardizing the process. Mr. Chandra stated that with the last regulation changes the Division attempted to line up their standards with the Appraisal Qualifications Board (AQB) where the education requirements were lined up to be more in sync with AQB, but the experience requirements were left the same to be revisited later. Mr. Chandra stated that the goal for the Division from a regulatory perspective is to increase the pool of appraisers and set the standard to be met. Mr. Chandra stated that he was excited to announce that there have been two newly appointed Commissioners to the Commission which will make the Commission complete.

4-C) Discussion Regarding the Appraisal Officer's Report on Compliance Case Load.

Jaye Lindsay presented this report. The Commission was provided with the report in the meeting packet.

4-D) Discussion and Action to Approve the Minutes of the October 5, 2021 Meeting.

Commissioner O'Brien moved to approve the minutes from the October 5, 2021 meeting. Seconded by Commissioner Gandy. Motion carried.

4-E) Discussion and Action to Approve the applications for the Appraisal Advisory Review Committee members pursuant to NAC 645C.600.

1. Terence J. Farr – License No. A.0205475-CG

President Krueger moved to approve. Seconded by Commissioner Gandy. Motion carried.

2. Barbara Twarowska – License No. A.0208277-CR

Commissioner O'Brien moved to defer the approval of the application for Ms. Twarowska to the April 26-28, 2022 scheduled meeting pending further validation of references and discussion with Ms. Twarowska. Seconded by President Gandy. Motion carried.

3-A) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. Kari A. Christen, for possible action

Case No. 2020-279 AP20.034.S and 2020-374 AP20.039.S

License No. A.0005797-CR (Active)

Parties Present

Kari Christen was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Krueger moved to approve the stipulation for settlement of disciplinary action for Kari A. Christen, case numbers 2020-279 AP20.034.S and 2020-374 AP20.039.S Seconded by Commissioner Gandy. Motion carried.

3-B) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. George P. Holmes, for possible action

Case No. 2019-1286 AP20.017.S

License No. A.0006387-RES (Active)

Parties Present

George Holmes was present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Krueger moved to approve the stipulation for settlement of disciplinary action for George P. Holmes, case number 2019-1286 AP20.017.S. Seconded by Commissioner Gandy. Motion carried.

3-C) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. Brent M. Jones, for possible action

Case No. 2020-377 AP20A.039.S

License No. A.0001382-RES (Active)

Parties Present

Brent Jones was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

Ms. Lindsay stated that the Committee recommended the case be continued until after appraisals are reviewed for Mr. Jones' previous case 2018-27 and if no additional issues are found, this case would be closed.

President Krueger moved to approve the stipulation for settlement of disciplinary action for Brent Jones, case number 2020-377 AP20A.039.S. Seconded by Commissioner O'Brien. Motion carried.

3-D) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. Thomas A. Weiss, for possible action

Case No. 2020-406 AP20.042.N

License No. A.0007756-CR (Active)

Parties Present

Thomas Weiss was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Krueger moved to approve the stipulation for settlement of disciplinary action for Thomas A. Weiss, case number 2020-406 AP20.042.N. Seconded by Commissioner O'Brien. Motion carried.

5) Discussion and decision on date, time, place and agenda items for upcoming meeting(s).

➤ April 26-28, 2022

6) Public Comment

Chip Holmes stated that this was his first attendance of a Commission meeting and he found it informative and thinks it should be a requirement for all appraisers to attend a Commission meeting. Mr. Holmes stated that there are a lot of things happening quickly in the appraisal industry and he encourages the Commission to get ahead of the curve because his concern is that in five to ten years there will be no need for appraisers. Mr. Holmes stated that regarding the property data collectors, he would suggest using licensed brokers or realtors as the minimum standard to protect the public trust.

7) ADJOURNMENT

The meeting adjourned at 11:40 a.m.

Minutes Prepared by: Kelly Valadez
Kelly Valadez, Commission Coordinator