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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: 10:32 A.M.

Held at

PENNSYLVANIA DEPARTMENT OF STATE

2525 North 7th Street

CoPA HUB, Eaton Conference Room

Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

Thursday, December 5, 2024

1 State Board of Certified
2 Real Estate Appraisers
3 December 5, 2024

4
5 BOARD MEMBERS:

6
7 Mark V. Smeltzer Sr., Chairman, Professional Member -
8 Absent
9 William T. Stoerrle Jr., Vice Chairman, Professional
10 Member
11 Michael McFarlane, Secretary, Professional Member
12 John D. Ausherman, Professional Member
13 Chandra Mast, Professional Member
14 Jonathan B. Schuck, Professional Member
15 R. Scott Hartman, Professional Member
16 Martha H. Brown, Esquire, Secretary of the
17 Commonwealth designee
18 Laura Pittini, Consumer Protection Agent, Office of
19 Attorney General designee
20 Paul H. Wentzel Jr., Senior Legislative Director,
21 Department of Banking and Securities designee
22
23

24 BUREAU PERSONNEL:

25
26 Ronald K. Rouse, Esquire, Board Counsel
27 Ray J. Michalowski, Esquire, Senior Board Prosecutor
28 and
29 Prosecution Liaison.
30 Timothy A. Fritsch, Esquire, Board Prosecutor
31 Ashley P. Murphy, Esquire, Board Prosecutor
32 Andrew LaFratte, MPA, Deputy Policy Director,
33 Department of State
34 Kristel Hennessy Hemler, Board Administrator
35 Andrew LaFratte, MPA, Deputy Policy Director,
36 Department of State
37 Taylor Koch, Fiscal Management Specialist 3,
38 Bureau of Finance and Procurement, Department of
39 State
40
41

42 ALSO PRESENT:

43
44 Scott DiBiasio, Manager, State and Industry Affairs,
45 Appraisal Institute
46 Marcus Huertas, Advocacy Manager, Pennsylvania
47 Association of Realtors
48 Teresa Cochran, Executive Director, Assessors'
49 Association of Pennsylvania
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State Board of Certified
Real Estate Appraisers
December 5, 2024

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ALSO PRESENT: (Cont.)

Tracy Matroni, Education & Member Services at
Lancaster County Association of Realtors/Keystone
Chapter of the Appraisal Institute
Francesca Tracy, Compliance Analyst, The CE Shop
Jacob Hill, Sargent's Court Reporting Service, Inc.

1 ***

2 State Board of Certified
3 Real Estate Appraisers
4 December 5, 2024

5 ***

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

12 ***

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

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

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

1 conducting quasi-judicial deliberations.]

2 ***

3 The regularly scheduled meeting of the State
4 Board of Certified Real Estate Appraisers was held on
5 Thursday, December 5, 2024. William T. Stoerrle Jr.,
6 Vice Chairman, Professional Member, officially called
7 the meeting to order at 10:32 a.m.

8 ***

9 Roll Call

10 [William T. Stoerrle Jr., Vice Chairman, Professional
11 Member, requested a roll call of Board members. A
12 quorum was present.]

13 ***

14 Introduction of Attendees

15 [Kristel Hennessy Hemler, Board Administrator,
16 provided an introduction of attendees.]

17 ***

18 Approval of minutes of the October 24, 2024 meeting

19 VICE CHAIRMAN STOERRLE:

20 At this point, I'd like to bring up the
21 minutes of the last meeting. We need
22 an approval. Any discussion on it?

23 MR. HARTMAN:

24 I make a motion that we approve the
25 minutes, as drafted, of the October 24,

1 2024 meeting of the State Board of
2 Certified Appraisers.

3 VICE CHAIRMAN STOERRLE:

4 Do we have a second?

5 MR. WENTZEL:

6 I'll second that motion.

7 MS. HENNESSY HEMLER:

8 Roll call.

9
10 William Stoerrle, yes; Michael
11 McFarlane, abstain; John Ausherman,
12 abstain; Chandra Mast, aye; Jonathan
13 Schuck, aye; Scott Hartman, aye; Martha
14 Brown, aye; Laura Pittini, aye; Paul
15 Wentzel, aye.

16 [The motion carried. Michael McFarlane and John
17 Ausherman abstained from voting on the motion.]

18 ***

19 Report of Prosecutorial Division

20 [Timothy A. Fritsch, Esquire, Board Prosecutor,
21 presented the Consent Agreement for Case No. 23-70-
22 011006.]

23 MR. ROUSE:

24 Regarding the Consent Agreement at item
25 2 on the agenda, Case No. 23-70-011006,

1 after discussion in Executive Session,
2 I believe the Chair would entertain a
3 motion to adopt the Consent Agreement.

4 VICE CHAIRMAN STOERRLE:

5 Do we have a motion?

6 MR. AUSERMAN:

7 I so move.

8 MR. HARTMAN:

9 I'll second.

10 MS. HENNESSY HEMLER:

11 Roll call vote.

12
13 William Stoerrle, yes; Michael
14 McFarlane, aye; John Auserman, aye;
15 Chandra Mast, aye; Jonathan Schuck,
16 aye; Scott Hartman, aye; Martha Brown,
17 aye; Laura Pittini, aye; Paul Wentzel,
18 aye.

19 [The motion carried unanimously. That is the Matter
20 of BPOA v. Steve Allen Goodling, Case No. 23-70-
21 011006.]

22

23 Report of Board Counsel - Final Adjudication and
24 Order

25 MR. ROUSE:

1 Item 3 on the agenda is the Final
2 Adjudication and Order in the Matter of
3 BPOA v. Richard Owens, Case No. 26-70-
4 013861.

5 After discussion in Executive
6 Session, I believe the Chair would
7 entertain a motion to adopt the
8 Adjudication and Order as presented by
9 Board Counsel and to direct Board
10 Counsel to prepare the Board's Final
11 Order.

12 VICE CHAIRMAN STOERRLE:

13 Do we have a motion?

14 MR. AUSERMAN:

15 I so move.

16 VICE CHAIRMAN STOERRLE:

17 Second?

18 MR. HARTMAN:

19 I second.

20 MS. HENNESSY HEMLER:

21 William Stoerrle, yes; Michael
22 McFarlane, aye; John Auserman, aye;
23 Chandra Mast, aye; Jonathan Schuck,
24 aye; Scott Hartman, aye; Martha Brown,
25 aye; Laura Pittini, aye; Paul Wentzel,

1 aye.

2 [The motion carried unanimously.]

3 ***

4 Regulations/Statute - Regulatory Report

5 [Ronald K. Rouse, Esquire, Board Counsel, provided a
6 Regulatory Status Report for the Board's review. He
7 noted regulatory counsel is drafting the Regulatory
8 Analysis Form to prepare the proposed rulemaking for
9 Regulation 16A-7025.

10 Mr. Rouse also noted the final regulatory
11 package for Regulation 16A-7029 regarding distance
12 education and the Practical Applications of Real
13 Estate Appraisal (PAREA) will be on the January
14 agenda for the Board to review. He mentioned the
15 Board received comments from the Independent
16 Regulatory Review Commission (IRRC) and the Appraisal
17 Institute and have been addressed in the final annex.

18
19 Mr. Rouse also noted the preamble is being
20 completed to make sure it is written to correctly
21 explain how the Board is addressing comments from the
22 Appraisal Institute and IRRC.]

23 ***

24 Report of Board Chairman - No Report

25 ***

1 Report of Board Administrator

2 [Kristel Hennessy Hemler, Board Administrator,
3 provided an update on the submission of their grant
4 to the Appraisal Subcommittee. She read an email
5 received from the Appraisal Subcommittee on November
6 26, 2024. She stated the grant submitted for the
7 second round is on hold and will provide updates when
8 they become available.

9 Ms. Hennessy Hemler informed everyone that
10 information will be put on their Department of State
11 website early next year regarding the 7-hour
12 Valuation Bias and Fair Housing requirements for
13 continuing education. She emphasized that the 7-hour
14 Valuation Bias and Fair Housing course will be
15 required for the 2027 renewal and would have to be
16 from an approved Pennsylvania provider and taken from
17 July 1, 2025 through June 30, 2027.

18 Mr. Rouse further noted that anyone who took the
19 Valuation Bias and Fair Housing Laws and Regulation
20 course before June 30, 2025, can upload the 7-hour
21 course. He also noted they would have to take the 4-
22 hour course for the next renewal period. He
23 mentioned keeping track of where the 7-hour course
24 is available. Some education providers are still
25 drafting their 7-hour course.]

1 Conference Reports

2 [William T. Stoerrle Jr., Vice Chairman, Professional
3 Member, addressed his attendance at the the
4 Association of Appraiser Regulatory Officials (AARO)
5 Conference in
6 October 2024. He informed Board members that Texas
7 was able to secure a grant and has completed a
8 program where all of their experience logs, etc.,
9 were completed online and updated. He believed Texas
10 would be willing to help Pennsylvania develop that
11 online.
12

13 Ms. Hennessy Hemler explained that the Appraisal
14 Subcommittee is not doing anything at this point
15 concerning grants for state appraiser projects.

16 Vice Chair Stoerrle noted there was discussion
17 concerning appraisal management companies (AMCs).

18 Ms. Hennessy Hemler explained that appraisal
19 management companies renew their national registry
20 every year, and she has to send emails with
21 instructions on utilizing the Pennsylvania Licensing
22 System. She further explained the process, including
23 keeping track of their expiration on the national
24 registry.

25 Ms. Hennessy Hemler addressed a conversation Mr.

1 Rouse and she had with the policy manager at the
2 Appraisal Subcommittee, Neal Fenochietti, concerning
3 addressing appraisal management companies that did
4 not renew in time. She noted being informed to
5 notify the legal department of those non-renewals for
6 review. She mentioned that the Appraisal
7 Subcommittee is concerned with licensed individuals
8 not renewing on the national registry.

9 Mr. Michalowski stated prosecution usually would
10 send compliance letters in this situation allowing
11 the individuals a certain amount of time to get into
12 compliance and then decide whether prosecution has
13 the authority for some type of discipline if they do
14 not comply.

15 Mr. McFarlane referred to Vice Chair Stoerrle's
16 comments about the ASC grant. He also believed it to
17 be a terrific idea to continue to seek additional
18 grant monies for a multitude of purposes that would
19 improve the Board's efficiencies and processes. He
20 believed the Board could continue to add this in
21 future fiscal years as the grants are available.

22 Mr. Wentzel asked how many AMCs were currently
23 licensed. Ms. Hennessy Hemler offered to investigate
24 that matter and get back to Mr. Wentzel.

25 Mr. Hartman asked what prosecution does if the

1 AMC goes out of business. Mr. Michalowski explained
2 that a letter is sent first rather than filing
3 charges.

4 Ms. Hennessy Hemler mentioned that there is an
5 early termination form to notify the Board they are
6 terminating their license or going out of business.

7 Mr. Hartman also mentioned that the industry is
8 consolidating to much larger companies. He noted
9 hearing in industry meetings that some of the larger
10 banks may decide to use the new Uniform Residential
11 Appraisal Reporting (URAR) system, which will start
12 in September of next year and be mandatory in January
13 2026.

14 Mr. Hartman noted it to be a window of
15 opportunity to disassociate themselves with AMCs and
16 go back to the traditional method of ordering the
17 appraisal directly from the bank with a separate
18 department in a separate building away from the loan
19 production staff so that they stay in compliance with
20 Dodd-Frank. He mentioned that several are looking
21 for a break point, and prosecution may see a whole
22 rash of non-respondents because of a lack of work and
23 going out of business.

24 Mr. Michalowski stated that is what is being
25 seen in complaints. Ms. Hennessy Hemler noted there

1 are 133 active appraisal management companies
2 licensed in Pennsylvania.

3 Ms. Mast stated she also attended the AARO
4 Conference in Boston in October of 2024. She noted
5 Texas had similar problems as Pennsylvania with their
6 ASC grant for organizing their training logs. Texas
7 hired a private firm to construct an online, digital
8 training log for trainees. The log can be updated on
9 an ongoing basis and has an algorithm to analyze
10 hours spent by trainees to determine typical hours
11 for assignments.

12 Vice Chair Stoerrle stated the Appraisal
13 Foundation has several training modules for new Board
14 members and training of appraisers, as well as
15 training videos. He stated Fannie Mae tips was
16 averaging about 1500 a year, but down to currently
17 1100. The tips will now be submitted as a complaint.

18 Vice Chair Stoerrle noted some states are
19 licensing data collectors. Mr. Hartman explained the
20 property data collector is a separate issue from the
21 AMC issue. The property data collector piece in
22 conjunction with the GSE's internal modeling is a
23 valuation point prior to using an appraisal. Mr.
24 Wentzel specified the real concern for data
25 collectors is their not being licensed.

1 Mr. Hartman outlined the concept and
2 responsibility of a data collector. The appraiser
3 would rely upon the data provided by the data
4 collector to prepare the appraisal report. He
5 discussed the concern of lenders that the property
6 data collector is not properly trained or competent.

7 Mr. Hartman reviewed markets and geographical
8 areas where the utilization of a data collector was
9 advantageous, as well as areas that were not. The
10 whole market works to police itself, because the
11 lenders do not want a repurchase risk.

12 Mr. McFarlane explained his use of unlicensed
13 data collectors. He suggested a conversation between
14 the fee industry and the mass appraisal industry
15 would be of benefit. He referred to the decreased
16 pressure on cost and increased pressure on
17 efficiencies in the industry.

18 Mr. McFarlane explained his training process for data
19 collectors. He noted the recognition by the Uniform
20 Standards of Professional Appraisal Practice (USPAP).

21 Mr. Hartman remarked it is only a matter of time
22 before legislation will be promulgated to license
23 data collectors.

24 Vice Chair Stoerrle reiterated the reason other
25 states are licensing data collectors. He pointed out

1 different states handle the matter differently.
2 USPAP is drafting a minimum standard for what has to
3 be in the workfile.

4 Vice Chair Stoerrle stated AARO will be holding
5 two conferences a year, one virtual in the spring of
6 2025 and one in person in the fall of 2025.

7 Ms. Mast stated the AARO conference was
8 phenomenal. She gained an understanding of how the
9 ASC, TAS, and all state boards work together.]

10 ***

11 Report of Committees

12 Revisions to Experience Logs, Supervisor Application,
13 and Trainee Checklist

14 [R. Scott Hartman noted the results of the
15 Application Committee were tabled last month for
16 review and further discussion. He requested Ms.
17 Hennessy Hemler to display the experience logs for
18 the Board's review.

19 Mr. Rouse referred to "(e)" under the "Appraiser
20 Experience Log must include the following" section,
21 specifically "**Supervisor Appraisers may be held**
22 **responsible, including the potential for disciplinary**
23 **action, if the request for experience hours for a**
24 **specific appraisal is not supported by the workfile.**"

25 He opined putting this language in an experience log

1 may be a deterrent to individuals desiring to become
2 a supervisory appraiser, which is not the objective
3 of the Board.

4 Mr. Rouse noted the Board's goal to make
5 supervisory appraisers understand and appreciate
6 their responsibilities toward trainees, in particular
7 when reviewing and signing off on the work on the
8 appraiser experience logs. He referred to language
9 on page 18 of the Appraiser Qualifications Board
10 (AQB) criteria for substitution. He suggested the
11 language should read: "Reminder: It is the
12 responsibility of both the supervisor appraiser and
13 the appraiser trainee to ensure the appraisal
14 experience log is accurate, current, and complies
15 with the regulatory requirements of the Pennsylvania
16 State Board of Certified Real Estate Appraisers."

17 Mr. Hartman requested comments on the revised
18 language under "(h)" Supervisors and the subsections
19 P, C, and R. These subsections reflect the
20 progression of the trainee as the trainee becomes
21 more experienced, which would be identified by the
22 staff. There were no comments.

23 Mr. Hartman referred to the Supervisor
24 Application for discussion and language revision. He
25 directed the Board's attention first to the language

1 in number 9 on page 3 of the Supervisor Application.

2 Mr. Rouse read this section and recapped the prior
3 discussion on similar language. He suggested again
4 to mimic the language of the AQB criteria in this
5 section. "I certify that as part of my supervision
6 of the Trainee, I will jointly maintain an appraisal
7 log with the Trainee and will ensure that the
8 appraisal log is accurate, current, and complies with
9 the regulatory requirements of the Pennsylvania State
10 Board of Certified Real Estate Appraisers."

11 Mr. Hartman referred to the Trainee Checklist
12 for discussion and language revision. He noted the
13 addition of the line for "Number of Hours Spent on
14 Appraisal." Ms. Hennessy Hemler suggested the
15 wording be "Number of Hours Licensed Appraiser
16 Trainee Spent on Appraisal." The Board agreed with
17 the suggestion.

18 Mr. Rouse stated the revisions will be made and
19 brought before the Board at its next meeting in
20 January 2025 for approval. Mr. Hartman suggested
21 providing the revised files to the Board and
22 stakeholders prior to the next meeting. Mr. Rouse
23 explained the rules under the Sunshine Act for
24 notification to the public.

25 Mr. Rouse noted PAREA will be on the January

1 2025 meeting agenda. Mr. Hennessy Hemler stated the
2 agenda will also include the election of officers.]

3 ***

4 Public Comments/Discussion

5 [Vice Chair Stoerrle inquired whether the attendees
6 had any comments for the Board. There was no
7 response.]

8 ***

9 Next Board Meeting Date

10 [Kristel Hennessy Hemler, Board Administrator, noted
11 the next scheduled Board meeting is January 23, 2025.

12 She explained, in the event of inclement weather and
13 the Governor closes the Capitol Complex, the Board
14 meetings are held virtually.]

15 ***

16 Adjournment

17 VICE CHAIRMAN STOERRLE:

18 Motion to adjourn.

19 MR. WENTZEL:

20 So moved.

21 ***

22 [There being no further business, the State Board of
23 Certified Real Estate Appraisers Meeting adjourned at
24 11:48 a.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.



Jacob Hill,

Minute Clerk

Sargent's Court Reporting
Service, Inc.

STATE BOARD OF CERTIFIED
REAL ESTATE APPRAISERS
REFERENCE INDEX

December 5, 2024

	TIME	AGENDA
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10	9:00	Executive Session
11	10:30	Return to Open Session
12		
13	10:32	Official Call to Order
14		
15	10:32	Roll Call
16		
17	10:32	Introduction of Attendees
18		
19	10:32	Approval of Minutes
20		
21	10:34	Report of Prosecutorial Division
22		
23	10:44	Report of Board Counsel
24		
25	10:45	Regulations/Statute
26		
27	10:49	Report of Board Administrator
28		
29	10:54	Conference Reports
30		
31	11:25	Report of Committees
32		
33	11:48	Adjournment
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