

REAL ESTATE APPRAISER ADVISORY COMMITTEE

Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Wednesday, August 7, 2013

Time: 10:00 a.m.

Place: King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Present: Paul Cool, Industry Member, Chairperson
George Leong, Financial Institution Member
Richard Stellmacher, Industry Member
Brian J. Walther, Industry Member
Patrick Yamada, Financial Institution Member
Alan Taniguchi, Executive Officer
Lori Nishimura, Secretary

Excused: James Wong, Public Member
James Paige, Deputy Attorney General

Guests: Kristi Klamet, Policy Manager, Appraisal Subcommittee ("ASC")
Jenny Tidwell, Policy Manager, ASC

Call to Order: There being a quorum present, the meeting was called to order at 10:00 a.m. by Chairperson Cool.

Additions/
Revisions to the
Agenda: None.

- 13-026 General Report Writing & Case Studies
30 QE/CE w/ exam
27 CE w/o exam

It was moved by Vice-Chairperson Stellmacher, seconded by Mr. Walther, and unanimously carried to approve the following non-CAP approved courses, based on the initial review and recommendation by Chairperson Cool:

Course Provider: Appraisal Institute

Index #: Course Title & Approved Hours:

- 13-028 International Valuation Standards Overview
8 CE w/exam
7 CE w/o exam
- 13-029 Litigation Assignments for Residential Appraisers
4 CE
- 13-030 Review Theory - General
33 CE w/exam
30 CE w/o exam
- 13-031 Review Theory - Residential
17 CE w/exam
15 CE w/o exam

Course Provider: Hawaii Chapter of the Appraisal Institute

Index #: Course Title & Approved Hours:

- 13-024 State of the Profession Part 1
3.5 CE
- 13-025 State of the Profession Part 2
3.5 CE

Unfinished Business:

Discussion ensued on the vacant public member seat that has not yet been filled. Chairperson Cool informed members to forward any recommendations, which may include a resume and letter of interest, to Executive Officer Taniguchi. Recommendation(s) will

then be forward to the Director of the Department, who has the power and authority to appoint members to the Committee.

Appraisal
Subcommittee:

Kristi Klamet and Jenny Tidwell, Policy Managers from ASC were introduced and welcomed by the Committee. Ms. Klamet gave a brief history/description of ASC which oversees the appraisal regulatory programs established by States. She informed the Committee that the establishment of the Appraisal Complaint National Hotline (who refers complainants to the appropriate State or Federal agencies) went live in March. Ms. Klamet also informed the Committee that an expanded ASC findings and rating criteria system has been implemented.

Ms. Klamet provided the following preliminary findings from this Program's eighth bi-annual field review for compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989:

- Statute/Rules: the language in the rules should be amended to include a change to the trainee education as mandated by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"); effective 07/01/2013, completion of seventy-five (75) creditable class hours is required for trainees. Therefore, the State will be suggested to inform current CRAs and CGAs who may have trainees of this education requirement.
- Effective 2015, background checks, fingerprinting will be required of all new applicants and upgrades to existing licenses (this requirement will not be retroactive).
- Temporary License Applications: "all in order".
- National Registry: "all in order".
- Application Process: "all in order" which includes the work product review and reciprocity/endorsement.
- Education: course provider agreements – "all good".
- Enforcement: Ms. Klamet stated that complaints received at the Regulated Industries Complaints Office ("RICO") were well documented; sanctions were fair, and complaints were resolved within one year.

Ms. Klamet stated that a preliminary findings "ASC staff report" will be sent to the State, and the State will be given 60 days to respond with a plan to correct/address concerns found from their field review. ASC staff will consider the State's response and make a formal recommendation(s) to ASC for final disposition. ASC will consider the State's response and ultimately issue a final Compliance Review Report and letter to the State with a determination regarding the State's compliance with Title 11.

Discussion ensued on the impeding background check, fingerprinting requirement; Executive Officer Taniguchi informed the Committee that an amendment to the Hawaii Criminal Justice Data Center's statute would be needed to allow us to conduct background checks.

Discussion ensued as to the definition of a trainee; as may be someone who provides significant appraisal assistance. Ms. Tidwell stated that "there is no clear definition" of a trainee but there is a scope of practice and reference to USPAP.

Correspondence: None.

Announcements: None.

Next Meeting: Wednesday, October 2, 2013
10:00 a.m.
King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, 1st Floor
Honolulu, Hawaii 96813

Adjournment: There being no further business to discuss, the meeting was adjourned at 10:50 a.m.

Taken and recorded by:

/s/ Lori Nishimura

Lori Nishimura
Secretary

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Reviewed and approved by:

/s/ Alan Taniguchi

Alan Taniguchi
Executive Officer

AT:ln

08/23/13

Minutes approved as is.

Minutes approved with changes. See Minutes of _____.