

**STATE COMMISSION OF REAL ESTATE APPRAISERS, APPRAISAL  
MANAGEMENT COMPANIES AND HOME INSPECTORS  
BUSINESS MEETING MINUTES**

**DATE:** April 12, 2016

**TIME:** 11:00 a.m.

**PLACE:** 500 N. Calvert Street  
2nd Floor Conference Room  
Baltimore, Maryland 21202

**PRESENT:** Commissioner Steven O'Farrell, Chair  
Commissioner George Fair  
Commissioner David Brauning  
Commissioner Christopher Pirtle  
Commissioner Thomas McLister  
Commissioner Derek Owings  
Commissioner Denise Herndon  
Commissioner Christopher Daniell  
Commissioner Joseph Berk  
Commissioner Terry Dunkin  
Commissioner Anatol Polillo  
Commissioner Harold Huggins  
Commissioner Michael Picarello  
Commissioner Helen Won

**OTHERS PRESENT:** Patricia Schott, Executive Director  
Sloane Fried Kinstler, Assistant Attorney General  
Simone Chambers, Administrative Specialist  
Victoria Wilkins, Commissioner, Occupational and  
Professional Licensing  
John Papavasiliou, Deputy Commissioner, Occupational  
and Professional Licensing  
Claire Brooks, ASC Policy Manager  
Kristy Klamet, ASC Policy Manager

**Call To Order**

Chairman O'Farrell called the regular meeting of the Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors to order at 11:00 a.m.

**Approval of Minutes**

The minutes of the business meeting held on December 8, 2015 were approved without corrections. A Motion was made by Commissioner Brauning, seconded by Commissioner Owings and by majority vote carried that the minutes of the business meeting be approved without corrections.

**Real Estate Appraiser Complaint Committee Report**

Executive Director Schott reported to the Commission that the Appraiser Complaint Committee met prior to the public meeting and reviewed many items of business, which had been placed before the Committee. The disposition of which was as follows:

- Complaints - 18 cases were reviewed;
- 2 cases were referred to technical review;
- 3 cases were referred to precharge review;
- 4 cases were closed; and
- 9 cases were tabled.

The Appraiser Complaint Committee met prior to the public meeting in Executive Session, pursuant to Md. State Gov't Code Ann., § 10-508(a)(7), to receive the advice of counsel regarding the above-mentioned matters. A Motion was made by Commissioner Brauning, seconded by Commissioner Owings that the Commission accept the report and recommendations of the Appraiser Complaint Committee. This motion passed by a unanimous decision.

**Appraiser Education/Application Committee Report**

Commissioner O'Farrell reported that the Appraiser Education Committee met on this date and reviewed 19 courses and 19 were approved. A Motion was made by Commissioner Owings, seconded by Commissioner Brauning and unanimously carried that the Commission accept the recommendations of the Real Estate Appraiser Education Committee.

**Home Inspector Complaint Committee Report**

Commissioner Fair reported that the Home Inspector Complaint Committee met prior to the public meeting and reviewed 14 items of business, which had been placed before the Committee. The disposition of which was as follows:

- Complaints - 5 cases were dismissed;
- 6 cases were tabled;
- 1 case was referred to investigation; and
- 2 cases are awaiting responses.

A Motion was made by Commissioner Owings, seconded by Commissioner Picarello and unanimously carried that the Commission accept the recommendations of the Home Inspector Complaint Committee.

### **Old Business**

#### **Updating Maryland Standards of Practice for Home Inspectors**

Commissioner Picarello inquired as to the status of regulatory action for the MD Standards of Practice for home inspectors. Executive Director Schott advised that the home inspector Commission members should provide proposed draft language for the regulatory action to be considered, which can be presented to Commission for ratification. At that point, Executive Director Schott can prepare a regulatory concept sheet for submission to the Secretary of the Department of Labor, Licensing and Regulation (“DLLR”). If approved by the DLLR Secretary, the Commission may proceed in the regulatory promulgation process.

#### **Email Correspondence to Home Inspectors**

Commissioner Fair inquired about disseminating an email to provide home inspectors with a copy of the Maryland Code of Ethics and the Maryland Minimum Standards of Practice and other important requirements with which home inspectors are obligated to comply. Executive Director Schott advised the Commission that she may need to seek the approval of the Office of the Secretary of DLLR for action on the request. If approval is granted, Ms. Schott will coordinate with DLLR’s information technology division in constructing an email to be sent to all home inspectors which will include a link to COMAR 09.36.07 Minimum Standards of Practice for home inspectors and COMAR 09.36.06 Code of Ethics for home inspectors. She will also include, in word format, an attachment of the regulations, as well as the pertinent statutory requirements, including the required 14-point bold disclosure statements that must be present in all home inspection reports.

### **New Business**

#### **Introduction of Recently-Appointed Members**

Executive Director Schott welcomed the new members appointed to the Commission. The new Commission members include Joseph Berk, a home inspector member; Anatol Polillo, a home inspection member; Michael Picarello, a home inspector member; Terry Dunkin, a certified general real estate appraiser member; Harold Huggins, a certified general real estate appraiser member; and Helen Won, a consumer member.

#### **Introduction of ASC Policy Managers**

Executive Director Schott introduced Appraisal Subcommittee (“ASC”) Policy Managers, Claire Brooks and Kristi Klamet to the Commission. Policy Manager Claire

Brooks provided the Commission with a presentation that explained the role of the ASC as the federal oversight agency of the Commission. Ms. Brooks explained that the ASC oversees the real estate appraisal process as it relates to federally related transactions as defined in FIRREA, Title XI. The ASC performs periodic compliance reviews of each State's licensing program to determine its compliance with Title XI, and adherence to the Policy Statements issued by the ASC, which reflect the general framework that the ASC uses in reviewing a State's program. The ASC is authorized to rescind authority to issue appraiser certifications and licenses from States whose policies, practices, funding, staffing, or procedures are found to be inconsistent with Title XI.

Ms. Brooks explained that at the completion of the ASC's review Ms. Schott and any person who wishes to attend its exit meeting will be advised of its preliminary findings. Those findings will be put into a written report that will be issued to the Commission for a response that is due within 60 days of the Commission's receipt of the report. Thereafter, a final report will be issued and published on the ASC's website.

### **Commission Training/Legislative Policy**

Assistant Attorney General Kinstler provided training to the Commission members by explaining the *Board Manual* and Legislative Policy memorandum previously-issued by DLLR Secretary Schulz, which were provided to the members in advance of its meeting. AAG Kinstler gave an overview of the Commission's regulatory scheme, including the role and responsibilities of its staff, counsel and members. She explained the legislative, regulatory, complaint and hearing processes to the members and answered questions of the members.

Commissioner Huggins inquired if Commission members are allowed to participate in the legislative process regarding matters unrelated to issues governed by the Commission. AAG Kinstler advised that members of boards are generally not permitted to be involved in the legislative pursuits of professional organizations in order to avoid the appearance of impropriety. She suggested that a member of a board could seek permission from the Office of the Secretary to address a legislator or legislative body on an issue. She advised that board members should exercise caution in getting involved in the pursuit of any legislative action that may not be aligned with the interests or goals of the Department of Labor, Licensing and Regulation. Commissioner Wilkins advised that she will inquire about the matter and provide an answer to Commissioner Huggins.

### **Proposed Action under COMAR 09.19.08 Temporary Permits and Reciprocity**

Executive Director Schott recommended that the Commission promulgate a regulation to amend Regulation .02 Reciprocal Licenses and Certificates. under COMAR 09.19.08 Temporary Permits and Reciprocity to match the language in its statute affecting reciprocity. She explained that the statute was amended on October 1, 2015, in response to a change to Title XI of FIRREA following the enactment of Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. She further explained that both the statutory and regulatory actions must be completed in order to comply with a finding

issued by the ASC in its 2014 review of the Commission's program.

A Motion was made by Commissioner Brauning, seconded by Commissioner Owings and unanimously carried that the Commission promulgate proposed action to amend Regulation .02 under COMAR 09.19.08 Temporary Permits and Reciprocity.

**Final Action under COMAR 09.19.05 Code of Ethics**

Executive Director Schott advised that Proposed Action to amend Regulation .01 under COMAR 09.19.05 Code of Ethics to adopt the *2016-2017 Edition of the Uniform Standards of Professional Appraisal Practice* was published in the December 28, 2015 publication of the *Maryland Register*. She advised that no comments were received and recommended that the Commission take final action to adopt the regulation.

A Motion was made by Commissioner Brauning, seconded by Commissioner McLister and unanimously carried that the Commission take final action to amend Regulation .01 under COMAR 09.19.05 and to adopt the *2016-2017 Edition of the Uniform Standards of Professional Appraisal Practice*.

**Executive Session**

A Motion was made by Commissioner Dunkin, seconded by Commissioner Owings and unanimously carried that the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors go into executive session at 12:25 p.m. in the 2<sup>nd</sup> floor conference room, 500 N. Calvert Street, Baltimore, MD 21202, pursuant to § 3-305 (b)(7) of the General Provisions Article, Maryland Annotated Code, in order to consider advice provided by Counsel regarding license applications.

The Commission reconvened its regular meeting at 12:55 p.m. A Motion was made by Commissioner Fair, seconded by Commissioner Berk, and unanimously carried that the Commission accept the decisions rendered in Executive Session.

**Adjournment**

There being no further business to discuss, a Motion was made by Commissioner Fair, seconded by Commissioner McLister and unanimously carried that the meeting adjourn. The meeting adjourned at 12:55 p.m.

Approved without corrections

Approved with corrections

  
\_\_\_\_\_  
Steven O'Farrell, Chairperson

  
\_\_\_\_\_  
Date