

MINUTES OF PREVIOUS MEETINGS

It was moved by Commissioner Rasmussen, Commissioner Tetreault 2nd, and the motion carried to approve the minutes of the July 1, 2014 Connecticut Real Estate Appraisal Commission meeting.

Commissioner Italia recused himself from voting on this motion.

Commissioner Baron did not vote on this motion.

SWEARING IN OF NEW MEMBER, SHAWNA BARON

Attorney Vicky Bullock swore in Shawna Baron as a new member of the Connecticut Real Estate Appraisal Commission.

The Commission members and staff welcomed Ms. Baron.

NEW APPLICANTS

1. Angela Jones, RSP applicant. Seeking approval of USPAP course (Dynasty School)

It was moved by Commissioner Rasmussen, Commissioner Tetreault 2nd, and the motion carried to approve the USPAP course.

2. Autumn Brooke, RCR applicant. Review of logs and sample selection

Samples were selected by the Commission. Ms. Brooke will appear at the next meeting for review of samples and log approval.

3. Theodore Weiman, RCR applicant. Review of logs and sample selection

Samples were selected by the Commission. Mr. Weiman will appear at the next meeting for review of samples and log approval.

4. Peter Marsele, RCG applicant. Review of logs and sample selection

It was moved by Commissioner Rasmussen, Commissioner Hawkins 2nd, and the motion carried to approve the logs. Samples were selected.

Commissioner Italia recused himself from this matter.

It was moved by Commissioner Italia, Commissioner Tetreault 2nd, and the motion carried to add Cary Talbot to the agenda.

5. Cary Talbot, RCR applicant. Review of logs and sample selection

It was moved by Commissioner Tetreault, Commissioner Hawkins 2nd, and the motion carried to approve the logs. Samples were selected.

LEGAL

William Henry - Update

Examiner Linda Kieft-Robitaille reported that she will review Mr. Henry's paperwork and determine compliance and that he is scheduled to appear before the Commission at the October meeting.

NEW BUSINESS

1. Appraisal Regulations

Examiner Linda Kieft-Robitaille provided the status of the proposed Appraisal Regulations which include the required changes that were identified during the ASC's Preliminary Compliance Review and closing conference.

Ms. Kieft-Robitaille advised the Commission that the Regulations were currently under review at the Attorney General's Office.

2. The Appraisal Foundation – Level 3 Investigator Training

Examiner Linda Kieft-Robitaille and Attorney Vicky Bullock attended this event September 8, 2014 - September 10, 2014 in San Diego, Ca. and briefly discussed the seminar and reported to the Commission that other states are dealing with similar appraisal issues and complaints.

OLD BUSINESS

1. Continuing Education Audit

Examiner Linda Kieft-Robitaille reported on the status of the continuing education audit and informed the Commission that 277 appraisers had received audit letters and there are currently 18 appraisers not in compliance.

2. ASC Audit

Director Richard Maloney and Examiner Linda Kieft-Robitaille provided the Commission with a summary of the ASC's Preliminary Compliance Review Findings and reviewed the Department's written response.

It was moved by Commissioner Italia, Commissioner Tetreault 2nd, and the motion carried to add the DOT, item #3, to the agenda:

3. Department of Transportation/E.O.C. Appraisal Analysis- Terrence Obey from the Department of Transportation appeared before the Commission today.

Mr. Obey, Director of the Office of Rights of Way (ROW), explained that the ROW engages in the appraisal, estimation of value, estimate of compensation, acquisition, lease and sale of real property associated with projects for all modes

of transportation on behalf of the Commissioner of Transportation. As such, licensed and unlicensed staff may engage in valuation services. Mr. Obey stated that the ROW staff raised two issues with regard to the valuation of real property and he referred to USPAP for direction in assessing the issues. He presented the Appraisal/Rental Justification/E.O.C. Analysis to the Real Estate Appraisal Commission for their review and asked that the Commission make a determination as to whether the interpretation of the language is accurate.

After a lengthy discussion on this matter, it was moved by Commissioner Italia, Commissioner Tetreault 2nd, and the motion carried to place this matter on their November 12, 2014 meeting agenda.

Commissioner Italia indicated that as part of the record, the document be made part of today's Minutes.

Appraisal/Rental Justification/E.O.C. Analysis

Introduction

The Department of Transportation's (DOT) Division of Rights of Way (ROW) engages in the appraisal, estimation of value, estimate of compensation, acquisition, lease, and sale of real property associated with projects for all modes of transportation on behalf of the Commissioner of Transportation (Commissioner). With regard to the valuation of real property, the appraisal staff has raised two issues:

First Issue: *Whether a DOT employee, who is licensed by the State of Connecticut Department of Consumer Protection (DCP) to perform appraisals, is limited to estimating the value of real property only in accordance with Uniform Standards of Professional Appraisal Practice (USPAP)? Meaning, because the employee has a license to do an appraisal, all estimates of value of real property are deemed to be an appraisal and, therefore, must comply with USPAP.*

Short Answer: *No. USPAP states that there is a variety of valuation services that pertain to all aspects of property value and include services performed by both appraisers and by others. (USPAP line 138-139) Advisory Opinion 21 (line 49) further clarifies that "Acting as an Appraiser" means representing oneself as an appraiser. Work products such as an Estimate of Compensation are a valuation service but not an 'appraisal report'. In preparing this document, employees are not representing themselves as appraisers or acting as appraisers.*

Although a licensed appraiser, a DOT employee is not limited to estimating the value of real property only in accordance with USPAP.

Second Issue: *Whether a DOT employee, who does not have a license to appraise property in the State of Connecticut, is violating Connecticut General Statute **Section 20-523, Engaging in business without a license or certification**, in preparing rental justifications or similar estimates of value?*

Short Answer: *No. USPAP recognizes that other professions provide 'valuation services'. Rental justifications and other estimates of value are examples of such services and are not considered 'appraisal reports'. Therefore, pursuant to Section 20-500(12), the act of estimating the value of real estate 'for no fee or other valuable consideration' is not engaging in the real estate appraisal business.*

Analysis: *USPAP states that there is a variety of valuation services that pertain to all aspects of property value and include services performed by both appraisers and by others (USPAP line*

138-139). *Advisory Opinion 21 further clarifies that 'Acting as an Appraiser' means representing oneself as an appraiser (line 49). Therefore, when the Commissioner, or his designee, is required to perform an appraisal, he acts in that capacity and represents himself as an appraiser. When the Commissioner's obligations require him to act outside of his appraiser role, he is obligated to comply. To do otherwise would be contrary to the Ethics Rule, which requires that one 'not misrepresent his role in providing valuation services that are outside his appraisal practice' (Advisory Opinion 21 line 118-119).*

Therefore, in compliance with USPAP, the Commissioner may authorize other valuation services to be performed by licensed appraisers as long as that person is not identifying himself as an 'appraiser' and performing 'appraisal practices'. To avoid any miscommunication or misrepresentation of future work products, any valuation services that are not intended to be interpreted as appraisals should be clearly identified as such with language that states, "This is not an Appraisal". This is more of a point of clarification for all state employees who review the reports since the state is the only intended user of all the reports referenced.

Summary:

The Commissioner, through his designated and qualified staff, may produce appraisals in accordance with Connecticut General Statutes and USPAP when required. Licensed and unlicensed staff may engage in other valuation services as may be required by the Commissioner without being subject to CGS Sec. 20-500 through 529(e). Estimates of value that are not appraisals, such as an 'Estimate of Compensation' shall be clearly identified as not being an 'Appraisal' as defined in CGS Sec. 20-500(1) so that all state employees reviewing the report will recognize the distinction.

Terrence J. Obey
 Director
 Office of Rights of Way

SCHOOL AND COURSE APPLICATIONS

***Tiger School**

Preparing the Buyer and Seller for the Home Inspection
 'Reconsideration of approval' **(Denied)**

Allterra Group, LLC

Appraisal of Single Family Residential New Construction (on-line) 7 hrs CE

Appraisal Institute

Online Subdivision Valuation	7 hrs CE
Advanced Market Analysis & Highest & Best Use	18 hrs CE
Residential Market Analysis and Highest & Best Use	15 hrs PL
Residential Market Analysis and Highest & Best Use	15/14 hrs CE
Unraveling the Mystery of Fannie Mae Appraisal Guidelines-Synchronous (on-line)	4 hrs CE
Advanced Concepts & Case Studies	18 hrs CE
Real Estate Finance, Statistics & Valuation Modeling	15 hrs PL
Real Estate Finance, Statistics & Valuation Modeling	15/14 hrs CE
Online General Appraiser Site Valuation & Cost Approach	30 hrs PL
Online General Appraiser Site Valuation & Cost Approach	18 hrs CE

Advanced Income Capitalization 33 hrs PL

American Society of Farm Managers and Rural Appraisers, Inc.

ASFMRA 85th Annual Convention Day 1 7 hrs CE
ASFMRA 85th Annual Convention Day 2 3 hrs CE
Rapid Fire Case Studies 2014 6 hrs CE
Integrated Approaches to Value (A304) 30 hrs PL
Integrated Approaches to Value (A304) 18 hrs CE

Dynasty School

2014 – 2015 15-Hour Equivalent USPAP Course (on-line) 15 hrs CE
2014 – 2015 15-Hour Equivalent USPAP Course (on-line) 15 hrs PL

Hondros College of Business

New School Application

Basic Appraisal Principles (on-line) 30 hrs PL
Residential Sales Comparison & Income Approaches (on-line) 30 hrs PL
2014-2015 15-Hour Equivalent USPAP Course (on-line) 15 hrs PL
Market Analysis and Highest and Best Use (on-line) 15 hrs PL
Residential Appraiser Site Valuation & Cost Approach (on-line) 15 hrs PL
Basic Residential Appraisal Procedures (on-line) 30 hrs PL
Statistics, Modeling & Finance (on-line) 15 hrs PL
Residential Report Writing & Case Studies (on-line) 15 hrs PL

Massachusetts Board of Real Estate Appraisers

2014 New England Appraisers Expo – Commercial Program 5 hrs CE
2014 New England Appraisers Expo – Residential Program 5 hrs CE

McKissock, LP

Appraisal of Fast Food Facilities (on-line) 7 hrs CE
Residential Report Writing: More Than Forms (on-line) 7 hrs CE
Land and Site Valuation – Live Webinar 5 hrs CE
Residential Sales Comparison and Income Approaches (on-line) 30 hrs PL

Middlesex Shoreline RE School

Most Valuable Properties in the USA – Historically Speaking 3 hrs CE

OnCourse Learning Corporation dba Career WebSchool

Basic Appraisal Principles (on-line) 30 hrs PL
A URAR Form Review (on-line) 7 hrs CE
Residential Report Writing & Case Studies (on-line) 15 hrs PL
Residential Report Writing & Case Studies (on-line) 14 hrs CE

It was moved by Commissioner Tetreault, Commissioner Hawkins 2nd, and the motion carried to deny the course ‘Preparing the Buyer and Seller for the Home Inspection’ (Tiger School) and approve all the other above-mentioned schools/courses as amended.

CORRESPONDENCE

The Commission reviewed the following correspondence:

Conn. Gen. Stat. Section 20-502 – Real Estate Appraisal Commission

This document submitted under 'FYI'.

COMMENTS OR CONCERNS OF ANY PERSON PRESENT TODAY

Commissioner Rasmussen and the members of the Real Estate Appraisal Commission honored Sean Hagearty for all his hard work and many years of dedicated service while serving the Real Estate Appraisal community on behalf of the State of Connecticut.

ADJOURN

It was moved by Commissioner Tetreault, Commissioner Hawkins 2nd, and the motion carried to adjourn the meeting at 11:09 a.m.

Respectfully submitted,

Robin Washbond
Commission Secretary

The next meeting of this Commission is scheduled for Wednesday, October 8 , 2014 at 8:30 a.m. – Room 126