# MARYLAND COMMISSION OF REAL ESTATE APPRAISERS, APPRAISAL MANAGEMENT COMPANIES, AND HOME INSPECTORS BUSINESS MEETING MINUTES

DATE:

April 11, 2023

TIME:

10:04 a.m.

PLACE:

1100 N. Eutaw Street (virtual)

Baltimore, Maryland 21201

**MEMBERS PRESENT:** 

Commissioner Sean Troxell, Chairman

Commissioner Coleen Courtney-Morrison, Vice-Chair

Commissioner Anatol Polillo Commissioner Jeremiah Hosford Commissioner Harold Huggins, Commissioner Thomas Owen Commissioner Stacy Harman Commissioner Jerry Pickholtz Commissioner Karen Trendler

Commissioner Roxanne Alston (arrived late)

Commissioner Gwen Skillern Commissioner Todd Warren

**MEMBERS ABSENT:** 

Commissioner Bob Hergenroeder

**DEPT. OF LABOR STAFF PRESENT:** 

Todd Blackistone, Executive Director

Sloane Fried Kinstler, Assistant Attorney General

Matthew McKinney, Director of Strategic

**Partnerships** 

Michael Szlachetka, Administrative Specialist

**OTHERS PRESENT:** 

Scott DiBiasio, Appraisal Institute

Christa McGee, Maryland Realtors Association Steve Feyerick, former Commission Member

### Call to Order

Commission Chairman, Sean Troxell, called the business meeting of the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors to order at 10:04 a.m.

#### **Approval of Minutes**

The minutes of the business meeting held on February 14, 2023, were reviewed, and considered. The Commission noted a spelling correction of "paper" under New Business on page 3.

By Motion made by Commissioner Pickholtz, seconded by Commissioner Harman and, by a majority vote carried, the minutes of the February 14, 2023 business meeting were approved with correction. Commissioners Trendler and Alston (not yet present) did not vote on the matter.

# Real Estate Appraiser Complaint Committee Report

Executive Director, Todd Blackistone, reported to the Commission that the Real Estate Appraiser Complaint Committee met prior to the public meeting and reviewed 3 items of new business. The disposition of which was as follows:

Complaints	-	23- REA - 31	Dismissed
		23- REA - 34	Dismissed
		23- REA - 38	Remedial Education

A Motion was made by Commissioner Harman, and seconded by Commissioner Courtney-Morrison and, by a majority vote carried that the Commission accept the report and recommendations of the Appraiser Complaint Committee. Commissioner Alston was not yet present and did not vote on the matter.

## Home Inspector Complaint Committee Report

Commissioner Troxell reported that the Home Inspector Complaint Committee met on February 11, 2023, prior to the public meeting, and reviewed 6 items of new business. The disposition of which was as follows:

Complaints	-	23- INSP - 20	Tabled
		23- INSP - 22	Informal Hearing
		23- INSP - 25	Investigation
		23- INSP - 27	Informal Hearing
		23- INSP - 30	Investigation
		23- INSP - 33	Informal Hearing

Commissioner Troxell reported that the Home Inspector Complaint Committee met on April 5, 2023, prior to the public meeting, and reviewed 6 items of new business. The disposition of which was as follows:

Complaints	-	23- INSP - 32	New Report
		23- INSP - 35	Precharge/Settlement Negotiations
		23- INSP - 36	Precharge/Settlement Negotiations
		23- INSP - 37	Precharge/Settlement Negotiations

A Motion was made by Commissioner Pickholtz, seconded by Commissioner Huggins and, by a majority vote, the Commission accepted the recommendations of the Home Inspector Complaint Committee from February 11, and April 5, 2023. Commissioner Alston was not yet present and did not vote on the matter.

## **Education Committee Report**

Commissioner Polillo reported that the Real Estate Appraiser and Home Inspection Education Committees met on this date and approved 57 courses. The Appraiser Education Committee reviewed 9 courses, and, of those, all courses were approved; the Home Inspection Education Committee reviewed 30 courses, and, of those, 28 courses were approved.

A Motion was made by Commissioner Pickholtz, seconded by Commissioner Huggins and, by a majority vote carried, that the Commission accepted the recommendations of the Education Committees. Commissioners Warren and Alston (not present) did not vote on the matter.

### **Old Business**

#### Final Action 09.19.02.04

Executive Director, Todd Blackistone, reminded the Commission about its proposed action to adopt amendments to COMAR 09.19.02.04 pertaining to appraiser continuing education requirements required for license or certificate renewal. The proposed action requires completion of a minimum of three (3) hours of continuing education in fair housing, racial discrimination, or implicit bias as a condition of the renewal of a real estate appraiser credential. On behalf of the Commission, Executive Director Blackistone submitted concept approval for final action on the regulation. Counsel reminded the Commission that the proposed action was published in the Maryland Register on February 10, 2023, the public comment period ended on March 13, 2023, and the continuing education would be required for renewal applications on and after November 1, 2023. Counsel asked that the Commission consider approving final action of the regulation pending approval of the Secretary.

A Motion was made by Commissioner Huggins, seconded by Commissioner Courtney-Morrison and, by a majority vote carried, that the Commission take final action on its amendment to COMAR 09.19.02.04 to require licensed and certified real estate appraisers to complete a three-hour course, at a minimum, in fair housing, racial discrimination, or implicit bias, approved by the Commission as a condition of license or certificate renewal. Commissioner Alston was not yet present and did not vote on the matter.

### **PAREA**

Executive Director, Todd Blackistone, updated the Commission on the adoption of Practical Applications of Real Estate Appraisal ("PAREA"), an alternative to the existing supervising appraiser and appraiser trainee relationship required for license or certification examination eligibility. The PAREA program is intended to alleviate unnecessary barriers to an individual's ability to obtain a real estate appraiser license. Mr. Blackistone informed the Commission that legislation, SB 455/BD 669, authorizing PAREA passed in the 2023 legislative session that ended on April 10, 2023 and is awaiting the Governor's signature.

#### Onsite Home Inspections

Commissioner Polillo addressed the Commission regarding the importance of home inspections to be conducted onsite by a licensed home inspector. It has come to the attention of the Commission that some home inspectors may have made some observations remotely or are using unlicensed assistants to visit the property and take photographs or video from which a licensed home inspector prepares the written report. Assistant Attorney General, Sloane Fried Kinstler, reviewed COMAR

09.36.07.02 with the Commission to help clarify the current regulation. The Commission discussed with Counsel the language of COMAR 09.36.07.02 and an amendment to make it definitively clear that mandatory onsite visual inspection by a licensed home inspector is required.

A Motion was made by Commissioner Warren, seconded by Commissioner Huggins and unanimously carried to direct Mr. Blackistone to submit a concept paper for proposed action on an amendment to COMAR 09.36.07.02 to require that a licensed home inspector must be physically present at the time of a home inspection.

### **New Business**

### Appraisal Management Companies (AMCs) Distribution Assignments

Assistant Attorney General, Sloane Fried Kinstler, addressed the Commission regarding a matter, raised by Commissioner Hosford, concerning fair distribution of appraisal assignments by Appraisal Management Companies (AMCs). Counsel discussed her research on whether the Commission has the authority to audit AMCs to assure equitable distribution of appraisal assignments. The Commissioners discussed a concern that AMCs may be using an in-house subsidiary company to distribute assignments instead of using the appropriate real estate appraiser roster and whether that created a conflict regarding the distribution of appraisal assignments to Maryland real estate appraisers.

Counsel Kinstler stated that the Commission may require an AMC to provide certain information as part an AMC's annual certification required in compliance with Md. Ann. Code, Bus. Occ. & Prof. § 16-5B-09. Specifically, Counsel explained that an AMC is required to disclose, under subsection (a)(1) and (2) each service request received and each appraiser that performs the appraisal for the AMC but stated that it was not clear what, if any, administrative action the Commission could pursue, pursuant to §§ 16-5B-11 and 16-701.2 if the Commission found that an AMC had not equitably distributed assignments, as there could be valid reasons for doing so, such as an individual appraiser's regional or geographic expertise, reliability, credibility, etc. and cautioned the Commission about asking how a private company conducted its business practice. Former Commission member, Steve Feyerick, offered his expertise, stating that Virginia specifically requires rotation of appraisers, that, in rural areas, there may be a shortage of appraisers, and that even if an AMC's assignments are disproportionate, the Commission may not be authorized to mandate how the AMC conducts business. Some appraiser and financial industry members discussed requirements of selecting appraisal bids and that some appraisers, especially "in-house" appraisers may be disproportionately favored. Counsel Kinstler offered to research applicable financial lending laws and report back to the Commission.

### Reinstatement of a Real Estate Appraiser License # 2

Executive Director, Todd Blackistone, addressed the Commission about a former real estate appraiser trainee who is seeking license reinstatement. The individual's license expired on July 22, 2019 after the individual was licensed for approximately 10 years. Mr. Blackistone explained that the individual was working on upgrading the trainee license and had completed coursework for that purpose. However, the original courses required to qualify for the appraiser trainee license were over five years old. The Commission discussed the current situation and voted on the matter.

A Motion was made by Commissioner Courtney-Morrison, seconded by Commissioner Trendler, and unanimously carried that the Commission approve the request to reinstate the license,

contingent upon the individual's completion of required continuing education.

## Chairman's Report

Commissioner Sean Troxell, Chairman, addressed the Commission regarding the passage of the sunset extension bill and the need to review regulations as it applies to the current business environment. The sunset law set forth in HB 909/SB 827 addresses the continuation of the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors in accordance with the provisions of the Maryland Program Evaluation Act (sunset law) by extending to July 1, 2026 rather than 2033, and requires an independent evaluation of the Commission to be conducted under the supervision of the Office of Program Evaluation and Government Accountability in the Department of Legislative Services. Commissioner Troxell explained the importance of reviewing the Standards of Practice and other regulations as they apply to the current licensees.

## Assistant Attorney General's Report

Assistant Attorney General, Sloane Fried Kinstler, addressed the Commission regarding the legislation, SB 540/HB 772, authorizing the Maryland Attorney General to authorize and pursue action against an individual if a violation of civil rights had been alleged in certain areas including housing and public accommodations. This proposed measure would be overseen by the Maryland Civil Rights enforcement agency and could potentially concern a real estate appraiser or home inspector. AAG Kinstler explained she was only reviewing the legislation for the Commission members' information.

# **Executive Director's Report**

Signature on File
Commissioner Sean Troxell, Chair

Adjournment

There being no further business to discuss, a Motion was made by Commissioner Pickholtz, seconded by Commissioner Huggins, and unanimously carried that the meeting adjourn. The meeting adjourned at 11:33 a.m.

Approved without corrections

Approved with corrections

No report or additional information from the Executive Director was required.

Date