

**DRAFT**

**APPRAISERS' COALITION OF WASHINGTON**

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**MINUTES OF THE  
REGULAR BOARD MEETING OF MAY 8, 2008**

*Organization and board members in attendance:*

	1ST NAME	LAST NAME	WORK PHONE	e-mail ADDRESS
ACOW, President	Jim	Irish	206.838.1253	<a href="mailto:BF777@msn.com">BF777@msn.com</a>
ACOW, Individual Members Rep	Barry	Wilson	206.838.1233	<a href="mailto:bwilson@lambhansonlamb.com">bwilson@lambhansonlamb.com</a>
Am. Soc. Appraisers, Seattle Chap.	Betty	Barnes	509.968.4499	<a href="mailto:barnesinc@elltel.net">barnesinc@elltel.net</a>
Am Soc Farm Mgrs & Rural App	Michael	Gibbons	509.225.3219	<a href="mailto:Michael.gibbons@farm-credit.com">Michael.gibbons@farm-credit.com</a>
Appraisal Institute, Inland Chapter	Mark	Noble	509.747.0999	<a href="mailto:noblem@auble.com">noblem@auble.com</a>
Appraisal Institute, So. Sd. Chapter	Stan	Sidor	253.722.1445	<a href="mailto:ssidor@gvakm.com">ssidor@gvakm.com</a>
Appraisal Institute, Seattle Chapter	Selena	Woods	206.883.3958	<a href="mailto:Swoods2000@comcast.net">Swoods2000@comcast.net</a>
NAIFA, Seattle Chapter	Sheridan	Shaffer	206.282.4613	<a href="mailto:sheridanshaffer@comcast.net">sheridanshaffer@comcast.net</a>

*Organization members not present:*

Intl Right of Way Assoc, Seattle	Stephen	Juntilla	425.339.8558	<a href="mailto:sjuntilla@comcast.net">sjuntilla@comcast.net</a>
Appraisal Institute, No. Sd. Chapter	Dave	Parsons	360.428.8544	<a href="mailto:dparsons@cnw.com">dparsons@cnw.com</a>
Appraisal Institute, Columbia Basin	Tom	Thompson	509.783.1854	<a href="mailto:asap@bmi.net">asap@bmi.net</a>
IAAO, No. Puget Sd. Chapter	Ron	Telles	360.679-7303	<a href="mailto:ront@co.island.wa.us">ront@co.island.wa.us</a>
Int Ass Assessing Officers, W Puget Snd Chap	Jim	Hall	253.798.3673	<a href="mailto:jhall@co.pierce.wa.us">jhall@co.pierce.wa.us</a>
IAAO, Central WA Chapter	Peter	McEnderfer	509.545.3506	<a href="mailto:pmcenderfer@co.franklin.wa.us">pmcenderfer@co.franklin.wa.us</a>
IAAO, Evergreen Chapter	Claire	Christian		<a href="mailto:Claire.christian@metrokc.gov">Claire.christian@metrokc.gov</a>
NAIFA, Olympic Peninsula Chap.	To be appointed			
NAIFA, No. Central Chapter	To be appointed			
NAIFA, Cascade Chapter	Mike	Burris	360.736.0911	<a href="mailto:mburris@naifa.com">mburris@naifa.com</a>
NAIFA, S. Puget Sound Chapter	Jeremy	Staudenmaier	253.737.4491	<a href="mailto:jstaudenmaier@rpsalu.com">jstaudenmaier@rpsalu.com</a>
IRWA, Spokane Chapter	Kenneth	Carlson	(509)495-8610	<a href="mailto:ken.carlson@avistacorp.com">ken.carlson@avistacorp.com</a>
Intl Right of Way Assoc, Yakima Chapter	Mike	Waits	(509) 574-2334	<a href="mailto:mike.waits@co.yakima.wa.us">mike.waits@co.yakima.wa.us</a>

*Others present:*

N/A				
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The ACOW meeting for May 6, 2008 was called to order by Jim Irish, President. A quorum was established.

The minutes were skipped - Stan just sent out the February draft minutes, and everyone has not yet had a chance to look them over. The other prior meeting minutes are not yet ready (pending for March and April).

Barry moved and Stan seconded to approve the agenda. The agenda was amended to add the following:

- Under Old Business, Administrative Topics, b) Website; c) ACOW Stationary
- Under New Business, Legislative/Regulatory Issues, a) LDAC - AI @ DC; b) Joint REAC/DOL Letter; c) Mortgage

Broker Bond Issue Resolved; d) Conversations w/Ralph Birkedahl, DOL

The agenda was approved as amended.

#### President's Report

Jim suggested that everyone refer to the recent Seattle Chapter, AI newsletter, for the article that summarizes current legislative issues - there is a lot going on (copies available upon request).

Jim said he has recently spoken with Bill Garber, along with the Chair of FNMA, and others recently. He said he needs to speak with TK Bentler - has left him messages, but not yet connected with him.

#### Treasurer's Report

A bill was not yet available from Seaops to pay.

TK Bentler's final bill for this session has not yet been paid. Last month there was discussion about paying at least \$2,000 of the bill. Jim asked the board to confirm and approve paying this amount, which the board did. Selena will request that Seaops cut a check to TK for \$2,000. We will get the Seaops invoice and approve it by email. Stan moved, Sheridan seconded approving the Treasurer's report; motion passed.

#### Old Business

NY AG/Cuomo Agreement - Jim reported there has been significant response from appraisers on this issue. An 11 page letter sent to Cuomo through Alamode had 31,000 responses from appraisers (20,000 of which were in a "form" letter). Over 11,000 added their own comments. DC area attorneys have been hired to work on the issues brought up. AMCs remain a concern. Hard copies of individual letters were made and sent in multiple boxes to the various parties.

The OTS, the Consumer Trade Commission, the Mortgage Brokers Assn, etc., all have expressed objections to different portions of the agreement, and threaten litigation.

Rob McKenna, WA AG, spoke at the recent Seattle Chapter AI meeting on the subject. He noted that Cuoma "ran off on his own" on this issue, without consultation with other state's AGs.

There is some question as to whether OFHEO would be under HUD, because the Federal Administrative Procedures Act was

not adhered to. Jim expects that this issue is "long from being over."

ACOW should follow up with McKenna on this issue. Sheridan asked if Jim had sent McKenna a copy of the letter Jim drafted about the Cuomo agreement. He had not. It was suggested he do so. Sheridan said she would do it if Jim does not have the time. Jim wants to follow up to get a better (direct) email address for Mr. McKenna. Stan will look up the address he has for Mr. McKenna and give it to Jim. Barry suggested sending a copy via regular mail. Jim will do this tomorrow (5-9), and Sheridan will follow up with Jim on this.

Barry mentioned the letter from the Mortgage Brokers Association in which they also opposed Cuomo on this matter. Brokers are effectively blaming appraisers, while pressuring appraisers, he noted.

Everyone was referred to [AppraisalBuzz.com](http://AppraisalBuzz.com).

Barry indicated that the Collateral Risk Network seems to be sponsoring USPAP violations - they want review appraisers to adjust values, but not conform with Standards 1 and 2 in doing so.

Barry expects major changes to yet take place with the Cuomo Agreement...there is not enough time to implement it, and expects it yet to be revised.

Jim noted that AI National's DC lobbyist office is also now working with NAIFA, in addition to other appraisal organizations, which will add strength to our mutual positions.

Jim relayed extensive information and history about his association with Steven Ashley, who became Chair of FNMA. Jim noted that it was important to understand that the proposed agreements are not into perpetuity - they are renewable every two years. Ashley expects large banks will step in and litigate, as they will want to be able to effectively use their appraisal depts. Cuomo has a history of using regulatory rules to impact operations of companies. Everyone is aware that in-house appraisers need to remain separate from the lending function.

As for AMCs, Ashley noted he was unaware of difficulties or issues dealing with these. Jim made him aware of some of the issues pertaining to AMCs.

Jim mentioned the Independent Valuation Protection Institute - or IVPI - he said this was very much conceptual at this time.

Jim will send a letter to Beth Wilkinson, General Counsel of FNMA, with a copy to Ashley, and will circulate a copy to the ACOW board for concurrence before sending it out.

It was noted that there is the potential for this issue to cross from single family residential appraisals to all others (commercial).

It was noted that the Mortgage Brokers Commission meets next Tuesday at the Bellevue City Hall, and the REAC meets on the 16<sup>th</sup> in Tumwater at the L&I Building.

ACOW At The Summit - Jim noted that he has been "playing phone tag" with the Summit reps, and will follow up with them tomorrow. He indicated that we should plan to cover the Cuomo agreement as a topic at the Summit, but that we also needed other topics. AI will be having a FNMA rep attend the Fall Conference, so we do not want to duplicate their efforts. Other topics considered include:

- Increasing FBI/other investigations
- State and Federal laws
- Environmental (Green) Buildings
- Construction pitfalls
- Mortgage crisis

Regarding the Cuomo agreement, Sheridan suggested that we focus on:

- Identifying what the problem was
- Why Cuomo's "fix" is not a good solution
- What would be a good solution

Mark left the line. Prior to leaving, Jim asked him to get the Inland Empire "pulse" re: Cuomo issues, and to look at the 11-page letter on the AI website.

Website/AI Stationary - Jim said he had developed some "stationary" for ACOW. Jim also wrote a new descriptive paragraph on ACOW, which he suggested be placed on the website. Sheridan suggested emailing this to all of the representative organizations, with a copy to Stan, and to add links to all related organizations to the website.

Jim asked if Steve Juntilla had ever formally resigned. Stan said he verbally did so. Jim said we should formally accept his resignation. Barry moved, Sheridan seconded to accept. Motion passed. It was noted that we should look up our procedures for filling board vacancies. Mike Gibbons was asked if he was interested in filling the vacant board seat. He has other responsibilities coming up with ASFMRA. Also, Mike noted that many of the ASFMRA appraisers see little

benefit to ACOW. He also noted there is a meeting next week (5-16) in Kennewick, with Steve Runyon, their new national president, attending.

### New Business

Stan reported about his and Dave Parsons recent trip to WA DC for LDAC, the AI's annual leadership conference and congressional lobbying effort.

Jim said he spoke with Bill Garber, and that HB3221's provisions were moving ahead.

Barry asked about a follow-up letter with the Senators, to mention that appraisers are the only ones being regulated. It was noted that HB3915, which passed the House, will regulate Mortgage Brokers, loan originators, etc.

Barry discussed AMCs, fees, etc.

Conversation with Ralph Birkedahl - Jim relayed the recent appraiser stats that were conveyed to him from Ralph. He indicated that licensed appraisers in the state are down by 7, though the state gained a total of 3 Certified General appraisers, and 8 Certified Residential appraisers, which at least in part may have contributed to the decline in licensed appraisers (they shifted from being merely licensed to now being certified).

There are a total of 3,354 licensed and certified appraisers in the state, of which only 1,311 are on ListServ. There are a total of 814 Trainees. The breakdown is as follows:

Certified General	1,050
Certified Residential	<u>1,868</u>
Subtotal, Certified	2,918
Licensed	<u>436</u>
Total Licensed/Certified	3,354
Trainees	<u>814</u>
TOTAL ALL	4,168

In his conversation with Ralph, Jim noted that Ralph was concerned about the role of AMCs, as DOL does not regulate them. We need to sponsor legislation next year to regulate AMCs.

Jim also noted that the staffs of the Insurance Commissioner, DFL, and DOL, met recently and reviewed pending legislation. Jim suggested that Ralph mention these entities should go back and discuss which group would take on the AMC regulation issue.

It was also noted that reciprocity may be eliminated, since all states will now have to comply with AQB.

There was a discussion as to whether there are limits on the number of supervisors an appraisal trainee can have. There are limits as to the number of trainees that a supervising appraiser can oversee, but nothing on the number of supervising appraisers that can work with each trainee.

REAC Meeting - Jim noted that Ginny Tidwell of the Appraisal Subcommittee will be coming out to WA to audit files to ensure our appraisal program is in compliance. (Sheridan left the meeting.) At the next REAC meeting, Jerry McDonald of the DOL will speak about the Home Inspector program, and Sherry Farivar will speak about the elimination of reciprocal licensing agreements. Brent Palmer will discuss eliminating licensed appraisers.

Stan moved, Barry seconded, to adjourn the meeting. Barry emphasized the need for us to attend the MBA and REAC meetings. The meeting was adjourned.

Respectfully submitted,

Stan Sidor  
Secretary