

Chuck Drago, Interim Secretary

Charlie Crist, Governor

**Minutes of
THE FLORIDA REAL ESTATE APPRAISAL BOARD
June 23, 2008
Teleconference Meeting**

Chair Joni Herndon called the teleconference meeting of the Florida Real Estate Board to order, at approximately 10:30 a.m., on this 23rd day of June, 2008.

Chair Herndon called roll. The members participating by telephone were: Vice-Chair Michael Rogers, Jay Small and Susan Dailey, and Cynthia Wright. Michael Gross, Assistant Attorney General, participated by telephone as counsel for the Board. Mr. Gross declared a quorum present.

Department and Division staff present at the meeting: Ron Russo, Acting Deputy Secretary; Thomas O'Bryant, Jr., Division Director and Executive Director for the Board; Juana Watkins, Division Deputy Director; Ned Luczynski, General Counsel, April Skilling, Deputy General Counsel; Chris Lindamood, Senior Attorney; Bob Minarcin, Senior Attorney; Kathleen Koeberich, Chief, Bureau of Enforcement; JoEllen Peacock, Education Coordinator; Beverly Ridenauer, Government Analyst II. American Court Reporting (407.896.1813) provided court reporter services.

Secretary Russo explained to the attendees that the teleconference was being held at his request. He explained that the Office of General Counsel had contacted Fannie Mae and as a result, Florida was asked to provide not only a list of concerns about the Home Valuation Code of Conduct, but possible solutions for the concerns stated.

Chair Herndon stated the teleconference is being held to meet the response deadline of July 3, 2008 and to provide an opportunity for the public and appraiser licensees in Florida to participate in the process.

The Members and Public provided the following concerns:

- ◆ Appraisal management companies (AMCs) need to be defined, their overall business processes evaluated, and ultimately a decision made about regulation of such companies.
- ◆ State regulatory authority should not be taken away. The Independent Valuation Protection Institute (IVPI) has no knowledge of Florida Statutes and Administrative Code and should not serve as a barrier to the FREAB exercising its authority in Florida.
- ◆ The Appraisal Foundation was established to regulate appraisers at the Federal level; a second federal regulatory body will create redundancy because each state has the responsibility of enforcing its laws.

- ◆ There is no requirement for the IVPI to report any disciplinary actions against an appraiser to the National Registry.
- ◆ An appraisal report is not intended for the borrower, but is intended for the use of the client. Providing the borrower with a copy extends the appraiser’s liability to a third party and opens the door for civil action against the appraiser.
- ◆ Severing direct communication between the appraiser and client increases the possibility for error in the product.
- ◆ Complaints forwarded for enforcement by the HVCC will place a burden on both the State and FREAB budgets.
- ◆ The Real Estate Settlement Procedures Act (RESPA) requires full disclosure of settlement costs. A system needs to be put into place to identify the difference between the appraisal fee and the fee paid to the appraisal management company.

After receiving public comments on the subject, the Chair polled the members for any additional comments. No comments were added.

Deputy Secretary Russo told the Board that General Counsel Pollard of the Office of Federal Housing Enterprise Oversight has asked the Board for the following:

- ◆ Identify the expectations of impact to the State of Florida.
- ◆ What are the solutions to the concerns expressed today?
- ◆ What are the concerns to Florida with respect to the Code of Conduct?
- ◆ Provide some suggestions for remedies to these concerns.

Mr. Russo asked that drafts of the responses be sent to Director O’Bryant by Wednesday, June 25th, 2008. The recommendations will be discussed at a second teleconference meeting be held to discuss those proposed recommendations on Monday, June 30th, 2008.

There being no other business, the Chair adjourned the meeting at approximately 12:00 p.m.

Joni Herndon, Chair
Florida Real Estate Appraisal Board

Thomas O’Bryant, Jr., Executive Director
Florida Real Estate Appraisal Board

Date: _____

Date: _____

Respectfully submitted:

Beverly Ridenauer,
Government Analyst II

Date: _____