

NORTH CAROLINA APPRAISAL BOARD

Meeting Minutes Raleigh

June 4, 2024

Board Members Present

Mike Warren, Chair
Claire M. Aufrance, Vice-Chair
Lynn Carmichael
Darius Chase
Marcella Coley
Viviree Scotton
H. Clay Taylor, III

Staff Present

Donald T. Rodgers, Executive Director
Brandy M. March, Deputy Director
Sondra C. Panico, Legal Counsel
Jeffrey H. Davison, Investigator
Randall L. Echols, Investigator
Frank Fleming, Investigator
H. Eugene Jordan, Investigator
Mindy Sealy, Office Manager

Ms. Aufrance read the Board's Mission Statement.

CALL TO ORDER

Chair Warren called the meeting to order at 9:01 a.m.

Chair Warren read the Conflict-of-Interest reminder. No Board Member indicated any conflict of interest.

APPROVAL OF AGENDA

Mr. Taylor moved, second by Ms. Aufrance, that the Board approve the agenda as amended, with the Chair being able to take the items in any order. Motion carried.

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APPROVAL OF MINUTES

Mr. Chase moved, second by Ms. Coley, to approve the April Minutes (**Exhibit 1**), as presented. Motion carried.

FINANCE

The Board reviewed the financial report (**Exhibit 2**) through April 2024.

The Board discussed the proposed budget for 2024-2025. Ms. Carmichael moved, second by Mr. Chase, that the Board adopt the proposed budget, including staff salaries. Motion carried.

Mr. Taylor moved, second by Ms. Aufrance, that the Board approve excess lodging for 2024-2025. Motion carried.

HEARING

2023-0047

2023-0048 **David R. King**

Following a hearing, the Board reprimanded Mr. King's certification and required him to complete the 15-hour National USPAP course with the exam no later than September 30, 2024. If he fails to complete the course by September 30, 2024, his license will be revoked on October 1, 2024.

LEGAL

Vote to Approve Proposed Rules (Exhibit 3)

The Board has a public hearing on April 9, 2024, and no one spoke at the hearing. The Board did not receive any written comments on the rules. The public comment period ended on May 14, 2024. Ms. Coley moved, second by Ms. Carmichael, that the Board accept the rules as published. Motion carried.

Probable Cause (Exhibit 4)

Ms. Carmichael moved, second by Ms. Aufrance, that the Board accept staff recommendations on all probable cause summaries with the exception of case numbers 2023-0049, 2023-0070, and 2023-0079. Motion carried.

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- 2023-0041** Dismiss this case with a warning to include appropriate explanation of analysis and sales history.
- 2023-0042** Dismiss this case with a warning to report on the prior sales/transfer history of all comparable sales.
- 2023-0049** Ms. Coley moved, second by Mr. Taylor, that the Board move this case to a hearing. Motion carried.
- 2023-0058** Dismiss this case conditioned upon completion of a course in characteristics influencing appraisals, identifying and correcting appraisal failures, and appraiser liability.
- 2023-0059** Move this case to a hearing.
- 2023-0065** Dismiss this case with a warning to maintain true copies of all versions of the appraisal report.
- 2023-0067** Dismiss this case.
- 2023-0068** Dismiss this case conditioned upon completion of a course in manufactured housing and supporting your adjustments.
- 2023-0069** Move this case to a hearing.
- 2023-0070** Ms. Coley moved, second by Mr. Taylor, that the Board dismiss this case with a warning to adequately research prior sales history and maintain summaries of adjustment analysis in the workfile, conditioned upon completion of a course in supporting adjustments. Motion carried.
- 2023-0073** Dismiss this case conditioned upon completion of a course in appraiser liability and supporting adjustments.
- 2023-0074** Dismiss this case conditioned upon completion of a course in GSE guidelines, appraiser liability and sales comparison.
- 2023-0075** Dismiss this case conditioned upon completion of a course in appraiser liability and sales comparison.
- 2023-0077** Dismiss this case conditioned upon completion of a course in luxury homes.
- 2023-0078** Dismiss this case conditioned upon completion of a course in highest and best use (15 hours) and GSE guidelines.

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- 2023-0079** Ms. Coley moved, second by Mr. Taylor, that the Board move this case to a hearing. Motion carried.
- 2023-0080** Move this case to a hearing.
- 2023-0083** Dismiss this case with a warning to ensure certification statements are accurate and not misleading and include all relevant information based on the type of assignment, conditioned upon completion of a course in supporting adjustments, and appraiser liability.
- 2023-0085** Dismiss this case with a warning to consider and verify nearby sales.
- 2023-0098** Move this case to a hearing.
- 2023-0106** Dismiss this case with a warning to be aware of all words, phrases, and terms that GSE deems to be inappropriate and that may be construed as subjective, racial, or stereotypical, and to consult with Fannie Mae and Freddie Mac guidelines regarding inappropriate terminology.
- 2023-0112** Dismiss this case.
- 2023-0127** Dismiss this case with a warning to adequately review appraisal reports before transmitting to the client, conditioned upon completion of a course in appraiser liability, and the supervisor-trainee course.
- 2024-0011** Dismiss this case with a warning to act in a professional manner and not use client information for personal reasons.

The Board reviewed the Pending Hearing Report (**Exhibit 5**) and the Disciplinary Actions Year-to-Date (**Exhibit 6**).

LICENSING AND EDUCATION

The Board reviewed the list of candidates who have been recently registered or certified (**Exhibit 7**).

The Board reviewed the list of AMCs that have recently been registered (**Exhibit 8**).

The Board reviewed the Examination Report (**Exhibit 9**) through April 2024.

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PUBLIC FORUM (Exhibit 10)

There were no requests to speak at the Public Forum.

OTHER

The Board reviewed The Appraisal Foundation's reports. **(Exhibit 11)**

Committee Reports

The Predetermination Committee, which consisted of Mr. Chase and Mr. Morgan, met on April 15, 2024, to review an applicant's fitness for registration as part of a reciprocity application. The committee agreed to allow the applicant to proceed with licensure but issued a warning letter which could be used as an aggravating factor in the future.

The Finance Committee met on May 21, 2024, to discuss the 2024-2025 proposed budget.

Staff Report

Ms. March and Mr. Rodgers hosted a meeting for local appraisers, following the Board meeting in Charlotte on April 9th. They discussed the number of appraisers entering the profession, upgrade/renewal requirements, exam statistics, the source and nature of complaints and the addition of Fair Housing and Bias training that has been added to the AQB Criteria.

The Spring AARO Conference was May 3-5th in Nashville, TN. Mr. Warren, Ms. Scotton, and Mr. Chase were in attendance along with staff members. There were speakers from The Appraisal Subcommittee, The Appraisal Foundation, Fannie Mae and Freddie Mac and presentations on Regulator Do's and Don'ts, the new AQB Criteria, and Artificial Intelligence in appraising. There was also training prior to the conference on dealing with difficult enforcement cases.

The accountants from Bernard Robinson, LLC will be conducting the Board's annual audit the week of July 29th- August 2nd.

The next trainee town hall is tentatively scheduled for August 13, 2024. Mr. Rodgers and Ms. March want to continue to offer these but have seen participation down in the last few sessions.

Reminder to all Board members, and any licensees observing the meeting, you must renew on or before June 30, 2024.

The next Board meeting will be a virtual meeting on August 6th.

Election of Chair and Vice-Chair

The Board elected Mr. Warren as Chair for 2024-2025.

The Board elected Ms. Aufrance as the Vice-Chair for 2024-2025.

Ms. Coley moved, second by Ms. Carmichael, that the Board go into closed session. Motion carried.

Ms. Coley moved, second by Mr. Taylor, that the Board go back into open session. Motion carried.

Report from closed session announced in open session:

CONSENT ORDERS

2022-0013 Michael Mellnik
2023-0084 Robert Mellnik

Mr. Taylor moved, seconded by Ms. Aufrance, that effective June 5, 2024, Michael (Respondent A) and Robert (Respondent B) Mellnik's certifications as residential appraisers are reprimanded. No later than December 5, 2024, Respondent A shall complete a continuing education course in analysis and date verification, which shall count for continuing education credit hours. In addition, Respondent A shall complete two Appraisal Foundation's corrective education courses entitled, "Scope of Work: Appraisals and Inspections," and "Assignment Conditions, Elements, and Results." The Appraisal Foundation corrective education courses do not count for continuing education credit. No later than December 5, 2024, Respondent A shall submit certificates of completion for all courses to the Board office. No later than December 5, 2024, Respondent B shall complete two continuing education courses, one in evaluating/reviewing appraisals, and one in appraiser liability. The appraiser liability course may count for continuing education, but the evaluating/reviewing appraisal course shall not count for continuing education credit. No later than December 5, 2024, Respondent B shall submit certificates of completion for all courses to the Board office. If Respondent A fails to successfully complete the courses above and/or Respondent B fails to successfully complete the courses above and provide certificates of completion to the Board office by December 5, 2024, the reprimand will be vacated, and an active suspension shall be activated in its place on December 6, 2024. The active suspension shall continue until Respondent A and/or B provides proof of completion of the above courses to the Board office. Pursuant to Rule 21 NCAC 57A.0407, a certified residential appraiser is eligible to supervise a trainee so long as he or she has not received any disciplinary action against his or her appraisal certificate from the State of North Carolina or any other state within the previous three years. For the purposes of this Subparagraph, disciplinary action does not include a reprimand. Motion carried.

2023-0019 Darrell K. Hignite

Mr. Taylor moved, seconded by Ms. Carmichael, that effective June 5, 2024, Darrell Hignite, a certified residential appraiser, shall receive an administrative warning. Respondent shall cooperate and respond completely, including but not necessarily limited to producing all relevant documents, records and materials, to any future complaint made against him to this Board and shall behave in a professional manner in all of his interactions with others in his appraisal business. No later than September 5, 2024, Respondent shall complete a continuing education course in appraiser liability; and a course in professionalism to be pre-approved by Board staff. No later than September 5, 2024, Respondent shall provide certificates of completion for all courses to the Board office. The appraiser liability course may count for continuing education credit. If Respondent fails to successfully complete the courses above and provide certificates of completion to the Board office by September 5, 2024, Respondent's license shall be actively suspended on September 6, 2024. The active suspension shall continue until Respondent provides proof of completion of the above courses to the Board office. Motion carried.

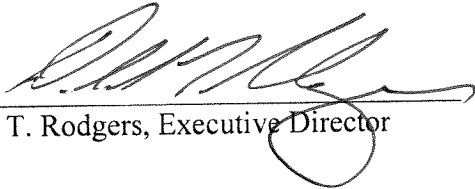
2023-0071 Leonard Eudy

Ms. Carmichael moved, seconded by Ms. Aufrance that effective June 5, 2024, Leonard Eudy's certification as a residential appraiser is reprimanded. No later than December 5, 2024, Respondent shall complete the following coursework: a course on professionalism that is preapproved by Board staff; one continuing education course in either supporting adjustments or sales comparison; one continuing education course in appraiser liability; and the corrective education course entitled, "Ethics, Competency, and Negligence." No later than December 5, 2024, Respondent shall provide certificates of completion for all courses to the Board office. The hours for the above coursework shall not be used for Respondent's continuing education credit hours and requirements. If Respondent fails to successfully complete the courses above and provide certificates of completion to the Board office by December 5, 2024, the reprimand will be vacated, and an active suspension shall be activated in its place on December 6, 2024. The active suspension shall continue until Respondent provides proof of completion of the above courses to the Board office. Beginning on July 1, 2024, Respondent shall be accompanied by a Board approved chaperone on all appraisals and exterior or interior inspections for a period of four months ending on November 1, 2024. The chaperone shall be present with Respondent during the entire period that Respondent is at the property. Respondent shall not perform any appraisals or inspections on real property without the chaperone accompanying him. During the time period set forth above, Respondent shall be required to complete an appraisal log for each appraisal and each inspection done. The chaperone shall sign the appraisal log for each appraisal or inspection for which he/she was present verifying that he/she was present. Respondent shall submit a copy of his appraisal log on the first of every month beginning August 1, 2024, and ending on November 1, 2024. The appraisal log will be subject to a random audit by Board staff. No later than June 5, 2024, Respondent shall submit a list of possible chaperones to the Board office. Each possible chaperone shall either be licensed by a licensing board in North Carolina and his/her license must be good standing for the duration of the chaperoning period or shall receive a criminal background check at their expense by Castlebranch, Inc. and provide the results to the Board office. So long as the chaperone does not have a criminal record,

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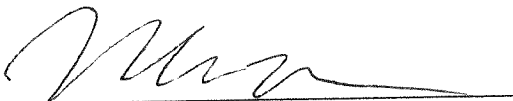
they shall be approved by Board staff to accompany Respondent. No individual, other than the individuals that are approved by Board staff to chaperone Respondent, may accompany him on any appraisals or inspections. Respondent shall provide all Board approved chaperones a copy of his Consent Order before they accompany him on any appraisals or inspections. If Respondent fails to have a Board staff approved chaperone accompany him on any appraisals or inspections done during the above four-month time period, his license shall be immediately actively suspended for a period of six months. Following the suspension, the four-month time period set forth above shall restart. Motion carried.

There being no further business to come before the Board, Ms. Aufrance moved, second by Ms. Carmichael, that the meeting be adjourned. Motion carried.



Donald T. Rodgers, Executive Director

This, the 6th day of August, 2024.



Mike Warren, Chair