

# Ohio Coalition of Appraisal Professionals 2018 Annual Summer Seminar

Ohio Division of Real Estate & Professional Licensing

Anne M. Petit, Superintendent

John McIntyre, OREAB Chairman

Ed Woodruff, Staff Attorney

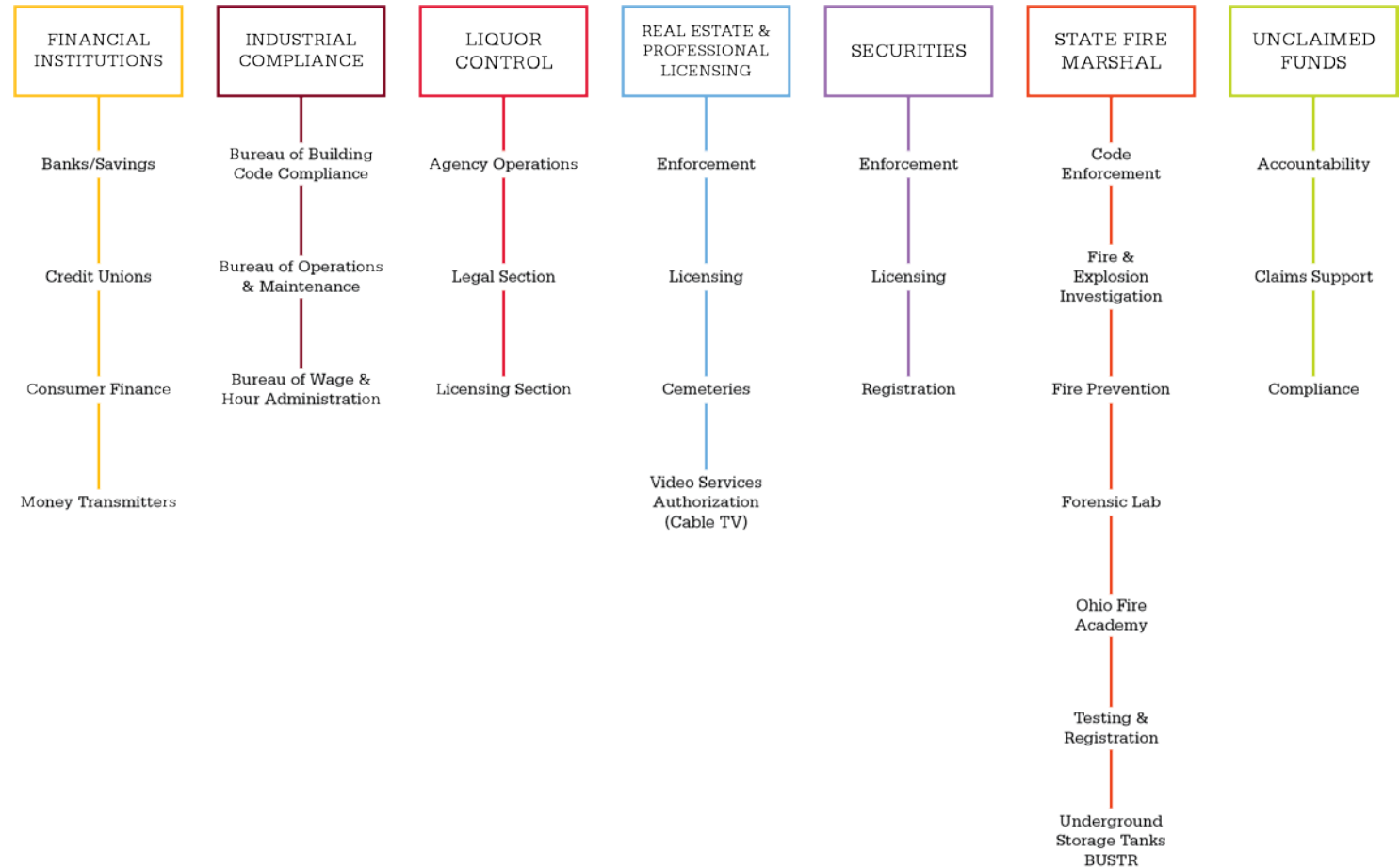
Shannon Drawns, Enforcement Chief

Division of Real Estate & Professional Licensing

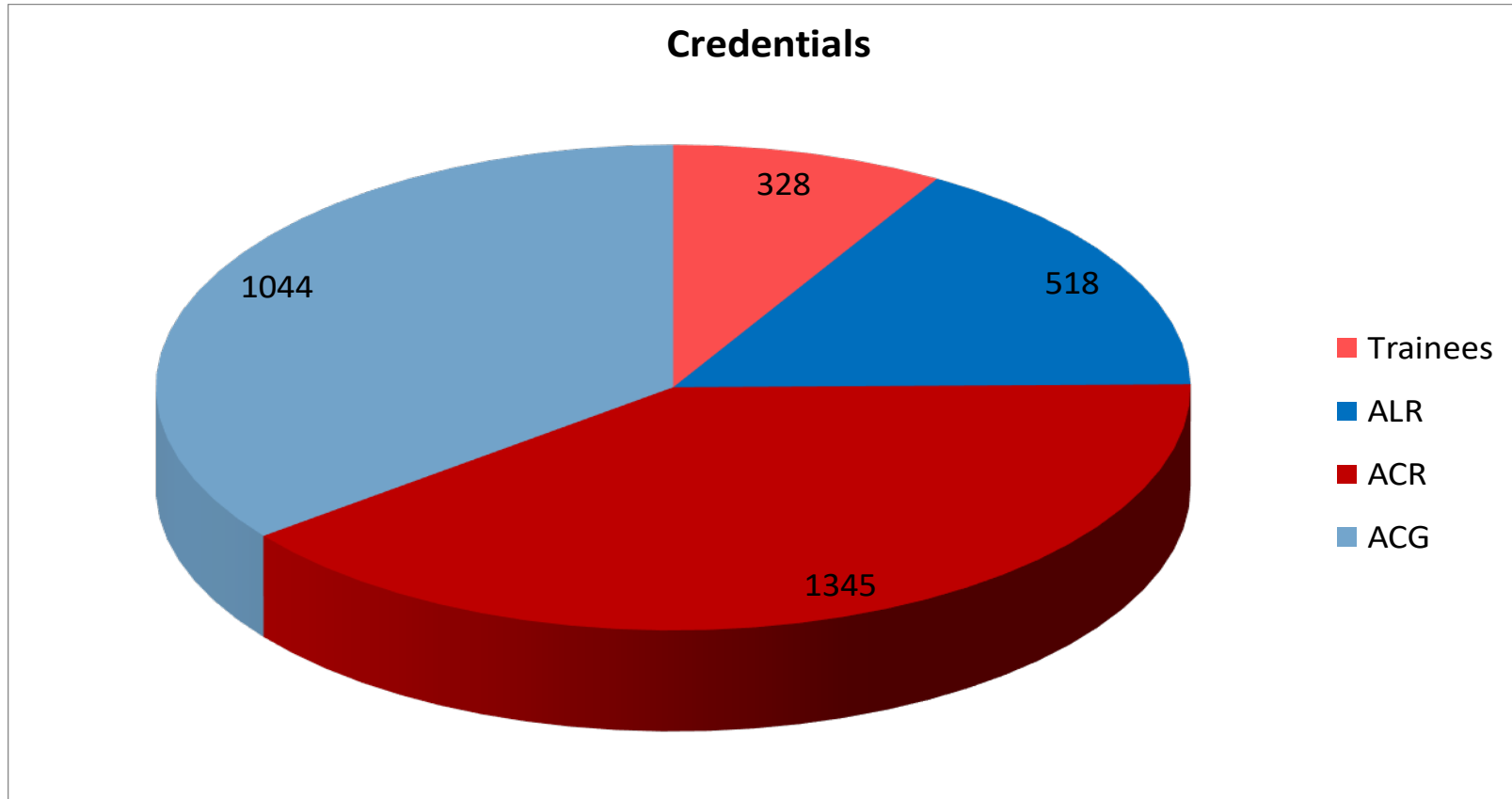
The Ohio Department of Commerce is focused on equipping businesses and protecting consumers.

Commerce has seven Divisions including Real Estate & Professional Licensing

Our goal is to keep Ohioan's safe, sound and secure.



# Ohio Appraisers By the Numbers



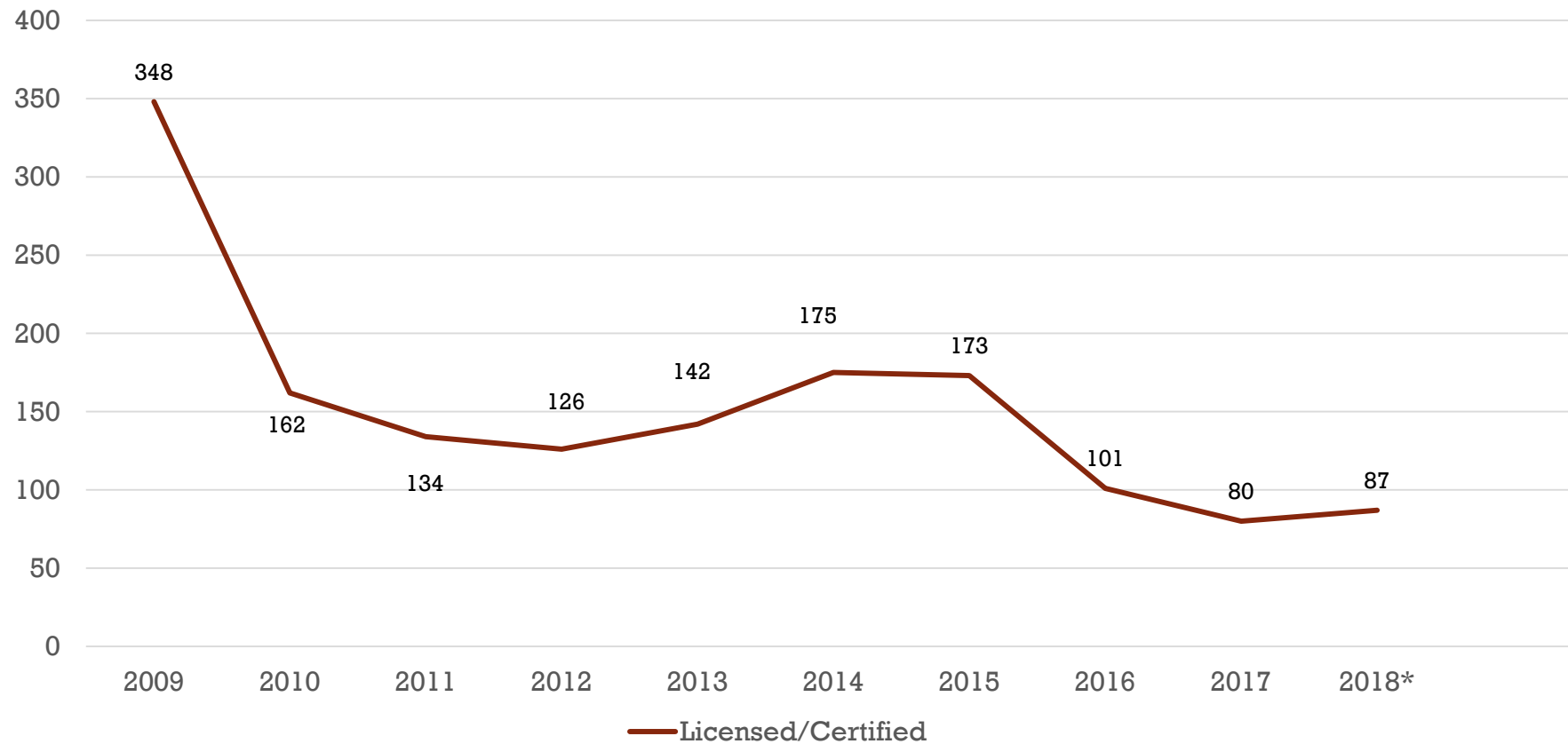


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# \*New\* Appraisers Licensed/Certified

Licensed/Certified



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\* No ARA  
 # ARAs w/o  
 Sup'r

## Changes to Credential Criteria

- Appraiser Qualifications Board changes effective 5/1/18
- OREAB adopted policy to implement same standards
- What changed?
  - Education requirements
  - Experience requirements

# Changes to Credential Criteria -

## EDUCATION **Education**

- No college-level education for licensed residential
- Alternatives to bachelor's degree for certified residential
  - Associates degree in certain fields
  - 30-semester hrs in certain courses
  - College Level Examination Program (CLEP)
  - Combination of courses and CLEP
  - ALR – 5 yrs minimum and NO license limiting discipline





# Changes to Credential Criteria

Experience		
	Pre April 30, 2018	Effective May 1, 2018
<b>Licensed Residential</b>	2,000 hours in no fewer than twelve (12) months	1,000 hours in no fewer than six (6) months
<b>Certified Residential</b>	2,500 hours in no fewer than twenty-four (24) months	1,500 hours in no fewer than twelve (12) months
<b>Certified General</b>	3,000 hours in no fewer than thirty (30) months, of which one thousand five hundred (1,500) hours must be in non-residential appraisal work	3,000 hours in no fewer than eighteen (18) months, of which one thousand five hundred (1,500) hours must be in non-residential appraisal work

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# Enforcement



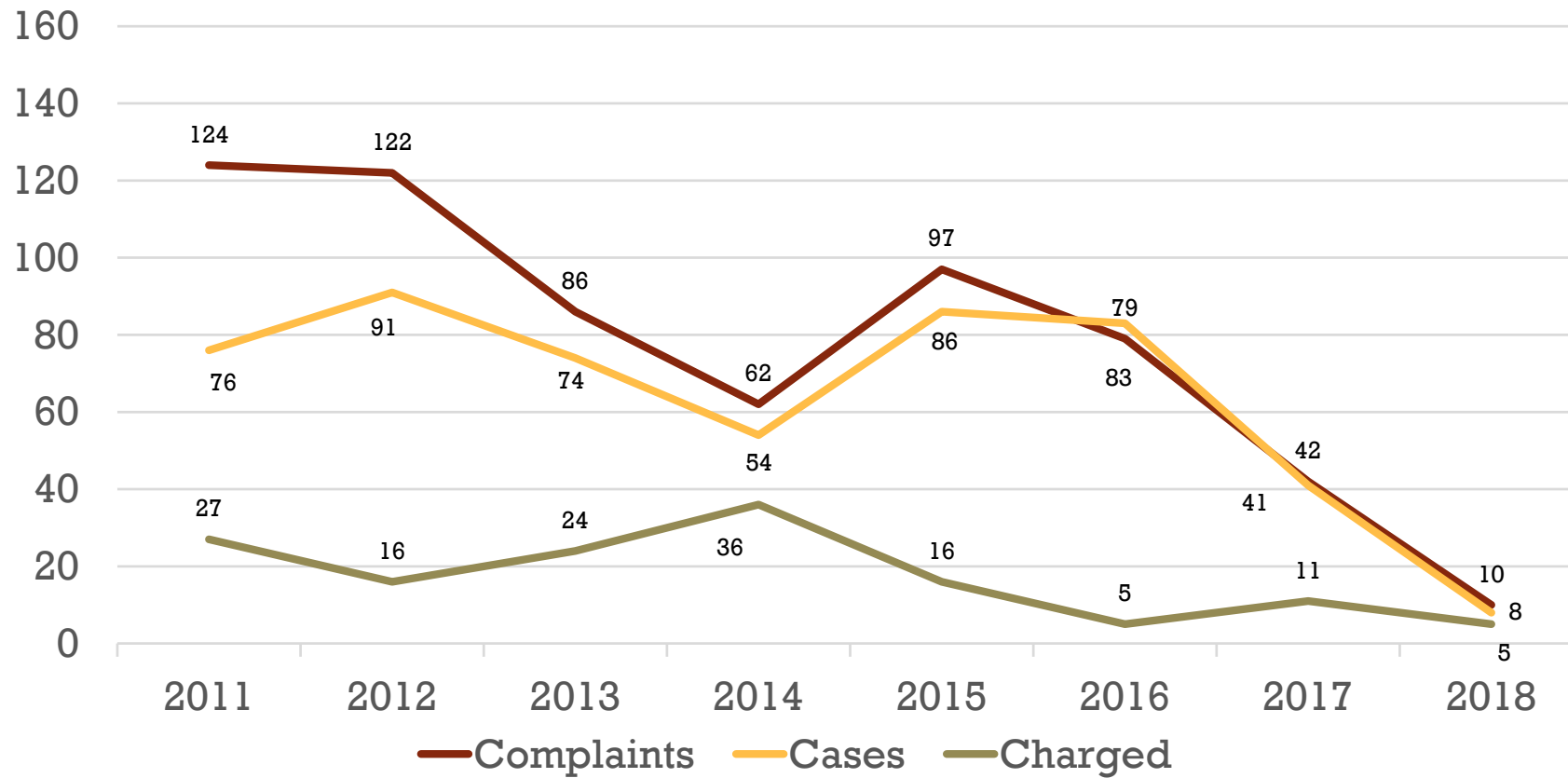
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# Enforcement



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## Enforcement

2016	2017
79 Complaints	42 Complaints
Consumers	Consumers
Superintendent Actions	Lenders/AMCs/Reviewers
Lenders/AMCs/Reviewers	Superintendent Actions



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## Enforcement

2016	2017
83 Cases Opened	41 Cases Opened
68 Cases Closed	73 Cases Closed
5 Cases Charged	11 Cases Charged
61 NFAs	64 NFAs

## Enforcement

### *What Investigations Are Revealing:*

- Inaccurate comp reporting
- Appraiser making changes to a subordinate appraiser's report without subordinate's knowledge
- Certification issues
- Incorrect inspection statements
- Failure to document/explain adjustments

## Enforcement

### *What Investigations Are Revealing:*

- Work order issues
- External obsolescence
- ACGs – be careful doing residential
- Work file issues

## Enforcement

- Downward trend in enforcement actions in recent years
- Sanctions for enforcement actions
- Last Revocation case involving appraisals was in 2015



## Enforcement

- Call from Fannie Mae
- Involved appraisals completed by one appraiser in 2012
- Former appraiser was appearing in appraisal reports completed by active Ohio appraiser
- Also concern about volume of appraisals completed

## Enforcement

- Team of individuals
- Took sampling of work from a two-week period
- 142 different appraisals
- Resulted in 58 different charges
  - Misleading reports – inspection and assistance, and work file violations
  - Resulted in a “Goldman hearing”

# Appraisal Management Companies

## Sub. HB 213

- ORC 4763 – “clean up”
- Written report requirements if for AMC:
  - AMC information
  - Actual fee received for the assignment
  - If employee of AMC, a statement to that fact

# Appraisal Management Companies

## Sub. HB 213

- New Chapter - ORC 4768
- Defines
  - Terminology
  - Activities requiring a license
  - Exemptions from licensure
- Sets out OREAB/Superintendent duties
  - Required
  - Permissible

## H.B. 213

### Appraisal Management Companies

- Sets out requirements for license
  - Application and renewal processes
  - Criminal history checks
  - Basis for refusing a license
- How an AMC may terminate an appraiser
- Record retention requirements

## H.B. 213

### Appraisal Management Companies

- List of “Shall Not’s”
- Compensation
  - In a timely manner
  - In compliance with presumptions of C&R
- Complaint and enforcement processes
  - Disciplinary actions available
  - Spells out which violations are felonies, which are misdemeanors



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## **Ohio Division of Real Estate & Professional Licensing**

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## Questions?

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Ed Woodruff, Staff Attorney

Shannon Drawns, Enforcement Chief

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