

**MEETING AGENDA****TALCB Enforcement Committee**

4th Floor, Stephen F. Austin State Office Building
1700 North Congress, Austin, Texas 78701

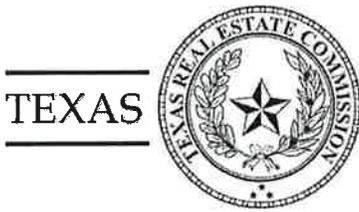
Via Teleconference

Friday, July 18, 2014, 9:00 a.m.

1. Call to order
2. Progress report on Action Items
3. Discussion and possible action regarding amendments to 22 Tex. Admin. Code §157.31, *Investigative Conference*
4. Discussion and possible action regarding alternative standards for evaluating required experience for certification
5. Discussion and possible action regarding recording investigative conferences and telephone communications with respondents
6. Discussion and possible action regarding complaint processing, including upgrades between license categories
7. Discussion and possible action regarding qualifications for appointment as Mentors and consideration of a referral process for possible candidates
8. Discussion and possible action regarding the review of application logs and the enforcement compliance process.
9. Discussion and possible action regarding reasonable and customary fees
10. Discussion and possible action regarding staff initiated complaints
11. Discussion and possible action regarding whether enforcement staff should discuss and give guidance or counsel to a Texas appraiser on USPAP questions
12. Review of Action Item List
13. Discussion regarding agenda items for future meetings
14. Discussion regarding future meeting dates
15. Adjourn

RULE §157.31 Investigative Conference

- (a) A respondent may meet with the Board for an investigative discussion of the facts and circumstances of the alleged violations.
- (b) A respondent may, but is not required to, have an attorney or other advocate present at an investigative conference.
- (c) A respondent will be provided with the investigative report and a Statement of Investigative Conference Procedures and Rights (IC Form) not later than three (3) days prior to the date of the investigative conference. The respondent and respondent's attorney, if any, must acknowledge receipt of the IC Form by signing it and delivering it to the Board at the beginning of the investigative conference.
- (d) Participation in an investigative conference is not mandatory and may be terminated at any time by either party.
- (e) At the conclusion of the investigative conference, the Board staff may propose a settlement offer that can include administrative penalties and any other disciplinary action authorized by the Act or recommend that the complaint be dismissed.
- (f) The respondent may accept, reject, or make a counter offer to the proposed settlement not later than ten (10) days following the date of the investigative conference.
- (g) If the parties cannot reach a settlement not later than ten (10) days following the date of the investigative conference, the matter will be referred to the Director of Standards and Enforcement Services to pursue appropriate action.



TEXAS

APPRAISER LICENSING & CERTIFICATION BOARD

DOUGLAS E. OLDMIXON, COMMISSIONER

17 July 2014

TO: Enforcement Committee, Texas Appraiser Licensing & Certification Board

FROM: TALCB SES Director, Mark J. Mrnak

SUBJECT: Alternative Criteria to Become a Board Approved Mentor

The TALCB Standards and Enforcement Services Division proposes that an acceptable qualification to be a Board approved Mentor, in addition to the current standard of being a certified USPAP instructor, would be for those individuals holding the Appraisal Institutes General Review Specialist (for commercial) and Residential Review Specialist (for residential).

Staff appraiser-investigator's Robin Forrester, Larry Ray and Jim Jacobs have taken the courses to obtain the certification (Mr. Ray and Mr. Jacobs for the General and Mr. Forrester the Residential) and can attest to how on point it is to mentoring and reviewing appraisals.

SES believes those appraisers holding one of these designations would be well qualified to serve as a Board approved Mentor.

Very Respectfully,

A handwritten signature in blue ink, appearing to read "Mark J. Mrnak".

Mark J. Mrnak
TALCB SES Director

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AI



About AI Review Designations

The Appraisal Institute's new review designation program took effect Jan. 1, 2014. The first new Appraisal Institute designations in more than 20 years are: AI-GRS and AI-RRS.

The Appraisal Institute established a professional appraisal review designations program in response to the growing and critically important role that appraisal review plays in risk management and mitigation for many clients/users of appraisal services. The new designation program is aimed at providing professional reviewers with the knowledge and skills needed to satisfy issues related to due diligence and risk management often requested by their employers and clients.

Appraisal Institute Designated members can begin to fulfill the requirements for the review designations now. Individuals who are not AI designated can become candidates within the review designation program and embark on a path to designation. (Please note: some of the requirements these individuals must fulfill have yet to be made available.)

AI will offer four new courses, which constitute the core education to the review designation program.

[Review Theory—Residential](#) and *[Review Theory—General](#)* have been released to chapters for offerings.

[Review Case Studies—General](#), will premiere July 14-18, 2014 and will be released to chapters for offerings in October 2014. *[Review Case Studies—Residential](#)*, will premiere October 16-17, 2014 and will be released to chapters for offerings in January 2015.

The following documents are intended to educate Appraisal Institute Designated members, Candidates for Designation, Practicing Affiliates, and other interested professionals on the requirements for the Appraisal Institute's review designation program.

- [Review Designation Program FAQs](#)
- [Review Designation Alternative Path for Designated members](#)
- [Review Designation Requirements Chart for Candidates](#)
- [2014 National Dues Structure](#)

[Application for Adding a Candidate Path](#)

Current Designated members and Candidates for Designation interested in entering a Candidate path to one or both review designations.

[Application for Category Change](#)

Current Practicing Affiliates interested in entering a Candidate path to one or both review designations.

AI-GRS Designation Requirements for General Review Candidates for Designation

For full requirement details, please refer to [Regulation No. 3](#)

Path	AI-GRS Designation Path AI General Review Specialist
General Candidacy	Required to have a general state certification (or equivalent) to be approved for the general review Candidate program, <u>or complete all general certification exams and/or course exams</u> through the Appraisal Institute
Good Moral Character	The general review Candidate must have good moral character
Begin	<u>Enter General Review Candidate for Designation Program</u>
1.	<p>Standards and Ethics Requirement* (must be completed within first year of Candidacy unless readmitting) Provide proof of your most current USPAP** completion certificate, and; Required to complete the Appraisal Institute <u>Business Practices and Ethics</u> course</p> <p>*For those readmitting to the Appraisal Institute, Standards and Ethics requirements must be completed before readmitting to the Appraisal Institute **Candidates who practice solely outside the United States may take the <u>Introduction to International Valuation Standards Overview</u> course instead of the USPAP course</p>
2.	<p>College Degree Requirement Candidate must have received at least a four (4) year Bachelors Degree from an <u>accredited degree-granting educational institution</u></p>
3.	<p>Attend course and pass exam for <u>Review Theory – General</u></p>

4.	Attend course and pass exam for <u>Review Case Studies – General</u>
5.	<u>Pass General Review Comprehensive Examination</u> all education + college degree requirements must be completed prior to sitting for this exam
6.	<u>Specialized Experience Requirement</u> Must receive credit for 4,500 hours of specialized experience of which 1,000 hours of credit meets Standard 3 (or equivalent requirements). If you hold general state certification, you will need to receive credit for at least 1,000 hours of qualifying review appraisal experience. This work must meet Standard 3 (or equivalent requirements).
7.	<u>AI-GRS Designation Application</u> Submit final application for approval once all requirements above are completed and credit is received
Complete	AI-GRS Program Completed (within 4 years or less)

Minimum Length of Candidacy

Before applying for admission to designated membership, an individual must have been a Candidate in good standing for a period of at least twelve (12) consecutive months prior to filing the application. If the individual already holds an Appraisal Institute designation, this twelve (12) month Candidacy requirement shall be waived.

Maximum Length of General Appraisal Review Candidacy

Except where otherwise provided, a general appraisal review Candidate must complete the requirements for the general appraisal review designation within four (4) years from the date of admission to Candidacy.

If a general appraisal review Candidate fails to complete the requirements for designated membership within the required period such individual's general appraisal review Candidacy shall be automatically terminated and such individual may not reapply for general appraisal review Candidacy for a period of one (1) year from the date the individual's general appraisal review Candidacy was terminated.

Minimum Progress

All Candidates must demonstrate minimum progress each year on the requirements for designated membership. Such minimum progress shall be defined by the ADQC. Please refer to the Candidate Policy Manual for recommended steps to complete required minimum progress.

AI-RRS Designation Requirements for Residential Review Candidates for Designation

For full requirement details, please refer to [Regulation No. 3](#)

Path	AI-RRS Designation Path AI Residential Review Specialist
Residential Candidacy	Required to have a general or residential state certification (or equivalent) to be approved for the residential review Candidate program, <u>or</u> <u>complete all residential certification exams and/or course exams</u> through the Appraisal Institute
Good Moral Character	The residential review Candidate must have good moral character
Begin	<u>Enter Residential Review Candidate for Designation Program</u>
1.	<p>Standards and Ethics Requirement* (must be completed within first year of Candidacy unless readmitting) Provide proof of your most current USPAP** completion certificate, and; Required to complete the Appraisal Institute <u>Business Practices and Ethics</u> course</p> <p>*For those readmitting to the Appraisal Institute, Standards and Ethics requirements must be completed <u>before</u> readmitting to the Appraisal Institute</p> <p>**Candidates who practice solely outside the United States may take the <u>Introduction to International Valuation Standards Overview</u> course instead of the USPAP course</p>
2.	<p>College Degree Requirement Candidate must have received at least a two (2) year Associates Degree from an <u>accredited degree-granting educational institution</u></p>
3.	<p>Pass Exam for <u>Residential Market Analysis and Highest and Best Use</u> (available online) <u>Challenge Exam Application</u> (w/out completing course)</p>

4.	<p>Pass Exam for <u>Real Estate Finance, Statistics, Valuation Modeling</u> (available online) <u>Challenge Exam Application</u> (w/out completing course)</p>
5.	<p>Attend Course and pass exam for <u>Residential Applications and Case Studies/Part 1</u></p>
6.	<p>Attend course and pass exam for <u>Review Theory – Residential</u></p>
7.	<p>Attend course and pass exam for <u>Review Case Studies – Residential</u></p>
8.	<p><u>Pass Residential Review Comprehensive Examination</u> all education + college degree requirements must be completed prior to sitting for this exam</p>
9.	<p><u>Residential Experience Requirement</u> Must receive credit for 3,000 hours of residential experience of which 1,000 hours of credit meets Standard 3 (or equivalent requirements). If you hold general or residential state certification, you will need to receive credit for at least 1,000 hours of qualifying residential review appraisal experience. This work must meet Standard 3 (or equivalent requirements).</p>
10.	<p><u>AI-RRS Designation Application</u> Submit final application for approval once all requirements above are completed and credit is received</p>
Complete	Residential Review Candidate Program Completed (within 3 years or less)

See next page for:

- **Maximum and Minimum Length of Candidacy**
- **Required Minimum Progress**

Minimum Length of Candidacy

Before applying for admission to designated membership, an individual must have been a Candidate in good standing for a period of at least twelve (12) consecutive months prior to filing the application. If the individual already holds an Appraisal Institute designation, this twelve (12) month Candidacy requirement shall be waived.

Maximum Length of Residential Appraisal Review Candidacy

Except where otherwise provided, a residential appraisal review Candidate must complete the requirements for the residential appraisal review designation within three (3) years from the date of admission to Candidacy.

If a residential appraisal review Candidate fails to complete the requirements for designated membership within the required period such individual's residential appraisal review Candidacy shall be automatically terminated and such individual may not reapply for residential appraisal review Candidacy for a period of one (1) year from the date the individual's residential appraisal review Candidacy was terminated.

Minimum Progress

All Candidates must demonstrate minimum progress each year on the requirements for designated membership. Such minimum progress shall be defined by the ADQC. Please refer to the Candidate Policy Manual for recommended steps to complete required minimum progress.

AI-GRS and AI-RRS Review Designations Alternative Path Requirements for AI Designated Members

For full requirement details, please refer to [Regulation No. 3](#)

Paths	AI-GRS Designation Path AI General Review Specialist	AI-RRS Designation Path AI Residential Review Specialist
Candidacy	Be an AI designated MAI or SRPA member in good standing, and a general review Candidate.	Be an AI designated SRA, RM, MAI or SRPA member in good standing, and a residential review Candidate.
Begin	<u>Designated Member Enter General Review Candidate Program</u>	<u>Designated Member Enter Residential Review Candidate Program</u>
1.	<p>Attend course and pass exam for <u>Review Theory – General</u>;</p> <p>OR,</p> <p>Pass exams for <u>Review Theory – General AND Review Case Studies – General</u></p> <p><i>Case Studies challenge exam not available until 2015</i></p>	<p>Attend course and pass exam for <u>Review Theory – Residential</u>;</p> <p>OR,</p> <p>Pass exams for <u>Review Theory – Residential AND Review Case Studies – Residential</u></p> <p><i>Case Studies challenge exam not available until 2015</i></p>
2.	<p><u>Specialized Experience Requirement</u></p> <p>Must receive credit for five (5) reports of qualifying general review appraisal experience. This work must meet <u>Standard 3</u> (or equivalent requirements).</p>	<p><u>Residential Experience Requirement</u></p> <p>Must receive credit for five (5) reports of qualifying residential review appraisal experience. This work must meet <u>Standard 3</u> (or equivalent requirements).</p>
3.	<p><u>AI-GRS Designation Application</u></p> <p>Submit final application for approval once all requirements above are completed and credit is received</p>	<p><u>AI-RRS Designation Application</u></p> <p>Submit final application for approval once all requirements above are completed and credit is received</p>
Complete	Program Completed!	Program Completed!