

BEFORE THE MISSISSIPPI REAL ESTATE APPRAISER  
LICENSING AND CERTIFICATION BOARD

PUBLIC HEARING CONCERNING NEW RULE CHANGES

Taken at the offices of the  
Mississippi Appraisal Board  
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MR. SHORT: This is a special meeting of the appraisal board. We'll come to order. Robert, he's going to lead us off and do some introductions and such as that.

MR. PRAYTOR: Good morning. I'm very proud to see all of you here. My name is Robert Praytor, and I'm the administrator for the Real Estate Commission and the Appraisal Board. One of the reasons that we're having this special meeting today is so that anybody that has any positive or negative feedback about the new rules that the Real Estate Appraisal Board has promulgated, you would be given an opportunity to speak to those rules and maybe express your concerns about those rules. The Real Estate Appraisal Board has been working on rule changes now for quite a few months, and the result of that work is what has been posted on the Appraisal Board website and was included in a newsletter, and I think if you don't have one, there's one in this little folder for each of you. And the purpose this morning is to make sure that everyone who's here is able to speak to the issues of the rules. And if you have any questions of the Appraisal Board members, then they will attempt to answer those for you. The Appraisal Board is made up of five individuals that are appointed by the governor, and by statute they have to be one from each of the four congressional Districts, and there's one member at large. The chairman of the Appraisal Board is Mr. Jeff Short from Tupelo. District 1 would be -- that's Jeff. District 2 is Anita Griffith. She's from Cleveland, Mississippi. District 3 is Gerald Barber. He's from Madison, Mississippi. District 4 is Everette Ladner from Gulfport. And the fifth member of the Appraisal Board is Leslie North. She is vice chair of the Appraisal Board, and she's the member at large, and she is also from Gulfport, Mississippi.

Each of these individuals are certified general real estate appraisers, and I think Anita is the longest -- Anita Griffith is the longest serving member. She's in her second term. And by state statute, all appraisal board membership is limited to two terms. And, again, we have a court reporter here who will take down all the proceedings. So whenever you speak to the Real Estate Appraisal Board, if you don't mind, state your name and only one should speak at a time. And please speak clearly and succinctly so that Bethany can understand you. If she has any questions or any problems, she'll just say, "Wait a minute," or whatever. And then you can go back, and we'll start all over. She cannot transcribe two or three people speaking at the same time. So it is imperative that we get everything on the record, and as a result of that, you're going to have to speak independent of each other.

Mr. Chairman, unless they have any questions, we can turn it over to you.

MR. SHORT: Okay.

MR. PRAYTOR: Oh, one other thing. Mr. Mike McGee is the deputy director for the Appraisal Board, and he is more or less charged with the day-to-day operations of the Appraisal Board. If y'all don't know Mike, this is he. Maybe before we -- at the beginning, we ought to go around and see whom everybody is.

MR. SHORT: Welcome to all of you.

It's a pleasure to have fellow appraisers here at the meeting. We rarely have here -- we have interaction, of course, in our own businesses and relationships with others, but we rarely have the opportunity to actually have a group here, other appraisers' opinions and viewpoints. Are all of you here independently? Or is there one certain group? Or is there a spokesperson? Or would each of you like your turn?

MS. GWIN: I think we're all in a group (indicating).

MR. SHORT: Okay. Would you mind introducing yourself and your town, please?

MS. GWIN: My name is Cindy Gwin. I am from Natchez, Mississippi. I am a certified residential appraiser there.

MR. SHORT: Okay.

MR. FELTUS: I'm Charles Feltus from Natchez, Mississippi. I'm a licensed appraiser.

MR. KELLY: I'm Chris Kelly from Natchez. I'm a lawyer from Natchez, and I came with Cindy.

MR. MURRAY: I'm Travis Murray. I'm certified residential. I'm also from the Natchez area.

MS. MURRAY: Edna Murray. I'm a licensed appraiser, and I'm from Crosby, Mississippi.

MR. SHORT: Welcome. Yes, sir.

MR. FLOYD: My name's Joe Floyd. I'm from Diamondhead. I have an office in Diamondhead. I have my son, Patrick, here in the Brandon area and I'm here just to hear the discussion about the new laws.

MR. SHORT: Okay. You're kind of representing him or listening for him, or are you involved in the appraisal profession?

MR. FLOYD: Oh, I'm a certified general. And my son, Patrick, is a certified general. And I'm here for myself.

MR. SHORT: Okay. Good. Welcome.

Yes, sir.

MR. WEBB: Stacy Webb, certified residential out of Jackson.

MR. BARKER: Reginald Barker, licensed appraiser in Jackson.

MS. STOVALL: Good morning. Sonya Stovall of Jackson, licensed appraiser.

MS. BAKER: Margaret Baker, licensed appraiser, Jackson.

MR. SHORT: So about six LAs and three or four GAs. Is that right? Does that sound about right?

(OFF-THE-RECORD DISCUSSION.)

MR. SHORT: Well, who would like to start? We'll just be as informal as we possibly can and just hear you out and have a good old discussion about this if that will satisfy you.

MS. GWIN: I'll be glad to start.

MR. SHORT: Okay. Good.

MS. GWIN: I got my newsletter on Saturday, and I think if I hadn't been sick, I might not have read it this quickly. You know how sometimes you have a tendency to set it aside when you're busy working and everything and read it -- and read it a little later. So I was concerned that the meeting was called so quickly, and it was a November newsletter that -- you know, that I might have even passed up this opportunity to be here for the meeting. But I'm glad I was able to see it and come. But I was just concerned about the changes that are being made. I'm a certified residential, that it is going to impact my livelihood and my ability to do business in Natchez. I trained under a certified general appraiser in Natchez up until a year ago. I've gone straight through, you know, as the time limits would have, so it would be five years this next year since I've gotten my trainee's license. And Natchez is -- we cover a surrounding area of counties around us with our appraisal work when I worked with Mr. Gavin. And last January I decided it was best for me and my business and his, that there was plenty of work for all of us, and I went out on my own. And should I have any -- you know, I'm not estranged from him or anything, but the way that these rules are changing, it is cutting way back on my ability -- my work is in residential, and I do some land appraisals and some commercial work. But this cuts back on my ability to do it without seeking his signature, which also cuts back on what I can make as well. And I'm just wondering the basis for this, why y'all are trying to make these changes. Is it because you don't think we're qualified? Or what is the reason for this? So that -- it just doesn't seem right to have us at a level and then push us way back after we've gone through the proper steps and done our education and done our field work and everything and tried to comply with all of the rules that you have to achieve this level in our profession.

MR. SHORT: What training have you had in commercial appraisals?

MS. GWIN: I have taken some courses, and I have done some work with Mr. Gavin doing a few commercial appraisals. I have not done much of it yet, because, as you know, it's difficult to get the business when everybody thinks you're not capable. So anytime I've been able to get the business so far, he has worked with me on them. But it's because they were above -- also above that threshold of 250,000. So I am in the process of taking more classes, and I just would like to be able to have the ability to get the experience, because I do plan to go on and get my general certification. But it cripples that to some degree, you know, when you have to -- when you have to for the smaller appraisals also have

to have someone like that sign. And he's about to retire, and we don't have lots of options in a smaller town of someone to sign on appraisals for those smaller amounts. Now, I can understand why on the larger ones we need to have more supervision, but if we have, you know, just taken the courses and we have worked on some like that, it just seems like we're taking three steps backwards.

MR. SHORT: I still didn't hear your education in commercial appraisal. Did you state that, or did I miss it?

MS. GWIN: I have assisted Mr. Gavin on working on his appraisals when I worked with him as a general appraiser. And I have taken a class on income producing property and the yield capitalization approach through Lincoln Graduate Center, and I've taken one through Columbia Institute. And anytime the appraisal board offers any kind of education, I try to always take that. It's sometimes not as available -- you know, as easy to get as it would seem.

MR. SHORT: Yeah. A couple of things. Number one, this has been posted on the website for -- how long?

MR. PRAYTOR: Weeks.

MR. SHORT: Weeks on the website. The newsletter will not be coming out anymore. We just don't have the staff. We don't have the time. It's just -- but that website is there. It's there 24/7, and it will be updated on, what, every -

MR. PRAYTOR: Weekly.

MR. SHORT: Weekly basis. So any information you need is readily available right there on your computer. I know it takes a little time for people to adjust from seeing something in hard copy and accessing it on the computer. But the world we're in today, we've got to do that. We've got to make that change.

MS. GWIN: I don't have a problem with that. We just didn't realize we were supposed to be looking at the website every day, I think, to get this kind of information. You know, we get our things in the mail for our license renewal and all that stuff. And so that was just the way that we had communicated, I guess, in the past.

MR. SHORT: Yeah. Old habits are hard to break. The website has been published in the previous newsletter. So we're just going to have to -- it's hard for me. I like to read this thing when I get it in the mail, but we've got to adjust.

MR. LADNER: I just have a question. You had mentioned that you're an RA now. Is that correct?

MS. GWIN: Uh-huh (affirmative response).

MR. LADNER: And your big concern is that you can't appraise commercial properties without the signature of a GA?

MS. GWIN: And the vacant land.

MR. LADNER: And the vacant land?

MS. GWIN: Uh-huh (affirmative response).

MR. LADNER: But you also mentioned that you're taking courses and that you want and plan to upgrade.

MS. GWIN: Right.

MR. LADNER: Are you more upset about the timing of these changes? In other words, you're okay maybe with the changes; you just -- maybe you feel like they're abrupt, or do you feel you just don't like the change at all? If you had time -- if you had time to prepare yourself to -- for that upgrade, would that make it better for you?

MS. GWIN: I feel like that the changes in the past have been grandfathered in, and that instead of punishing people and pulling back like this, in the past that what has been done is you make the rules, and then -- then the people who are reaching the next level comply with it. Like at the first of this last year, you know, you're at a level. You know what you have to do to make the next level. But right now, I'm at a level, and you're pulling back my level. Does that make sense?

MR. LADNER: But usually on a - when you're grandfathered through, that grandfathering is only good for a certain amount of time. So you would be okay with that, if it were to be grandfathered through. You'd say, Well, if you can do this for so long, could you have a certain date that you have to upgrade it for these changes? Would that be better for you? Do you feel that would help you as far as the timing to upgrade so that these rules wouldn't impact your business?

MS. GWIN: What I would like is that the changes would be made subject to everyone achieving the next level. Like I'm a certified residential now. I think now for the people who are moving to the next level, that should be changed, but for me as a certified residential now, I don't see -

MR. LADNER: Forever? I mean, you would -- you would -- you feel like you should keep that status?

MS. GWIN: Right, right.

MR. SHORT: Let me give you just a little bit of history off the top of my head. I served on the original appraisal board when the law -- when we passed all this stuff that was put together. And what has happened over the years is that we have deviated from our -- from the law. This to me is not even a new law. It's just reconfirming the original law. It was never the intent of the original appraisal board for residential appraisers to do commercial work. I mean, why would you need the GA designation if the residential appraisers, certified residential are going to do the commercial work? I don't understand that. The second thing is we met with -- most states don't have what they call a licensed appraiser. Most of them use trainees that basically are information

gatherers, and that's about all they do until they move up through the system. But we set up the licensed appraiser category. We met the banking industry, representatives of the banking industry. Now, we have a review appraiser for a bank here in the meeting, and I can't -- can't talk about them too strongly. But we met with representatives of the banking industry, and they agreed that they would never accept an appraisal report signed by a licensed appraiser if it was not signed by a certified appraiser. That was -- we all had that understanding. But, you know, in reality over the years, loan officers are trying to get the best of -- you know, the cheapest price they can, and all that -- those agreements and everything went by the wayside. The licensed appraiser category was never meant as a destination license. It was meant as an introduction license to give you an opportunity to gain experience to work with other appraisers to get to the certified. It was never meant to just get a -- be a licensed appraiser and stay there for the rest of your life.

S. GWIN: Right. Well -- and that's not what I'm trying to do. I'm just trying to protect where I am at that point as I'm trying to move forward. I just got my certified residential last December. And so I have, you know, the 30-month period and the number of experience hours and everything that I'm working on now.

MR. SHORT: If I may just continue this. Let me continue for just a second. Now we have licensed appraisers doing anything. Doing commercial, doing residential, doing everything. The thought was, as the process evolved, that the competency provision, USPAP, would control that, but it has not. The competency provision is easily usurped, and it just does not do the job. We are in a state, the only state in the Union, where you can get an appraisal license today and appraise anything you want to tomorrow. All you have to do is sign it as an appraiser having no experience. And, you know, banks shouldn't take that, but they do. And now, you know, the country's on the brink, according to some people, and we have to bear some of that responsibility. Part of the problem is making bad loans based on bad appraisals. And we've got -- we've got appraisers in federal prison for fraud. We've got a list of complaints down there that we can't hire enough staff to shift through. And we see appraisal reports come through this office that a four-year-old -- looks like a four-year-old did them. I mean, we are searching our hearts out to try to upgrade this profession.

MS. GWIN: Right. I'm in agreement with that.

MR. SHORT: And the number -- you know, I don't -- I don't -- that can be up for discussion. I'm sorry, I've dominated too much.

MR. BARBER: Cindy, unless it's changed since the last time we met, which was a couple of weeks ago, we had for the year -- and, Robert, correct me if I'm wrong -- we had three applicants for appraisal license. All three were LAs. Is that correct, Robert?

MR. SHORT: Could I interrupt you?

MR. BARBER: Yes.

MR. SHORT: (To cameraman) Sir, who are you?

MS. LASSITER: We're with WLBT.

MR. SHORT: WLBT. Well, welcome.

MS. LASSITER: Hi, how are you?

MR. SHORT: Would you like to introduce yourself?

MS. LASSITER: Cheryl Lassiter, WLBT, and this is Keith Taylor.

MR. SHORT: Very nice to meet you.

MR. PRAYTOR: Five. And maybe two passed.

MR. BARBER: Okay. We had a little change, but we had five applications in a whole year, guys. Two passed. We're dealing with just LAs taking stuff now. The biggest problem that I see is -- and it's not what you're doing, Cindy. It's what some others are doing. They're sitting on their license. Instead of taking more education and upgrading over a period of time, where they should be doing these things if they're really wanting to go be full appraisers and do everything in the book. You know, be able to do -- if you have the competency under USPAP. We're not seeing that happen. And the last year we had a big change, huge change on the education requirements and the experience requirements. We had a rush at the last -- you know, we did have a pretty good group of people at the last six months upgraded, went ahead and took the time in doing that. But this year, it's just kind of lackluster. It's just basically sitting there. What you're talking about doing, continuing to get your education and continuing to get your experience, is not our problem. Our problem is people are just sitting there and not making any effort to upgrade, but still wanting to have the privilege that the license of GA would have. And in the public -- the banks and the public are exposed. No other profession that I know of has multiple names attached to them. I don't know of somebody being an almost engineer or a medium doctor or a real doctor. You know, I don't know any other real professions -- and that's what we've been trying to do for years, all of us: Make the appraisal process -- the appraisal profession a profession, so we don't have people with minimum experience, minimum education, running around and doing appraisal work for banks and taking the savings and loan industry down the tubes like happened in the 1980s. And now we've got the mortgage fraud issue out there. And we have -- particularly in areas that are remote where you don't have as much discipline, you end up with people just creeping into those positions. And we also saw some of those mortgage bankers -- you know, a lot of those are in jail now. We saw brothers and cousins and sisters and all that kind of stuff involved with doing appraisals that should not have been doing them, that were basically doing those appraisals to fit the needs of the client and moving on. And really, we have contributed as a profession to this economic decline that we have right now, and we did so with the knowledge of what happened in the '80s. And that's what -- and it's not -- we have not done this without knowing it was happening and trying. We are a member of an organization called AARO, and it's all the regulatory

officers in the United States, I think, but maybe a few states. And every year we get pounded by the qualification board and the oversight board and the standards boards, and all the federal folks get up there and lecture us, and, you know, get on to us about what we're doing in our home state. You don't want us to be number 50 on that list. You don't want the federal regulators coming in here and saying, You guys don't need to be practicing, period. So we have to take a pretty aggressive approach to that, and that's why some of this is coming down. And that's a little bit of my history why -- I'm disappointed that we're not seeing an aggressive march to being all the way to the top.

MS. GWIN: I agree with you on all that. I agree with making our profession more professional, making education requirements. I am not in disagreement with that. My concern was right now, where I am as a certified residential, pushing it back from where I could accomplish - I have no problem with making it -- you know, I love seeing the more education, college degree, and college credits. But that's what I'm asking is, could you please reconsider pushing back where we are now. Let us stay where we are, and then make it as you're moving to the next level change it. Somebody else can speak.

MS. NORTH: I just wanted to mention, the criteria set January of 2008 by the AQ -- I'm sorry, the A -

MR. PRAYTOR: AQB.

MS. NORTH: AQB for the certified residential appraiser classification, it qualifies the appraiser to appraise one- to four-family residential units without regard to value or complexity. The classification approves the appraisal of vacant or unimproved land that is utilized for one- to four-family purposes or for which the highest and best use is for one- to four-family purposes. This classification does not include the appraisal of subdivisions for which a development analysis or appraisal is necessary. So we are only doing what is according to the criteria of the regulators for our industry.

MS. MURRAY: My name is Edna Murray, and I'm a licensed appraiser, and I'm also AQB compliant. And, you know, I'll get into my story, which I just wanted to let you know that you can be a licensed appraiser in the state of Mississippi and also be AQB compliant, which I am.

MR. SHORT: Okay. Thank you. Robert?

MR. PRAYTOR: You know, the commercial appraisals that you do, what is the typical value of those appraisals?

MS. GWIN: It's under 250,000 or I wouldn't actually be doing them. And then if I do, I have to, you know, have a general do it. We're in a small area, and the man that I got my experience under will probably be retiring soon, so. . .

MR. PRAYTOR: Right. But, you know, the only way that you're capable of doing them now is in a non-federally related transaction. So do you do a

lot of commercial work that is under 250,000 for a non-federally related institution?

MS. GWIN: I don't do a lot of commercial work. I mean, I've only been a certified residential for a year. We live in a small town. But I have done some work for individual entities. You know, if they're thinking about selling or upgrading or whatever they're thinking about doing. I have done some work with it on that. But the. . . I'm sorry. I lost my train of thought.

MS. MURRAY: The new guidelines.

MR. PRAYTOR: One of the things I think that the board really tried to consider was the impact that it would actually have on licensed and certified residential appraisers, because our state statute for non-federally-related transactions ties what a certified residential can do to what a licensed appraiser can do. And that's been the way it was since 1991 when it took effect. So I think what the board looked at primarily was that a licensed appraiser who is able to do commercial work can only do that work when the value is less than 250,000, and it is not for -- in a federally-related transaction. So one of the things that we hope will come out in this meeting is the degree of work or the percentage of work that you may actually be doing, which is less than 250,000 and is in a non-federally-related transaction. Which we, as a group of folks in doing our studies, we didn't find very much of that work being done by licensed appraisers. That -- and I think that was the basis of the beginning of it. We don't -- I say we. The board does not have any control over the state statute, which ties what a certified residential can do to what a licensed appraiser can do. So consequently, one of the things that we hope that we'll find out today is if you are a licensed appraiser, if you are doing nonresidential work, and if it is in a non-federally-related transaction, how much of it is actually under \$250,000. And that's what will actually be impacted directly by this new rule.

MR. FELTUS: May I speak? I did not sign in the front to speak.

MR. SHORT: Oh, that's okay. You may go ahead.

COURT REPORTER: Can you identify yourself, please?

MR. FELTUS: I'm Charles Feltus from Natchez. You have identified me as -- you described me to a T. I've been a licensed appraiser for 15 years. I've had certified generals sign off on my work. Ten years ago I went to -- I took all my courses to get enough hours to take my test. And when I took those courses, the classes were full of appraisers that had sent in their appraisals and had, they described to me, minor problems with their appraisals, and they were sent there as punishment. So I was scared to death to send my appraisals to you-all, and I continue to work for certified generals. Serious. I didn't want to be punished for, you know, something that I might have omitted or anything like that. My work is farm and timberland, and \$250,000 is nothing in my area. And most of my work comes from attorneys doing estate work and things of that nature. So it will affect me a great deal.

MR. SHORT: Thank you. Yes, sir?

MR. MURRAY: My name's Travis Murray. I'm a certified residential and Edna's husband. I've been in this business since the mid '90s, and I've held licenses and/or certifications in multiple states. And I certainly applaud what you're attempting to do, because I agree wholeheartedly that -- I do -- used to do a lot of reviews, and I see some horrible things. The trouble with this is, is that it is not -- this is breaking new ground, and that's what troubles me. As a residential appraiser, I don't do any commercial. I don't want to do commercial. But if at some point in the future, let's say three years from now, I decide I'd like to get my GA, then I have to go -- there's no -- that 250,000 of nonresidential -- first thing, I wouldn't do one right now, because I've never done one. I would be incompetent. As an appraiser, I'm supposed to know that, and that's my decision, to know your competency. But say I want to get competent, go to school, and I want to be a GA. The only road for me, unless I have a good friend that's a GA or have some connections, the only road is closed to me because I have no way to get the experience. Theoretically, it would take a long time, but I could do -- now, I do some vacant land. Theoretically I could get the experience under the rules the way they're written. What you would do would totally shut that door for me. And that's the reason I'm against it. Now, your base premise of upping the standards of the appraisal -- of the appraisal profession I think is wonderful and to be applauded. From dealing with other states, however, no other states are considering anything like this. I'm in close contact with Arkansas, Tennessee, Alabama, and Louisiana. Louisiana does not have a license category. All others do. And they have had. There is no federal statute that mandates the change, specifically taking away from the certified appraisers or from limiting, like my wife -- my wife did everything she was supposed to do. And -- she went to the school. She paid her fees. She paid for her license. And now, instead of a million, she'll be cut back to 300,000. And that seems to me somewhat unfair and, you know, that's going to affect her, affect our income or affect our business. And that's not a federal mandate.

MR. SHORT: What would be fair?

MR. MURRAY: Excuse me?

MR. SHORT: What would be fair?

MS. MURRAY: One million -- oh, fair or federal?

MR. SHORT: Fair.

MR. MURRAY: What would be fair?

MS. MURRAY: Fair?

MR. MURRAY: Well, the point I'm making is, I don't see the cause and effect and, to use an appraisal term, I don't see the basis for adjustment here. I don't see where -- where are the studies that show this, that this, this, and this happened. They may -- you may have them.

I do not know. But I know other states aren't doing this. I talked to Vicki Ledbetter on the appraisal subcommittee, because I didn't want to come in here uninformed. And she told me no, that the rule changes in this on the education are absolutely federal requirements that you much do. The things about the license, putting them back and the taking away from the certification, that has nothing to do with federal, and that comes from the appraisal subcommittee. So there's no basis. The other appraisal boards I spoke to, they're not doing anything like this. They have no plans of doing anything like this. The lady from Alabama said they would never dream of doing anything like this. Now, you have another problem, in that you're charged with improving our profession, which definitely needs it. I don't think this is necessarily the best way to do it. And I think you should reconsider it, and I would love to see you reconsider it. The bad thing is, I don't have a suggestion as to how to clean up the act other than more disciplinary actions, and -- you know. But basically what it amounts to is, you're punishing us for something that other appraisers are doing, is what it seems like.

MR. SHORT: Let me ask you a question right there. I have never understood the thinking that it is punishing an appraiser for them to upgrade their license. If I were an LA or a GA, I wouldn't sleep until I

MR. MURRAY: Well, this would make it much more difficult for me to upgrade, because I've never worked with a general.

MR. SHORT: No. I mean, why would you not -

MR. MURRAY: Because I have - at this point in my life, I never have any intention of being a general. I don't want to do commercial work. I don't -

MR. SHORT: I didn't -- I didn't really mean from RA to GA

MR. MURRAY: You talking about from license to

MR. SHORT: Get certified.

MR. MURRAY: Well, this will affect her business in that she will not be doing as many reports, so her experience won't be ramping as fast -

MS. MURRAY: And, Mr. Short, let me intervene here. My name is Edna Murray, and I can answer that for you. Because I'm a mother. I have a five-year-old son, and I'm comfortable where I am in the license category. The state of Mississippi has three designations: licensed, they have certified, and then the general. If you didn't want to license, why do we even have it? I'm comfortable where I am. I paid my dues. I went to school. I am AQB compliant. Federally. So I don't have any reason. My husband's certified. So there was no reason for me. Family. I take family first, and then my occupation second. There is a very good reason. And there's a lot of female licensed appraisers that we don't have time or -- you know, we have children to go to plays and soccer and different things, and we can't take off to go have the education. I was pregnant with my son when I went to school, you know. So, I mean, I feel that's a very good answer to your question.

MR. SHORT: Oh, I totally agree. And I can empathize and sympathize with it, you know, a hundred percent. But we can't hold our profession back just because of that reason.

MS. MURRAY: How is it holding it back if the state of Mississippi has a license designation? How am I holding any -

MR. SHORT: I didn't mean you specifically.

MS. MURRAY: Well, I understand, but, I mean, how is the license category holding anybody back? If they -

MR. SHORT: Because you're not increasing your education. You're not -

MS. MURRAY: I go to the classes -

MR. SHORT: -- trying go to the higher level.

MS. MURRAY: -- I do. Well, we're required to have 28 hours every two years before we can get licensed, so that's not true. We are getting education. We have to have a mandatory of 28 hours. So how are you saying that, that I'm not getting the education? I just came back off the Gulf Coast. I'm also FHA approved. I'm licensed and FHA approved, and I just came back from a meeting on the coast with Andy Blake. . .

(OFF THE RECORD.)

MR. PRAYTOR: Just as -- kind of a -- on what you just said. You know, when FHA goes to all certified appraisers, what are you going to do then?

MS. MURRAY: I won't be doing FHA.

MR. PRAYTOR: Okay. So you just won't -- and -

MS. MURRAY: But they recognized me from the beginning as a licensed appraiser so that I am FHA. At this point in time, during this meeting, I am a licensed FHA appraiser.

MR. PRAYTOR: Sure. Absolutely. And you also know that in a short period of time you no longer -

MS. MURRAY: Andy said he didn't know what the time limit was. Do you know? Do you have a date?

MR. PRAYTOR: No, I do not.

MS. MURRAY: Okay. Well, then we don't know. They may not even do it.

MR. PRAYTOR: No, they are going to do it. I did talk to James Lockhart who's the head of FHA funding. He said that the big problem they have right now is there are about 29 states that they haven't determined whether or not they're going to institute it immediately or by 2010. So

MS. MURRAY: That's what we were told.

MR. PRAYTOR: -- it will happen. And so it's not like that's some pie in the sky. You know, there are a couple of things that you also need to remember. Even though you did ask the surrounding states about their licensing, I wonder if by chance you asked them if they allowed a licensed appraiser to become licensed with no previous experience.

MR. MURRAY: No, absolutely not. But that's not -- I realize -

MS. MURRAY: I don't even agree with that rule.

MR. PRAYTOR: I just wondered if -

MS. MURRAY: I don't agree with that. I don't agree that -

MR. MURRAY: She didn't do -

MS. MURRAY: -- you should allow that.

MR. SHORT: One at a time, please.

MR. PRAYTOR: And, you know, the federal government, whenever they instituted the FIRREA legislation back in '89, there are no requirements for licensing categories. The only thing that the federal ASC, does is they put requirements on the certified residential and the certified general. They make recommendations as to what you can do if you happen to have the licensed category. Of course, there are some states in the United States that you do not even have to have an appraiser license to appraise property up to \$250,000. So, again, unfortunately the certified residential are tied to a license category. And as many of you may know, several years ago, this board actually considered the possibility of doing away with the license category because of several problems that they had encountered. But, you know, matter of factly, what this board is looking for is some direction, and some of the things that you're telling them, I don't think anyone has mentioned anything yet that they have not already considered. Now, I have sat with this board for months and months, and I think both Mike McGee and myself have been more or less the devil's advocate on what they could or could not do, as has the assistant attorney general that typically sits with us. But the concerns that you are expressing are concerns that they have been considering. So with that said, I think that, you know, a little more input from you as far as your typical circumstance and how dramatically it's going to impact. Like how much 250,000 and under do you do commercial-wise? Percentage-wise.

MS. MURRAY: I haven't done any, but that's just it. My license expires in 2010, and when I purchased those licenses and I submitted my log sheets and my hours, that's what my understanding was, that I could appraise up to a million dollars residential, and then I could do light commercial up to 250,000 and land only, which I do land only. And under the -

MR. PRAYTOR: But non-federally- related transactions?

MS. MURRAY: Exactly, non-federal. And now y'all are wanting to cut my license back to 30 percent worth of what it used to be, instead of a hundred percent of the license. I can't do a million dollars anymore. You're chopping me back to 30 percent. So my license isn't worth near what it used to be. And I don't think that's fair. If you want to implement this rule for the ones coming in, that's fine. But I don't think that you should take 70 percent of my worth, my profession, and my pay because -- I really don't even understand why y'all are doing this, to be honest with you. And like I said, I just got my -- also as Cindy said, I received my flyer in the mail Saturday. So. . .

MR. PRAYTOR: How much of your work is in excess of 300,000?

MS. MURRAY: Again, I can't tell you, because we just got this. I had to cancel appointments. Our business is closed today to come up here and discuss this. So I haven't had time to prepare to tell you.

MR. PRAYTOR: What I'm talking about is historically. All I'm asking you is your personal business.

MS. MURRAY: I don't have an answer for you.

MR. PRAYTOR: Have you appraised something in excess of -

MS. MURRAY: Yes, sir, absolutely, absolutely.

COURT REPORTER: Okay. Let him finish his question before you start -

MR. PRAYTOR: Yeah. That was just the main thing. We're trying to gauge an impact here. And we really are -- we're lending an ear to your concerns. And we knew these were going to be your concerns. We just don't have a firm grasp on whether or not it actually is going to impact you or is this just a perception that it might impact you.

MS. MURRAY: It will in my case. It will impact -

MR. PRAYTOR: But you don't know how -

MS. MURRAY: No, sir, because I said, I just found out about this two days ago.

MR. PRAYTOR: But this has - finding out today or tomorrow has nothing to do with how much work you're doing -

MS. MURRAY: But I can't answer the question without the research.

MR. MURRAY: A guess would be 10 to 15 percent.

MR. PRAYTOR: 10 to 15 percent. Okay.

MR. SHORT: Any board members?

MR. BARBER: I've got a question.

MR. SHORT: Okay.

MR. BARBER: I'm a little confused. Y'all are husband and wife and y'all work in the same firm?

MS. MURRAY: Yes, sir.

MR. BARBER: Well, if we have a rule that requires a certified residential to sign on a certain amount over a minimum, can't you review her work and give her the extra experience of -

MR. MURRAY: But she paid for the ability not to have to have me do that.

MS. MURRAY: That's double liability on our E&O insurance if there's a problem. He shouldn't have to sign for me when my licenses state I could be able to do that. It shouldn't -- and if something happened -- you know, God forbid, if he died in an accident, then what am I supposed to do?

MR. BARBER: Let's don't let that happen.

MS. MURRAY: Okay. But what am I supposed to do -- well, then you're saying, well, he's in the same office.

MS. GRIFFITH: But the incentive would be for you to go ahead and upgrade to RA, and that would be -- the intent of the board is not to penalize anyone in any way, form or fashion. We are trying -- we are making an effort to encourage people to go ahead and upgrade, to get these licenses, to be qualified, to have the competency to do the work. It enhances the profession. It enhances your ability to perform the work product in a very good way. There is no incentive on any part to penalize anyone in any way. It is to encourage people to upgrade. We're going to have a shortage of certified general appraisers in the very near future. A very large number of the ones who are certified now, who have the experience and who can offer the training and so forth that's needed, are people that are my age or older. And I'm not going to tell you what that age is. But we need more young people to get involved and more people to get into the process, to upgrade. It's really important that this take place.

MS. MURRAY: But is this the board's job, to move us along if we're comfortable where we are?

MR. SHORT: It's the board's job to prepare the profession for the future. Do you have the statistics or the numbers -

MS. NORTH: Yes. Just to put some numbers behind what Anita has just been talking about. Within 15 years approximately 75 percent of the GAs will be 65 years or older, which is a significant number. Out of the three licensed classifications, 41 percent are LAs, 34 percent are RAs, and 26 percent are GAs. So we have quite a few in the LA class that we are hoping will move up forward, and as well as the RA class.

MR. KELLY: Yes, ma'am. My name is Chris Kelly. But the major concern that hasn't been addressed was mentioned by everyone here: Where's the opportunity for these people to advance their degrees -- advance their licensing requirements between now and January the 1st? It doesn't exist. What they need is, if you're going to raise the standards for the licensing requirements and you're going to do it ex post facto, if you're going to take away their rights and privileges that they have right now, where's the compelling reason that you have in order to justify you doing that? Why not give them the opportunity to advance their licenses like you want to advance their educational requirements, like you want -- but you can't do that when they only have 17 -- 14 days to comply with that. If there was an opportunity of 36 months or 30 months, or however many it is, so that these people can understand that they need to advance their licenses, that that's the goal of this board to have people moving forward, where is that opportunity? No one has given -- no one has spoken to that. And that's part of what the people that have spoken so far have said. They found out about this Monday, for whatever reason, and they have 14 days to comply. That's the problem that's there. That's the problem with taking away this privilege. That's the problem with denying them their due process and equal protection under the law.

MR. SHORT: I knew eventually we'd get around to one of those type discussions.

MS. MURRAY: It's a very good one.

MR. SHORT: This doesn't go into effect for -- I think it's 30 days from the date of the hearing. What was that date?

MR. KELLY: Okay. Well, 30 days is still not enough time, correct?

MR. SHORT: The federal government passed -- the subcommittee passed new regulations about the requirements for RAs and GAs, you know, raised it up considerably. They gave appraisers a year, and nobody did a darn thing about it. They waited till the last minute. So you know, there has to be some personal responsibility.

MR. KELLY: Give those people enough notice, a fair amount of notice, and then take their licenses away if they don't comply. But if you don't give them the opportunity to make those changes, if they don't -- if they're not given the opportunity to advance their license, then what's going to happen, Ms. Griffith, is that you're not going to have nearly amount -- the certified appraisers and the licensed appraisers are going to lose that ability -- from what Travis was saying, they're going to lose that ability to move forward to that general designation. And it is going to happen. And if you don't give them the opportunity to gain this experience on their own, to be reliant on a general appraiser or a certified appraiser signing off on their work, pigeonholing them into that small little area, of taking away their ability to do it on their own, then you're going to find -- I think you're going to find that a lot fewer general appraisers will be in your percentage as you start calculating them years from now.

MR. SHORT: But you're the only person here that's mentioned the time frame, really. The people that have spoken that are the appraisers, they want to stay right where they are. They're not concerned about the time frame for moving up.

MS. GRIFFITH: It's a complacency with where you are that is a concern. There was -- there was lots of publicity prior to January 2008 in regard to the criteria that was being initiated or instituted for getting your upgrades and for your licenses and so forth. And we sent out newsletters. We encouraged people to go ahead and get in the loop, get things going. We ran into just complacency. I'm licensed. I can do what I want to. I don't need that. And, you know, if you're encouraging individuals, and the education's there available -- there are some certified generals out there that will help -- if you're doing all of these things and people don't upgrade, then you're left with doing something that will encourage it stronger -- more strongly.

MR. PRAYTOR: I do just want to address a couple of things that you've mentioned. Of course, one of the things that the - the primary thing the board is charged with is the protection of the public, more than anything else. And I think that's the overriding thing that they have looked at. We do have licensed appraisers, and we have certified appraisers - certified residential appraisers who have been either licensed or certified residential since 1991. That is 17 years. And during that entire time frame, they have not chosen to do anything as far as upgrading their license, and they did reach a comfort level there. One of the big problems that I think the appraisal board has found, and one of the problems that we have found through investigations, is that lending institutions are not aware of exactly what a federally-related transaction is. So we end up getting complaints to the Commission, and we find out -- I mean, to the Appraisal Board and the Commission, and we find out that lending institutions who are federally chartered or who are in the secondary mortgage market actually are taking appraisals in excess of \$250,000 on all types of property other than residential, from both certified residential and licensed appraisers, and they are not being signed by certified generals. Now, when that happens, that is a direct violation of the Uniform Standards of Professional Appraisal Practice. It goes against the guidelines established in 1981 by the FIRREA legislation, and it's a violation of the MAB rules and regs. So the problems that we are encountering as a board is the fact that the lending institutions are willing to take any appraisal with any name on it as long as they can check and see that they're active with us, that they're AQB complaint. They will take that appraisal -- if it's 10 million dollars, they'll take it -- and the protection of the public is such that we, as a -- they as a board, feel that there needs to be some safeguards there. Now -- and back to your question. The Appraisal Board, whenever we receive any type of experience under federal law, we are required to look at that work that you tender to us, to make sure that it is compliant with the Uniform Standards of Professional Appraisal Practice. The only time you should be wary of submitting anything to this board is if it's not compliant. That's why we've always said, Send us your best work, and then you don't have a problem. So you know, just -- those are just some responses to several of the things that -

MR. MURRAY: I would like to ask the board a general question. It's just my own thoughts that what may be. . . from dealing with other states, they don't seem to have the licensing problem that Mississippi does. And I would like to know from the board: Do you think a lot of this is from this -- and I realize that most of you probably were not on the board or had nothing to do with it, with this -- where you could get a license with no experience. That debacle. Is there any way to target this more toward that problem instead of -- because you have -- what's -- I think what a lot of people are concerned about is, you have good licensed appraisers that are doing quality work and doing what they're supposed to be doing, and it's kind of like there's two thieves, and you go execute the whole town because there's two thieves in town. Is there any way to focus this more on the problem? Because it seems like the problem is more that area than just -- because in Mississippi, unfortunately you have licensed appraisers, and then you have licensed appraisers that have never done anything. Is that part of the problem?

MR. SHORT: Gerald, didn't you have some statistics on the percent of the disciplinary problems between the three categories?

MR. BARBER: We got that - last meeting we looked at it.

MR. SHORT: Can we get a hold of it?

MR. MURRAY: But is it license in general or separated -

MR. BARBER: They were really Scattered. I thought that that - personally thought like you do, that that was the culprit. But we -- there were some GASs. There were some -- If you look -- like in here, (indicating) it's surprising if you look in here, this month -- because I saw it myself this morning when I was reading it. But we have -- I will tell you this. I remember one of our meetings we took away a gentleman's license entirely, because he was not putting "I have no experience" on his stuff, you know. But he was also doing some other things. But it was still that category. And monitoring those people, actually following them around to see if they're telling everybody that -- can you imagine going to the doctor and when you walk in the doctor's office and it says, I am a doctor, but I have no experience? Wow.

MS. MURRAY: Why was it ever created? Why was the Track II ever created? I don't understand.

MR. BARBER: Well, I was kind of there at the time. The legislature -- I was representing public officials, because I'm a tax assessor -

MS. MURRAY: Because I feel like me being a Track I, I'm lumped in with the Track II, and I don't want to be.

MR. SHORT: Let him finish -

MR. BARBER: The reason why there was -- there was pressure being placed on the body here to let people in -

MS. MURRAY: From where?

MR. BARBER: From different legislators that said, Some of my constituents say they can't get any experience, because they're not going to have a pool out there open for them to get experience.

MS. GRIFFITH: Much the same thing that we -

MR. BARBER: Same thing that we're hearing at this level, see.

MR. PRAYTOR: The argument that was made at this very table by prominent members of the Mississippi legislature, was exactly the same argument that was made about experience before, that there was no way for them -- for a person to become licensed in the state. So our agreement was to rewrite the rules to allow an individual to be licensed in the state with no experience, and the legislators who met with this board several years ago were of the opinion that once you become licensed, naturally anybody would want to become certified. That has not been the case. And actually this board was threatened with a revocation of their funding if we did not adhere to that. And that would have meant that every one of you would have been out of business. So the reason that there's a Track II is so that you can be in business today.

MR. LADNER: I was on the board.

MR. PRAYTOR: Everette was on the board at that time. Everette Ladner -- and I need to tell you that Hugh Hogue was on our board. Everette just was appointed to the board last month, so he's taking the brunt of some of this stuff now, but he really wasn't involved in much of the rule making. But he was on the board years ago when we started the Track II. And I think he can probably verify that we sat at this very table and got an edict from the legislature: You either do it, or you're not going to be funded.

MR. LADNER: I'll tell you this. We didn't like making that decision, but it was a have-to decision.

MR. PRAYTOR: That was a terrible -

MR. LADNER: There was actually pressure put on us. We hate it to this day. But it's something we had to do for the general public, for the good of our industry.

MR. MURRAY: Was it not blackmail?

MS. MURRAY: It sounds like political pressure.

MR. LADNER: Well, I'm not going to call it that. It was pressure like we see in any kind of board, any kind of -

MR. MURRAY: I would like to respectfully disagree with what Mr. Praytor just said, though. That is directly -- what happened there, there's no precedent for in any other state or any other sort of -- that's strictly a Mississippi problem, and I feel for you. I don't think anybody here agrees that that was a good thing. But this goes beyond -- what you're

doing is -- with this, is not what everybody else is doing, which that may not matter. But it doesn't -- I don't know. It just doesn't seem -

MR. PRAYTOR: Well, it is a Mississippi problem, but it's a problem because Section 73-34-19 of the Mississippi statute ties what a certified residential can do specifically to what a licensed appraiser can do. So we're saddled with this burden of having to find that happy medium in there.

MR. MURRAY: Well, my question would be, why is this the only state? Because there are other states that limit and do things, but there has been no state, according -- now, I'm getting my information from the appraisal subcommittee. There has never been an instance of a state giving powers and then taking them back. There has been a state that does things, and they may grandfather the ones - like if you're already there, you're locked in place. But there are no incidents in any other state -- according to appraisal subcommittee. I'm not smart enough to know all of this. They said there's no -- there's several states that are more -- that limit more than Mississippi. But none that have went backwards, so to speak, and have given people licenses saying they could do certain things, and then took it back.

MR. PRAYTOR: Yeah, and you are right about that. I'm not aware of any state. But please understand, there is nothing in our statute and nothing in our rules that specifically dictate any dollar values. None of that is in there. This is something that was relied upon based on the de minimis statute that was in the FIRREA legislation in 1989. So the members of the Real Estate Appraisal Board and the members of the legislature never put any de minimis values in their rules or in their statute. It's just that the members of the board have allowed the license level to go ahead and do what the federally mandated statutory maximums were. And they have never agreed to it or never disagreed with it. They just allowed it. That's the historical perspective -

MS. MURRAY: I would personally like to ask the board to please reconsider the caps. If you, you know, do need to put them in place later on, I would say to grandfather the ones that have already paid our dues and we're practicing and our limits are, you know, a million dollars. I understand there's changes need to be made. I don't have a problem with that. I believe we all need more education. I don't have a problem with that. But I don't believe that I should be -- have my license, you know, knocked back to 30 percent from what it was. And my income. I mean, please reconsider what y'all are doing.

MR. SHORT: This lady over here?

MR. PRAYTOR: Ms. Stovall?

MS. STOVALL: Yes, Sonya Stovall. I have a -- I guess a point and then a question. Track II is not the problem. It's the people. I'm a Track II person. I have a degree, and from day one, I've always worked under a certified general. I've never tried to go out and say, Hey, I'm licensed now. Let me do work. What the Track II did allow - your point, when you're a mother and you're very busy, from the beginning, my experience

now counts towards my hours to be a general instead of having that time not count. That's what Track II allowed for me. So it's not -- it's not the Track II people who look at it and try to do things they should not do. So look at the person and not the option of Track II. That's just my -- it leads me to my question. My reason for doing Track II, and I'm now about to apply to be certified, is -- so not as much as for me but for others. Did you poll the people that are certified? Because I was new to the state when I decided to change my career and become an appraiser. I had a very hard time finding someone to work with. Did you poll the certified people to see, because of these rules, now that you're going to be -- I don't want to say a hot commodity, but you may have people who want to come train under you. Are going to be more willing? We have a lot of small shops here who say, I'm small, I have all the people I can handle, I don't have the time to train you. I think that's why some people feel like the doors will be closed. Because what happens when you knock on eight doors and everyone is telling you No, that's okay, I don't want to train you, I don't have the time. I think that is the real problem.

MR. PRAYTOR: And I think that the board has done that. We did find that whenever we were dealing with the trainee category that there were -- it was real difficult to find certified individuals that would take on a trainee. We also found that to be the case with people in your category, like a Track II, because they came with no experience. But we have not found that to be the case with individuals who were licensed, that had gone through either the trainee six-month period of experience, and/or those Track IIs who have two years or more experience. Those people have not seemed to encounter any kind of problems whatever. Let me ask you, you being a Track II: The -

MS. STOVALL: I wouldn't consider myself a -- because I'm AQB complaint, now. And, again, I'm applying to be certified.

MR. PRAYTOR: How long have you been licensed?

MS. STOVALL: I became a Track II, I think, in 2005.

MR. PRAYTOR: Okay. Well, during that time period, did the certified -- a certified general or a residential sign every appraisal with you?

MS. STOVALL: Every appraisal I have done, a certified general has signed. Like I said, I never tried to go out and say, I'm licensed, I'm by myself. From day one I knew I wasn't qualified, even though I had a license. Again, it allowed me from day one, my experience counts. That's what -- if you want to do the right thing, Track II will allow you that. Track II to me is not the problem. It's the people who want to circumvent and maybe not do the right thing.

MR. PRAYTOR: Did you have clients that would have hired you and would have accepted your reports with just your signature?

MS. STOVALL: They may have, but that was never an option.

MR. PRAYTOR: But you didn't -

MS. STOVALL: Always was signed.

MR. PRAYTOR: Good, that's good. Perfect.

MR. SHORT: Your comments are very well received. Thank you very much. Yes, sir?

MR. WEBB: I have a question -

MR. PRAYTOR: Your name, please?

MR. WEBB: Stacy Webb. I have a question. I'm certified, and I'm -- I've been certified now, I think, close to a year, and I'm taking continuing education to work myself to the GA level. But now I'm putting -- are there any suggestions as far as me approaching a GA? Because the same thing. I've been on my own now since I've started, but to go out and approach a GA that's not willing to help out with the necessary commercial requirements, the complex requirements. Did the board consider any suggestions as to help us with that?

MR. SHORT: We -- you want to answer that?

MR. BARBER: Yeah. I totally understand your problem. I have -- I've got four general appraisers that work for me in my private firm, and I've got three or four generals in the county and several licensed and other certified. I asked my guys last night in my office, and I said, What do you think? Would we want - if somebody walked in off the street and said, I'm a certified residential, I need some experience really bad, will you hire me? My answer's no. I don't have time for you. That's the truth. To teach you about the Section 170 IRS Code and to expose myself to going to jail for signing a document, I don't how much confidence I'd have to take you, you know. So that is a problem. And I don't -- and we talked about -- my guys, I said, What do you think? You know, the federal governments pounding us, the stock market's going to the devil, and everything is upside down. They're going to start blaming us. They're already blaming us. You know, you and the sub-prime people are dating, you know. So they all think we're all part of the evil empire that's causing the destruction, because somebody's got to blame somebody. Okay? I don't know that answer. I don't know whether the Feds are going to have to -- as part of the bailout program they're going to have to have some kind of apprenticeships that offer money and scholarships. I don't know -- I don't know how you would go to get that. Other than if you did bring me work -- and we talked about some of our guys who -- we specialize in a real specialty market. But if you're out there, and you were a certified residential with five or six years' experience, you come in and say, Hey, I got a deal. I got a job. It's got a \$7,000 fee. I'm going to need you to help me prepare it, and will you work with me? If you're bringing a part of the profit center part of that property to a GA, they might would consider that. But if you're just actually wanting to walk in their door and take their profit center, that's probably hard, to say you want to come in and split your money up with them. So I don't know that answer.

MR. WEBB: Because, I mean, if you take like a small day care or something like that that's \$75,000, or a little small convenience store, something like that, that is a commercial property, maybe a suggestion of a dollar amount of small -- consider it light commercial, that if I'm competent enough to do that, then I can -- I can do that. I don't do very much, but my requirement to upgrade my license to GA does require complex work. So if no one's opening their door, it kind of makes me stagger, because when I'm actually -- after I took my classes, it took me a year to find somebody that would let me work for them. It took me a year for somebody to take. . .

MR. SHORT: I think that's one of the biggest problems we face in this profession right now. Before I got so long in the tooth, I trained seven guys, and each one of them is now certified. And when they left, they took a little piece of my business with them, and they're down the street. So it's a very difficult, difficult problem, but it can be solved. The last one I took, he just moved in with me. You know, just literally -- he brought his work product with him. It can be overcome. I -- man, I know it's difficult.

MR. WEBB: Because I've approached, I know, at least three GAs and asked them -- and was willing to pay for the training, the hands-on, the one-on-one training for commercial, and they just shut it down. No.

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(MULTIPLE SPEAKERS.)

MR. PRAYTOR: Let me ask Mr. Webb something. What do you think -- let's suppose that you're still -- as a certified residential, that you're allowed to continue to do in non-federally-related transactions the type of work that you would consider commercial work. How long is it going to take you to become a certified general? When will half of your work experience out of that -- those hours necessary, how long is it -- how many years is it going to take you?

MR. WEBB: Maybe three years. Maybe three years, maybe three and a half.

MR. PRAYTOR: So you would be in a posture to upgrade your license from certified residential to certified general by doing non-federally related transactions under \$250,000 in three and a half years?

MR. WEBB: Yeah. I mean, I would go out to meet my requirements -- I mean, I mostly do houses and some small lots and platted subdivisions. But if -- you do have to have those requirements, the complex requirements to upgrade your license.

MR. PRAYTOR: Yeah, 50 percent.

MR. WEBB: Yeah. So I would seek that type of work to meet that requirement.

MR. PRAYTOR: So how much of your work now are you doing that would qualify for that, percentage-wise?

MR. WEBB: Less than 5 percent.

MR. PRAYTOR: You see, that's kind of the situation that we have, we think, all over the state. Everybody that we polled and everyone we talked to, it was such a small percentage of their work. And, of course, the thing that the board considered was, is it going to work a hardship on them so that it would prevent them from upgrading, or is it going to cut down dramatically on the amount of revenue they generate? So that's what -- and third thing, which was uppermost, the protection of the public. So those are the things that they did consider.

MR. WEBB: But during the minimum of 30 months that you have before you can upgrade your license, during that time I am taking the classes. I am taking -

MR. PRAYTOR: That's great.

MR. WEBB: -- the capitalization rate classes and planning to take those types of classes during those 30 months so that I would be competent to approach a general and say, Hey, I've taken my education. Would you be willing to help? And I think we will find some resistance. And under what's being proposed now, we would find some resistance. But if there were a limit on, like I said, light commercial, that - up to a certain amount that we would be able to do, I think that would really help and motivate people to upgrade.

MR. PRAYTOR: But you are operating effectively with a current \$250,000 limitation?

MR. WEBB: If the work comes, yeah.

MR. SHORT: Good point. Well taken. Thank you very much. Yes, ma'am?

MS. BAKER: My name is Margaret Baker, and I submit to the board that I represent the licensed appraisers that have not been polled that have a commercial background. I've worked with certified generals and have done commercial work. And I am just wondering -- the basis for your decision, primarily from what I hear, is a couple of things, the educational, of course, and getting the competency level and getting the practicing appraisers here in the state to conform and do better so there's not so many disciplinary actions. The second thing is to increase the number of certified generals in the state because they're retiring. Okay. Considering that, then I suggest, based on the gentleman that spoke earlier at the end of the table from Natchez, that you open the window of opportunity to allow us to do that. There's been some concern in here about the time frame here, and it was mentioned that there's only a few days, couple of weeks, in order to conform, and it's impossible. I have taken and continue to take continuing education towards advancing my level. I'm a newly licensed appraiser, and there's a new crop. So give us that opportunity. You know, if you take away these certain abilities to perform, then there is a big -- you've already - you already know, you've mentioned -- you stated that there is a big problem with experience with those people that are certified generals that do have the experience that are not willing to open up their shops. And so considering that, we've got to create ways and do whatever's available to us to be able to develop the experience and the knowledge and competency

level that's needed. So therefore I suggest and submit to you that I represent that number that you have not polled. I'm sitting here today.

MR. SHORT: Thank you very much. Any comments?

MR. BARBER: The gentleman from Diamondhead, can you tell me your name again?

MR. FLOYD: Joe Floyd.

MR. SHORT: Joe Floyd.

MR. BARBER: Joe? Okay. You're a GA, right?

MR. FLOYD: Right.

MR. BARBER: Your son's a GA?

MR. FLOYD: Right.

MR. BARBER: Okay. Do you have --

MR. FLOYD: Right. And I also have a wife who's an LA.

MR. BARBER: Okay. And you left her at home so she wouldn't argue with you, right?

MR. FLOYD: No, you should take her license away from her. I told her such, and I keep telling her not to renew her license because she has no desire to move up. And I told the same point that Mr. Short said, or maybe Mr. Praytor, that a license was intended for a temporary license. Not as a let me hold it. So yes.

MR. BARBER: Would you -- I mean, the question in the back, I really -- really, really am concerned about not having anybody to give you the experience. You're about our age. You know, you're in -

MR. FLOYD: I'm 60 years old.

MR. BARBER: Okay. I think -- something was like 58 or -- you're not 58. But 58 or 59 was something like -- that was the -- that was the median age of us general appraisers, and we're fixing to -- and with the economy going down, we've probably got to work another 20 years. But some of us was thinking about not. So you're fixing to have a lot of us. You know, and we've got to give some people an opportunity to get that experience. You probably have had the same thing that's happened to Jeff happen to you, where you've trained people over the years. They're in, they're out, they're in, they're out. And it was no benefit to you. My deceased partner was Jack Mann, and he said, I have trained so many people I don't even talk to them anymore. Said they -- we come in, and I'll be loyal to you and I'll love you forever, and, you know, they're out the door and There's a plaque down the street with their name on it, he said. So I understand that. I don't know how -- I don't know how we, as general appraisers, open our doors. Do you have a suggestion?

MR. FLOYD: Right. Well, I did that with my son. Because as Mr. Short said, and also Mr. Hamilton in Vicksburg, you know, we go through so many LAs that want to come in and they want to say, I don't know how to do a URL. Show me how. And we sit down, we say, Do it this way. We go to a site, and we say, You measure a house this way. You know, we teach and teach. And then as soon as they get enough experience that they can go take that certified exam or they think they have a few clients, out they go. And then they go work in the garage or that extra bedroom. Whereas in my son's case, I said, You're going to have a good chance in life, because I'm old. We're going to put you on this track, and we pushed him every step of the way. Now he's 30, and he's a GA. So he'll benefit from us, and he'll benefit from whatever we do here. Because I do believe that we need to tighten up the reins. And if we went back on the licensing numbers, I would think we have a large number that in 1995 through 2000 they're still sitting there. They got in on the boom and the refinancing, because it was an easy dollar.

MR. BARBER: You also said something else that was important. Lawyers, I notice, don't have the same problem we have as appraisers. You have a firm that's Jones, Smith and Baker and whatever, and you've got 16 attorneys and three paralegals and all those involved. We, as appraisers, very few of us have more than one or two employees. It's -- it's a real -- and a lot of them go out and open up their garage. I call it the same thing, garage appraisers. They got an office somewhere in their house that they don't have a secretary, they don't have any support, they don't have any people coming in at a trainee level. Most of our profession in Mississippi -- I don't know about some of these other states -- seem to be you don't have any firms. I mean, you don't have any firm firms, where you have six and eight and ten. Very few of those around. Very few. Most of these are one-and two-men shops.

MR. FLOYD: You know, I met Everette once or twice in my life. I think Everette's good example of MAI. He did not get that here in Mississippi. He went somewhere else, because it's so hard to get someone to take you in unless you're in that family to help you.

MR. KELLY: Mr. Barber, let me make a suggestion as to how you can work towards keeping some of these people loyal longer: the noncompete clause in a contract with them. You now -- with the -- with the -- you would have the ability to offer them training, supervisory experience, licensing assistance, in exchange for a clause that says you can't compete with me for three years after you quit. Okay. That -- those statutes have been -- that's how lawyers get to be -- how they got to be in firms of six and seven and ten man firms, because that's exactly what the issue was addressed with them. It's constitutionally valid, it's been upheld by our Supreme Court, and that's -- it's real simple to do. That if you want to retain your LAs and your CRAs, that's how you do it. And you can get in return for what you give.

MR. SHORT: I had those noncompete clauses, and I tore them all up, because when they left, I was as ready to get rid of them as they were to get rid of me.

MR. KELLY: That's fine. If you get rid of them, that's your choice.

MR. SHORT: If they're there in my office and they don't want to be there, they can ruin me with one stroke of the pen.

MR. KELLY: But you can -- you can stop them when they move down the street and open up their garage shop. You prevent them from doing that.

MR. SHORT: I would never do that. I never would.

MR. KELLY: Well, that's your choice.

MS. STOVALL: Sonya Stovall. Just a comment again. See, I think that's part of the problem. I think we have this problem right now, because people have not been wanting to share. If you do good work, if you are an excellent teacher, if you're willing to impart that knowledge on someone, and they tell you, I want to learn; I want to make this a profession that people look at and are proud of, and yes, I have a desire to be an entrepreneur; I want to go out on my own in four years; what is wrong with that? If you, the individual, do good work, I'm not going to take work away from you. There's enough here to go around. It is that mentality that has caused -- that has caused people to go out, put a shingle up on their own and not be qualified. Until you change the mentality of people saying, Okay, these are the rules, let's train people, let's change the profession, you're still going to have that problem. You have got to stop thinking like let me hoard it, let me keep it, let me not train so that you won't take away the money that I make, because you are going to create this problem that we have now. You got to keep -- you can't change the profession and then have the mentality of I want to keep all the work for myself. So even with these rules, the person who now says, Okay, yeah, I'll train you, if you pay me; I'm not going to look at your work; you're still going to be pseudo qualified, but I'm going to get a little paycheck along the way; you're still going to have the same problem.

MR. SHORT: Very nice.

MR. WEBB: Would it be possible as a possible solution to -- and maybe the board or state could make some money off of it -- to offer classes that would help people of my position that if I can't find a GA to work for, to offer classes that would substitute for, per se, that experience for a GA signing off on your work?

MR. PRAYTOR: We don't have the statutory authority to do that, and actually the federal guidelines do not allow for education to substitute for experience.

MR. WEBB: Okay.

MR. PRAYTOR: Unfortunately.

MR. WEBB: Because what it seems like to me is, I would have to -- I mean, I worked hard to open up my own business, and I do have an office and all of that stuff to -- it seems that I would have to actually close my office and go work for somebody else.

MR. SHORT: Yes, ma'am.

MS. DICKINSON: I'm Sandy Dickinson from Hattiesburg. I'm -- I've been appraising for 18 years. I am a general, and I kind of fall in the same category as the man from the coast. My husband is licensed, and the complacency issue -- he's only been licensed for four or five years, but I have really pushed him to get certified. And now that I have moved into the banking industry, which I've just taken over a chief appraiser job at a bank in Hattiesburg, I am seeing more and more the issues -- and there is -- it's so flexible as who can do what. I mean, we -- I see so many appraisals a day that should never have been ordered from certified residential appraisers that have no experience in appraising it. They may -- they think saying that I'm competent to do it is okay and proceed with the thing. They get no assistance from anybody. It's just -- you know, the tightening of the reins needs to be done. It needs to be more clear to people, especially from a lender's standpoint. For us, we don't know which ones have the experience to do anything until you just sit down with that person and their resumes and their work and see. And we are just seeing more and more, and it's just -- it's horrible. It's really horrible. And we just have a boatload of licensed appraisers that won't move to certify residential. But you've got certified residential wanting to do commercial work because the work's dried up in some places. They do them. They cut the fees. The generals, like myself, that have been doing it forever, we're the ones that suffer. And in my 18 years, I have never been approached to train anybody. Now, I don't know if that's an issue of people not -- but I think we have several in our town that just are -- they're happy with what they do. They're certified residential. They're happy to stay that way.

MR. PRAYTOR: And earlier there were a couple of questions about, you know, the motivation of the board. But that is primarily the motivation. Protection of the public is always the motivation of the board. The protection of the public is extremely difficult to get in balance whenever you have certified residential and licensed appraisers who are of the opinion that they can do any kind of an appraisal, no matter what, as long as it's under a million dollars, and there is no policing among the peers in the appraisal industry. Because if anybody knows who's doing these appraisals, it is you folks who are the appraisers, and you continually will sit there and never let the board know about it. And secondarily, it's the individual lending institutions that the only thing they look for is an appraisal that has been signed with a number at the bottom. And most of them never look at the content or have any inkling as to whether or not that individual is actually qualified. Unfortunately, lending institutions do not even have a clue that there is a difference between a federal or a non-federally-related transaction or a complex or a noncomplex report. And it is incumbent upon this board to use that as the incentive to protect the public. So, you know, as much as they can do as a group of five, they can't do anything unless they get the support of the appraisal community and the licensees. And I will be the first to tell you that support from the appraiser -- appraisal -- appraisers is woefully lacking. I mean, about the only time we hear from you is when something directly impacts you. Then you'll show up. Otherwise, it's business forever. I mean, we don't even know who you are until we do something that you don't like.

MS. BAKER: I think we're all in agreement -- I'm Margaret Baker. I think we're all in agreement that the tightening of the reins and education requirements and upgrading is something that's definitely needed here. My only concern, and I think the concern of most of you on the end of the table there, is just providing that window of opportunity and not pulling back or taking away the ability for those that are practicing now to continue to practice until we can reach the level that's needed, and we cannot do that within a two-week span or a six-week span. So if you would please consider giving us an opportunity, whether it be three and a half years, which is what Mr. Webb mentioned before, or whatever seems reasonable, to become certified general, which is a goal of mine, and as he stated earlier, then that would be certainly helpful.

MR. SHORT: Thank you very much. Anyone else? Okay. Can we take a break?

MR. PRAYTOR: Well, let me mention to each of you how much we do appreciate you coming. And I think at this point in time you need to understand that the rule has not been finalized. There could be -- there obviously will be some more discussion of it. I don't know exactly when these five people will get together to try to finalize that rule and then ask me to file it with the Secretary of State's office. We will file an amended rule over there, because we've had at least one other change to the rule since it was published or one change that I think they're going to agree on. So it will be posted again. It will be sent to the Secretary of State's office. And at this point in time, it's up to these five folks to make that decision. And, you know, if you -- when you leave the meeting, if you think of something that maybe was said or something that was not said, you can just go to the real estate appraisal board website and contact us, send us an e-mail. Any e-mails that we receive or any comments that we receive are going to be included with today's discussion. As I mentioned to you earlier, we do have a court reporter. We will have the discussions transcribed, and we'll have it all available in case somebody wants a copy of it or something so that you -- I mean, you know, we anticipated exactly what you are saying. And when I say "we," please understand I'm an ex officio member of the appraisal board. I just don't vote. These are the -- if you're going to -- as Jeff said, if anybody's going to throw shoes, throw them at him, don't throw them at us.

MR. BARBER: And throw them straight.

MR. PRAYTOR: That's why I'm standing to the side, not behind him. But that's pretty much the procedure from here on.

MR. SHORT: I just wanted to inquire about your motivations for coming to the meeting.

MR. PRAYTOR: Oh, the lady from WLBT?

MR. SHORT: No, no, no. The lady -

MS. DICKINSON: Me?

MR. SHORT: Yeah.

MS. DICKINSON: Just support for the ruling, because it's been a long time coming, I think.

MR. SHORT: Thank you.

MS. GRIFFITH: Thank you very much.

MR. SHORT: Thank you very much.

MS. DICKINSON: I really think it has been a long time coming.

MR. MCGEE: This will make it easier to understand what we've been talking about. This -- you all can agree with me, the summation of all we've discussed at this particular time is the limitations on the properties you can appraise based on their transaction value?

MR. PRAYTOR: And the time frame.

UNIDENTIFIED SPEAKER: And the time to comply.

MR. MCGEE: That's pretty much all we -

MS. GWIN: Or either be grandfathered -

MR. MCGEE: Okay. Now -- so that's what we've discussed up to this point. Are there any other issues beyond that in the new rules that need discussing?

MR. PRAYTOR: All of our discussion has primarily centered on Rule 3. There are four other rules in there. Or did you never read those rules? I don't think there's anything controversial in those other rules.

MR. BARBER: Well, here's my big concern to go with what I've already laid on you. Technically we wouldn't have to be even be talking about this if these folks complied with the competency rule of USPAP. Now, there's no reason that the bank shouldn't have, and it's required for us to put in our present report how we meet, follow USPAP, how we meet compliance. Everything we do, we state we feel confident, and we feel -- we feel like we're competent to do this appraisal because of: We've done 87 of them. We've worked under the foot of the great one for 12 years. We've done this, we've done this. I've had 800 courses, and I've got three college degrees, and my mama was a nice person. You know, we say all of that in our present reports. What I think we need to do as a group is start policing that USPAP requirement. If you go there and go do -- all of the sudden decide you want to go do a hospital, you know, you should put on there how did I get competent to do a hospital. And if you don't have it on there, somebody needs to be turning you in or turning yourself in, because it's not good for the profession, you know. We've got to start focusing on that part. And that's what we're trying to do with the rule, is enforce competency, because we're not enforcing

it on our own, and because we're not -- we're using rules to back up competency. It's like I'm licensed, therefore, I'm competent. We know that's not true. I'm not no more competent to do a hospital than I am to ride a goat today. I can't do that. I don't know anything about a hospital. Nothing. And I'm a general appraiser with a zillion hours. I can't do a hospital. I should go find me a hospital appraiser to sign it with me, to gain that competency. And that's what everybody's going to have to do out there if you're going go into a field that you're not -- that you're not used to. It's a USPAP requirement. It's not a board requirement. So I think all of us need to focus really heavy on trying to make sure that we don't do anything that we're not qualified to do. And if we aren't qualified, go find somebody to help you.

MR. MURRAY: Might I ask you a question?

MR. BARBER: Yes, sir.

MR. MURRAY: I agree with everything you said wholeheartedly. I don't see the - I don't see the cause and effect of how this will -- if someone is incompetent to do a \$300,000 property or say a \$500,000 property, they're incompetent to do a \$50,000 that's noncomplex residential. Because we're -- everything we're talking about, especially the license category, is noncomplex anyway. Incompetency doesn't have a dollar value.

MR. BARBER: That's right.

MR. MURRAY: Other than that, I agree 300 percent with what you're saying.

MR. SHORT: Well taken. Thank you very much. Motion to adjourn?

MS. GRIFFITH: Move.

MR. LADNER: Second.

MR. SHORT: All in favor?

BOARD MEMBERS: Aye.

MR. SHORT: Any opposed?

(NO RESPONSE.)

MR. SHORT: Meeting's adjourned.

MR. PRAYTOR: Thank y'all.

(MEETING ADJOURNED AT APPROXIMATELY 11:35 A.M.)

CERTIFICATE OF COURT REPORTER

I, Bethany Cammack, Certified Shorthand Reporter and Notary Public in and for the County of Hinds, State of Mississippi, hereby certify that the foregoing pages, and including this page, contain a true and correct transcript of the proceedings, as taken by me at the time and place heretofore stated, and later reduced to typewritten form by computer-aided transcription under my supervision and to the best of my skill and ability.

I further certify that I am not in the employ of or related to any counsel or party in this matter, and have no interest, monetary or otherwise, in the final outcome of the proceedings.

Witness my signature and seal on this the \_\_\_\_\_ day of \_\_\_\_\_, 2009.

BETHANY CAMMACK, CSR  
CSR NO. 1526  
My Commission Expires April 1, 2011