



# THE APPRAISER BULLETIN

## NEW BOARD MEMBERS CONFIRMED

During the 2014 regular session the Alabama Senate confirmed five Board members appointed by Governor Robert Bentley. Pictured below are the new Board members.



**Ms. Angie Frost** - appointed as the Appraisal Management member. Ms. Frost worked as an analyst for Baker Valuation from 2005 to 2011 and is presently the Operations Manager for ARC Appraisers. Ms. Frost currently resides in Cullman, Alabama.



**Mr. Carroll L. (Lew) Watson** - appointed to represent the 3rd Congressional District. Mr. Watson is a Certified General Real Property Appraiser. Not only has Mr. Watson been an appraiser since 1993 he was also the Mayor for the City of Lincoln from 1972-1991 and 1996-2012. Mr. Watson is a designated member of the Appraisal Institute, Treasurer of the Alabama Chapter of the Appraisal Institute and is currently a candidate for the designation as a Review Appraiser.



**Mr. Robert Butler** - appointed to represent the 7th Congressional District. Mr. Butler is a Certified Residential Real Property Appraiser. Mr. Butler has over 30 years in sales and/or appraisal experience. Mr. Butler also currently holds a Real Estate Brokers License. Mr. Butler serves on the Board of Directors of the National Association of Real Estate Brokers and the National Society of Real Estate Appraisers.

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**Mr. Richard D. Pettey - appointed to represent the 5th Congressional District. Mr. Pettey is a Certified General Appraiser and has been appraising in North Alabama since 1980. Mr. Pettey is co-owner of Pettey & Associates and holds both the MAI and SRA designations with the Appraisal Institute.**



**Mr. Billy G. Cotter - appointed to represent the 2nd Congressional District. Mr. Cotter is a Certified General Real Property Appraiser with well over 30 years of experience as an appraiser. He is the owner/broker of Century 21 Regency Realty, Inc., has held a real estate license for over 40 years and is a Certified Residential Broker (CRB). He is an Enterprise native and graduated from Auburn University with a degree in business administrative.**

### **IMPORTANT E-MAIL ADDRESS NOTICE**

In an effort to cut agency costs the Board office is now attempting to send all (newsletters, board notices, etc.) correspondence via e-mail. It is extremely important that we have correct e-mail addresses for all appraisers to assure all information is received in a timely manner.

Please submit your correct e-mail address IMMEDIATELY to Carolyn Greene, Executive Secretary. You can e-mail this information to Mrs. Greene at [Carolyn.greene@reab.alabama.gov](mailto:Carolyn.greene@reab.alabama.gov).

## **NEW 2015 AQB TRAINEE REAL PROPERTY APPRAISER and SUPERVISORY APPRAISER EDUCATION REQUIREMENT**

As of January 1, 2015 Trainee Appraisers and Supervisory Appraisers shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of Supervisory Appraisers and Trainee Appraisers. The course must be completed by the Trainee Appraiser prior to obtaining a Trainee Appraiser credential from the individual credentialing jurisdiction and the course is to be completed by the Supervisory Appraiser prior to supervising a Trainee Appraiser. Further, the Trainee Appraiser course is not eligible towards the 75 hours of qualifying education required.

\*Supervisory appraisers shall have been certified for a minimum of three (3) years prior to being eligible to become a Supervisory Appraiser.

## **CALENDAR**

The Alabama Real Estate Appraisers Board meets on the third Thursday every other month unless there is a need to reschedule. If committee meetings are scheduled they will be held on the Wednesday afternoon before the meeting on Thursday. If a disciplinary hearing is scheduled the regular meeting and hearing is typically scheduled on Thursday. Meeting notices are now published in advance on the Secretary of State's website at [www.sos.state.al.us/aloma/](http://www.sos.state.al.us/aloma/). Continuing education credits are available for Board meeting attendance. Most meetings and all disciplinary hearings are held at the Board offices in Montgomery. All licensees are urged to attend Board meetings. When you plan to attend a meeting please call the Board office in advance to confirm the particulars of time and location.

### **2014 TENTATIVE MEETING SCHEDULE**

January 16, 2014  
March 20, 2014  
May 15, 2014  
July 17, 2014  
September 18, 2014  
November 20, 2014

## ***DISCIPLINARY REPORT***

***The Alabama Law requires the Board to regulate the conduct of appraisers in Alabama. The Board's Administrative Rules outline the procedure for handling complaints. The Uniform Standards of Professional Appraisal Practice provide the basic ethical standards for which appraisers must comply. Appraisers should carefully note the following violations, which resulted in disciplinary action of the Board.***

**AB-12-20** – On May 16, 2013, the Board approved a Consent Settlement Order with Certified General Real Property Appraiser, **James W. Folkes, G00621**, where the Licensee agreed to pay an administrative fine of \$500 to the Board. The violations are as follows: The subject property was not located within the stated neighborhood boundaries. The subject was located south of the south neighborhood boundary. In the Sales Comparison Approach/Comparable #3, Licensee provided a sales price, date of sale/contract date and sales/financing concessions that was not accurate. Licensee analyzed accurate information in the appraisal process but reported inaccurate data. In the Cost Approach section, Licensee indicated reproduction cost was estimated when replacement cost was developed. Licensee failed to comment on the \$1,200 allowance for a refrigerator in the sales contract for the subject. In the Sales Comparison Approach and Cost Approach, Licensee failed to provide information on the analysis of the appliances. In the Cost Approach section, Licensee stated the site value was extracted from local data. Licensee failed to provide the supporting data/information used to develop the opinion of site value by the extraction method.

**AB-12-28 and AB-12-31** – On May 16, 2013, the Board approved a Consent Settlement Order with Certified General Real Property Appraiser, **Jeffrey H. Walker, G01072**, where the Licensee agreed to pay an administrative fine of \$1,000 to the Board. The violations are as follows: Licensee signed the appraisal report and was not licensed in the State of Alabama as a Real Estate Appraiser. He failed to obtain a Temporary Permit for this assignment. Appraiser is now licensed in Alabama.

**AB-12-29 and AB-12-32** – On May 16, 2013, the Board approved a Consent Settlement Order with Certified General Real Property Appraiser, **Karen L. Blosser, G01071**, where the Licensee agreed to pay an administrative fine of \$1,000 to the Board. The violations are as follows: Licensee signed the appraisal report and was not licensed in the State of Alabama as a Real Estate Appraiser and failed to obtain a Temporary Permit for this assignment. Appraiser is now licensed in Alabama.

**AB-12-58** – On May 16, 2013, the Board approved a Consent Settlement Order with Licensed Real Property Appraiser, **Ronald Hill, Jr., L00377**, where the Licensee agreed to pay an administrative fine of \$250 to the Board. The violations are as follows: Licensee, in the Cost Approach section, stated the method used to develop the opinion of site value was by the allocation method. Licensee failed to include the supporting data used to develop the opinion of site value by the allocation method in the work file. Licensee failed to provide sufficient explanation for the exclusion of the Income Approach. Licensee failed to explain why the Income Approach was not applicable to the assignment and its exclusion from the appraisal.

**AB-12-37** – On July 18, 2013, the Board approved a Consent Settlement Order with Certified Residential Appraiser **James W. Smith, R00897** where the Licensee agreed to pay an administrative fine of \$375 to the Board. The violations are as follows: Licensee 's USPAP certification does not include the following newly adopted sentence: "I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment." In the Sales Comparison Approach/Comparable #2/Concessions section, Licensee failed to provide information to explain the lack of an adjustment for concessions (\$4,092), when an adjustment was made for concessions in Comparable #3 (\$5,500). In the Cost Approach section, Licensee reported the site value was derived from land sales but did not retain the supporting data used to develop site value in the Work file. Licensee 's USPAP certification does not include the following newly adopted sentence: "I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment."

**AB-10-12** – On September 19, 2013, the Board approved a Consent Settlement Order with a Certified Residential Appraiser where the Licensee agreed to a private reprimand, an administrative fine of \$2835 to the Board, completion of a 15 hour USPAP course and a 15 hour sales comparison course and six months probation. The Licensee surrendered his Mentor status. The violations are as follows: Licensee used and analyzed comparable sales from superior subdivisions/developments without analyzing the differences in elements of comparison between the Subject and the sales used as comparables within the appraisal report. Licensee failed to report or analyze sales available from within the subdivision/development where the Subject is located in the Sales Comparison Analysis Approach of the appraisal report. Licensee failed to state a reason for the exclusion. Licensee failed to state the analysis (market adjustment) for the difference in the actual age of the Subject and comparables or state a reason for the lack of an adjustment for actual age in the Sales Comparison Analysis Approach. Licensee made a +\$12,500 adjustment for the absence of a fence and pool for Comparable #1 in the Sales Comparison Analysis and according to the stated data source (MLS), the Comparable is fenced and has a pool. The adjustment for the pool and fence was not supported. Licensee failed to report and analyze a lake view, water frontage and private pier for Comparable #3 in the Sales Comparison Analysis. Licensee adjusted Comparable #3 for a fence, which was not supported by the stated data source (MLS). Licensee analyzed sales from superior priced subdivisions/developments as comparable sales in the Sales Comparison Analysis Approach. Licensee failed to state the analysis of the different elements of comparison between the Subject and the comparable sales used within the appraisal report. Licensee indicated in the Subject section of the appraisal report, the Subject had not been offered for sale or sold within the twelve months prior to the effective date of the appraisal. The Subject property was offered and sold within the prior twelve months. Licensee stated the Zoning and Zoning Description as SR-1 Single Family, when the Subject is located in an unincorporated area with no zoning. Licensee stated "None" for gutters and downspouts in the Improvements section of the appraisal report, when the home had partial gutters and downspouts. Licensee failed to accurately state the address of Comparable #1 in the Sales Comparison Analysis and Comparable Photo Addendum. An accurate address would have been obtained by a diligent inspection of the comparable. Licensee stated the city/zip code for the Subject and Comparable #3 as the same city/zip code, when Comparable #3 was located within a different city/zip code. Licensee stated a prior date

of sale for the Subject that was not accurate and also stated one amount for the sale price in the grid of prior sale information with a different amount for the sale price in the analysis of the prior sale. Licensee stated the data source for Comparable #4 as MLS Closed and then stated the comparable was a pending sale. The accurate data source would be MLS Pending or MLS. Licensee stated a date of sale of Comparable #4 as 02/01/2007, when the comparable had not sold. (pending sale) Licensee indicated the research **did not** reveal any prior sales or transfers of the subject property for the three years prior to the effective date of the appraisal and then stated a prior sale in the prior sales history grid. Licensee failed to provide sufficient information, for the intended user to understand the effective age of an average condition home built in 1996 and appraised in 2007 would have an effective age of 3-5 years. Licensee failed to provide the complete list of verification sources in the grid of the Sales Comparison Analysis. Licensee failed to state the complete address of Comparable #2, within the appraisal report. Licensee failed to provide information about the sunroom's square footage being included in the GLA of Comparable #4. Comparable #1 & #3 were less than 1/3 of the Subject's actual age. Comparable #2 was 1/10 of the actual age of the Subject. Licensee failed to state a reason for the lack of an adjustment for the difference in actual age between the Subject and comparables. Licensee stated a comment in the Summary of Sales Comparison Approach, "Comparable 3 previously had an incorrect fence/pool adjustment. The correct \$10,000 adjustment amount is applied to this report." The appraiser did not provide a reason or information, within the appraisal report, to explain why the comment was stated in the summary. Licensee failed to provide support/information (actual method used) for the opinion of site value used in the Cost Approach. Licensee failed to include the Alabama certification as required by the Alabama Real Estate Appraisers Act.

**AB 12-05** On September 19, 2013, the Board approved a Consent Settlement Order with a Certified Residential Appraiser where the Licensee agreed to a private reprimand and an administrative fine of \$600 to the Board. The violations are as follows: The subject condition is reported and analyzed as C4, "The improvements feature some minor deferred Maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate." Physical inspection of the subject thirteen (13) days after the date of the appraisal show several areas of rotted wood and peeling paint. It is unknown if the rotted wood is a result of water damage or termite infestation. It is impossible to determine if repair would be cosmetic only without further inspection. The house was built in 1940 according to tax records. Licensee estimated an effective age of 13-15 years. The physical deficiencies of the rotted wood, peeling paint and poor condition of a portion of the metal roof do not support the effective age. Licensee's estimate of accrued depreciation is not credible because remaining economic life based on an effective age of 13-15 years. Considering the condition of the multiple areas of rotted wood of unknown origin and other unreported items of deferred maintenance, the accrued depreciation applied is not credible. Licensee made numerous references to the house having a concrete slab foundation when a crawl space was reported on page 1 of the URAR. The photos in the Photo Addendum were mislabeled. A photo of the rear of the home is labeled as the front of the home and a photo of the workshop is labeled the rear of the home.

**AB 12-26** On September 19, 2013, the Board approved a Consent Settlement Order with Certified Residential Appraiser **Reuben Bullock, R01155**, where the Licensee agreed to pay an administrative fine of \$875 to the Board. The violations are as follows: In the Sales Comparison Approach, Licensee failed to list and analyze the sales concessions reported by the data source. In the Cost Approach, Licensee failed to analyze the cost of the appliances reported in the Improvement section in the total estimate of cost-new. Licensee chose a mortgage lending report form for a report the client intended to use in divorce litigation. Licensee stated the intended use for divorce litigation but did not strike out all the references in the preprinted form to mortgage lending. Licensee did not strike the mortgage lending terminology and provisions from the preprinted form. Licensee provided comments that insinuated membership in the Appraisal Institute when Licensee was not a member. Licensee did not analyze the sales concessions for Comparable #1, Comparable #2 and Comparable #3. In the Neighborhood/Neighborhood Boundaries section, Licensee described a neighborhood that failed to include the subject location. In the Summary of Sales Comparison Approach comments, Licensee stated Comparable #1 was the closest in size to the Subject when Comparable #3 was the closest. In the Additional Comments section, Licensee stated the summary appraisal report was prepared under Standard Rule 2-2(a) instead of 2-2(b). In the Present Land Use %/Other section, Licensee failed to provide information as to what the 15% other land use was. In the Sales Comparison Approach/Comparable #1, Comparable #2 and Comparable #3/Concessions sections, Licensee failed to state the concessions and analyze the concessions. Licensee failed to provide support/data of the information used to develop the opinion of site value in the Cost Approach.

**AB 12-55** On September 19, 2013, the Board approved a Consent Settlement Order with a Certified Residential Appraiser where the Licensee agreed to a private reprimand, an administrative fine of \$2,500 to the Board. Licensee surrendered his Mentor status. The violations are as follows: Licensee certified that he performed a complete visual inspection of the interior of the Subject property, when Licensee did not perform the interior inspection. Licensee provided a Scope of Work, which included a complete visual inspection of the interior of the Subject property that Licensee did not perform. Licensee certified that he did not knowingly withhold any significant information from the appraisal report and to the best of Licensee's knowledge, all statements and information provided within the appraisal report were true and correct. Licensee withheld significant information from the lender/client in reporting that he performed the interior inspection when Licensee knowingly did not perform an interior inspection of the Subject property. Subject property is located within a planned development and comparables were located inside and outside of planned developments. Licensee failed to analyze the developments and all the amenities for the Subject and comparables. Licensee failed to completely identify all the characteristics and attributes of subject property located within a planned development. Licensee reported the streets were public, when the streets were private. Licensee failed to identify the restrictive covenants associated with the planned development. In the Additional Comments sections, the trainee appraiser's contributions to the appraisal assignment were not clear. Licensee used the term "and/or" several times in the contributions, which resulted in the comment being unclear what the trainee appraiser contributed. Licensee failed to provide the complete dimensions of the Subject property; failed to provide an analysis of the HOA fees and development amenities of the Subject and comparables that were located within a PUD; provided information the site value is based on recent land sales in and/or near the subject market area and failed to provide the supporting data/information used to arrive at the opinion of site value; provided a comment explaining exposure time

with a reference to 2010-2011 USPAP, when the report was in 2012; provided comparable photos that were MLS photos and not photos actually taken by Licensee and failed to disclose the source of the comparable photos. Licensee failed to explain the reason the Income Approach was not applicable and excluded from the appraisal assignment.

**AB 12-68** On September 19, 2013, the Board approved a Consent Settlement Order with a Licensed Real Property Appraiser, **Michael L. Murphree, L00121** where the Licensee agreed to pay an administrative fine of \$875 to the Board. The violations in the report are as follows: Licensee had no data to support adjustments made in the sales comparison approach to value. Licensee failed to perform the research for comparable sales that were needed to produce a credible assignment. Licensee bypassed sales of potential comparable more proximate to the subject that would produce a different value opinion than the sales selected. Licensee failed to utilize more comparable sales that were available that would produce a more credible opinion of value. Licensee reported that the subject neighborhood was in balance with average demand and that values were stable. The Licensee includes a Market Condition Addendum that was generated utilizing a 5 mile radius. This 5 mile radius takes into consideration a number of neighborhoods with higher priced properties and water front properties. On this addendum, the Licensee repeats that the subject neighborhood was in balance with average demand and that values were stable. The Licensee does not discuss the number of foreclosures and REO sales in the immediate vicinity of the subject property. For the year preceeding the effective date of the appraisal there were eight sales within one mile of the subject and of those eight sales, four were REO sales. Three of the REO sales were the most proximate sales to the subject property. Licensee made an unsupported assumption that the subject 25 year old home had an effective age of 5 years. Licensee used MLS as his verification source for comparable sales. Consequently, he did not verify the sales he used as comparables. MLS is a data source, not a verification source. Verification is with a party to the transaction. The Licensee failed to utilize sales that were available that were more comparable to the subject and would produce a more credible opinion of value. Licensee reported a prior sale of the subject but failed to analyze the prior sale, only listing the date of sale and the sales price. The Licensee reported that the subject neighborhood was in balance with average demand and that values were stable. The Licensee includes a Market Condition Addendum that was generated Utilizing a 5 mile radius. This 5 mile radius takes into consideration a number of neighborhoods with higher priced properties and water front properties. On this addendum, the Licensee repeats that the subject neighborhood was in balance with average demand and that values were stable. The Licensee does not discuss the number of foreclosures and REO sales in the immediate vicinity of the subject property. For the year preceeding the effective date of the appraisal there were eight sales within one mile of the subject and of those eight sales, four were REO sales. Three of the REO sales were the most proximate sales to the subject property. Licensee failed to utilize more comparable sales that were available that would produce a more credible opinion of value. Licensee failed to provide sufficient information to support that the effective age was 5 years when actual age was 25 years.

**AB 12-69** On September 19, 2013, the Board approved a Consent Settlement Order with a Certified Residential Appraiser where the Licensee agreed to a private reprimand and an administrative fine of \$1400 to the Board. The violations are as follows: The Licensee stated that the site value in the cost approach was developed from "Data was used from County Records and MLS, to estimate site value. Opinion of site value is based upon recent vacant land

sales for the market area.” There was no data or reference to the data found in the work file to support this statement. Included in the special instructions from the client to the Licensee were: “Do Not Proceed if a clear unobstructed photo of the front of the subject property cannot be obtained” and “Subject property information cannot be verified through public records.” The Licensee did not attempt a current photo of the front of the property and since the subject was recently remodeled and Licensee’s exterior inspection in heavy rain prevented Licensee from noticing that the current appearance of the subject and the MLS photo were not the same. The subject is a one story residence according to property tax records and MLS and the remodeling added a second story so that subject was a two story house at the time of the assignment. This resulted in appraisal results that are not credible. The Licensee’s exterior only inspection was so deficient that Licensee did not realize that the subject property was a two story residence instead of the one story residence indicated by MLS and property tax records. Licensee did not inspect the subject property significantly to recognize that the public tax records and MLS info was no longer correct and therefore the Licensee did not produce credible assignment results. Licensee used a photo of the subject property from MLS without identifying that it was an MLS photo and without realizing that the photo no longer accurately depicted the subject since remodeling added a second level to the residence. Licensee also utilized out dated public tax records that did not have the correct square footage and room count since remodeling added a second story to the residence. Assignment instructions had informed Licensee that County records did not contain reliable information about the subject.

**AB 13-14; AB 13-16** On September 19, 2013, the Board approved the voluntary surrender of license from Certified Residential appraiser **Dennis R Price, R00840**. Licensee elected to surrender his license rather than have an investigation of the two appraisals.

**AB-11-29** On November 21, 2013, the Board approved a Consent Settlement Order with **Hubert Chapman, R00732** where Licensee agreed to pay an administrative fine of \$2250 to the Board, completion a 30 hour Board approved Sales Comparison approach course. The violations are as follows: Licensee reports that “Market conditions within the area are stable”; “sales of homes competitive to the subject were limited over the last twelve months.” Single family prices range from a low of \$60,000 to a high of \$290,000 with an average price of \$125,000. These statements are contradicted by a Market Conditions report generated by the investigator utilizing the local MLS for the 12 months preceding the effective date of the appraisal. Investigation showed that in the immediate area of the subject in the 12 months prior to the appraisal that the lowest sale was \$29,500 and the highest was \$121,500; that there were a total of 24 sales with a median sale price of \$65,100; that median comparable sale prices are decreasing. Of the 24 sales, 14 were REO sales or non Market Value transactions and the remaining 10 sales ranged from a low of \$94,900 to a high of \$121,500 averaging \$112,200; the number of comparable sales, absorption rate, active listings, median sales price as a percentage of list price were all decreasing; Days on the market were increasing. These factors do not indicate a stable market. The use of comparable sales from areas outside of the subject’s competitive market area gave a misleading representation of the condition of the subject’s market area. Licensee fails to use the best comparable sales that were available at the time of the appraisal. Licensee utilized sales from outside the subject’s competitive market area when there were sales very similar to the subject located in the competitive market area and in close proximity to the subject property. The licensee utilized six comparable sales in the report. Three were higher valued sales from areas outside of the subject’s competitive market area that greatly altered a reader’s impression of the area. The three sales utilized by the licensee from

outside the competitive market area sold from \$144,000 up to \$185,000 and the three sales that were located in the subject competitive area sold from \$106,000 to \$120,000. Licensee states that comparable 1 has no finished basement area, when the local MLS for the sale the licensee was using clearly states that there is a den in the basement. It is also noted that MLS listings for a sale on 5/14/10 also indicates the basement den area, an MLS listing for a sale dated 7/13/07 indicates the basement den area and an MLS listing of the property on 3/8/04 indicates the basement den area. The licensee listed the wrong MLS number for comparable sale 6. On Page 1 of the report the licensee list the low price of houses in the market area as \$60,000 when it is actually \$29,500. On page 1 of the report the licensee list the high price of houses in the market area as \$290,000 when it is actually \$121,500. On page 1 of the report the licensee list the average price of houses in the market area as \$125,000 when it is actually \$65,100. Licensee did not verify the comparable sales utilized in the sales comparison approach with a party to the transaction. The licensee did not analyze the agreement of sale, only listed facts that were in the contract such as sales price, date of the contract and sales concessions. There was no analysis as to the motivation of buyer or seller, no analyses if both parties were well informed or well advised, no analyses as to reasonable exposure to the open market or if the price was influenced by special or creative financing. The licensee's written appraisal report is based on unsupported opinions and conclusions and therefore is not accurate and is misleading to a reader of the report. Licensee's report contained misleading information about the market conditions in the subject neighborhood that could not be supported with market data. The licensee utilized comparable sales from areas out side of the subject's competitive market area that were misleading to readers of the report and gave a misleading representation of the market in the subject's market area. The report is based on unsupported opinions and conclusions. Licensee's report contained misleading information about the market conditions in the subject neighborhood that could not be supported with market data.

**Letters of Warning** were issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

**AB 13-07** A Letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where Licensee made unsupported adjustments for Condition of Sale, Site, and Quality of Construction.

**AB 13-09** A Letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where comparable data was not clearly stated in the Sales Comparison Approach. Comparable 2 and Comparable 5 city reported as a neighboring municipalities and Licensee did not disclose that the photos used for Comps 1,2 and 5 were MLS photos.

**AB 13-11** A Letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where there were two cloning errors in the report that resulted in conflicting statements in the report. One error listed a seller when the appraisal was for a refinance transaction. The other error created conflicting disclosures of prior valuation services for the subject property. The statutory certification is not the exact language from the law.

**AB 13-22** A Letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where Licensee failed to verify, with a party to the transaction, the comparable sales utilized by the licensee in the Sales Comparison Approach. Licensee failed to verify the comparable sales and failed to report this information in the appraisal report. Licensee failed to report the results of the analyses made on the contract on the subject property, instead listing some facts such as contract price and such and reporting the contract was "Typical" but not summarizing the actual analysis of the contract.

**AB 13-13** A Letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where Licensee did not have market based data or other justification for the adjustments utilized in the licensee's Sales Comparison Approach.

***THE ALABAMA REAL ESTATE APPRAISERS BOARD NO  
LONGER  
ACCEPTS ANONYMOUS COMPLAINTS***

## 2015 EDUCATION CRITERIA CHANGES

The Appraiser Qualifications Board of the Appraisal Foundation formally adopted changes to the *Real Property Appraiser Qualification Criteria* that will become effective on January 1, 2015. **These changes represent the minimum national requirements that each state must implement for individuals applying for a real estate appraiser license or certification as of January 1, 2015.** The changes include increased required education, which is summarized as follows:

Category	Current Requirements <sup>1</sup>	1/1/15 Requirements <sup>1,2</sup>	1/1/15 College-Level Course Requirements <sup>3</sup>
Licensed	150 hours <b>High School Diploma</b>	150 hours	<b>Thirty (30)</b> semester hours of college-level education, from an accredited college, junior college, community college, or university. <b>An Associate degree or higher will satisfy the college education requirement.</b>
Certified Residential	200 hours <b>Associates or Twenty-one (21) semester credit hours</b>	200 hours	Must hold a Bachelor's degree or higher from an accredited college or university.
Certified General	300 hours <b>Associates or Thirty (30) semester credit hours</b>	300 hours	Must hold a Bachelor's degree or higher from an accredited college or university.

<sup>1</sup> Hours required include completion of the 15-hour National USPAP Course (or its equivalent).

<sup>2</sup> Hours required include specific coverage of multiple topics – please see the *Real Property Appraiser Qualification criteria* for details.

<sup>3</sup> College-level courses and degrees must be obtained from an accredited college or university.

Source: The Appraisal Foundation

The full text of the new education criteria can be accessed on the Foundation website at [www.appraisalfoundation.org](http://www.appraisalfoundation.org)

No changes are involved in the education for the *Trainee Real Property Appraiser* classification or the Alabama classification of *State Registered Real Property Appraiser*.

**Applicants who do not have the required college degree must submit completed applications by July 31, 2014 in order for approval process and completion of examination by December 31, 2014. Applications received after January 1, 2015 must comply with college degree requirement.**

For additional information on the required core curriculum effective January 1, 2015 visit [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

*The following is the required Core Curriculum effective January 1, 2015. These courses will be required in addition to the college courses:*

**Trainee Real Property Appraiser classification:**

Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
The 15-Hour National USPAP course or its equivalent	15 Hours
Trainee Education Requirements	75 Hours

***\* NOTICE: Alabama requires that the 15-Hour USPAP with exam must have been completed within 24 months immediately preceding the date the application is filed with the Board.***

**Licensed Real Property Appraiser classification:**

Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
The 15-Hour National USPAP course or its equivalent	15 Hours
Residential Market Analysis and Highest and Best Use	15 Hours
Residential Appraiser Site Valuation and Cost Approach	15 Hours
Residential Sales Comparison and Income Approaches	30 Hours
Residential Report Writing and Case Studies	15 Hours
Licensed Education Requirements	150 Hours

***\* NOTICE: Alabama requires that the 15-Hour USPAP with exam must have been completed within 24 months immediately preceding the date the application is filed with the Board.***

Appraisers holding a valid **Trainee Real Property Appraiser** credential may satisfy the educational requirements for the Licensed Residential Real Property Appraiser credential by completing the following **additional** educational hours:

Residential Market Analysis and Highest & Best Use	15 Hours
Residential Appraiser Site Valuation & Cost Approach	15 Hours
Residential Sales Comparison & Income Approaches	30 Hours
Residential Report Writing and Case Studies	15 Hours

**Total** **75 Hours**

**Certified Residential Real Property Appraiser classification:**

Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
The 15-Hour National USPAP course or its equivalent	15 Hours
Residential Market Analysis and Highest and Best Use	15 Hours
Residential Appraiser Site Valuation and Cost Approach	15 Hours
Residential Sales Comparison and Income Approaches	30 Hours
Residential Report Writing and Case Studies	15 Hours
Statistics, Modeling and Finance	15 Hours
Advanced Residential Applications and Case Studies	15 Hours
Appraisal Subject Matter Electives	20 Hours

(May include hours over minimum shown above in other modules)

**Certified Residential Education Requirements 200 Hours**

**•NOTICE:** *Alabama requires that the 15-Hour USPAP with exam must have been completed within 24 months immediately preceding the date the application is filed with the Board.*

Appraisers holding a valid **Trainee Real Property Appraiser** credential may satisfy the educational requirements for the Certified Residential Real Property Appraiser credential by completing the following **additional** educational hours:

Residential Market Analysis & Highest & Best Use	15 Hours
Residential Appraiser Site Valuation & Cost Approach	15 Hours
Residential Sales Comparison & Income Approaches	30 Hours
Residential Report Writing & Case Studies	15 Hours
Statistics, Modeling & Finance	15 Hours
Advanced Residential Applications & Case Studies	15 Hours
Appraisal Subject Matter Electives	20 Hours

**Total 125 Hours**

Appraisers holding a valid **Licensed Real Property Appraiser** credential may satisfy the educational requirements for the Certified Residential Real Property Appraiser credential by completing the following **additional** educational hours:

Statistics, Modeling & Finance	15 Hours
Advanced Residential Applications & Case Studies	15 Hours
Appraisal Subject Matter Electives	20 Hours

**Total 50 Hours**

**Certified General Real Property Appraiser classification:**

Basic Appraisal Principles	30 Hours
Basic Appraisal Procedures	30 Hours
The 15-Hour National USPAP course or its equivalent	15 Hours
General Appraiser Market Analysis and Highest and Best Use	30 Hours
Statistics, Modeling and Finance	15 Hours
General Appraiser Sales Comparison Approach	30 Hours
General Appraiser Site Valuation and Cost Approach	30 Hours
General Appraiser Income Approach	60 Hours
General Appraiser Report Writing and Case Studies	30 Hours
Appraisal Subject Matter Electives	30 Hours
(May include hours over minimum shown above in other modules)	

**Certified General Education Requirements 300 Hours**

***\* NOTICE: Alabama requires that the 15-Hour USPAP with exam must have been completed within 24 months immediately preceding the date the application is filed with the Board.***

Appraisers holding a valid **Trainee Real Property Appraiser** credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by completing the following **additional** educational hours:

General Appraiser Market Analysis and Highest and Best Use	30 Hours
Statistics, Modeling & Finance	15 Hours
General Appraiser Sales Comparison Approach	30 Hours
General Appraiser Site Valuation & Cost Approach	30 Hours
General Appraiser Income Approach	60 Hours
General Appraiser Report Writing & Case Studies	30 Hours
Appraisal Subject Matter Electives	30 Hours

**Total 225 Hours**

Appraisers holding a valid **Licensed Real Property Appraiser** credential may satisfy the education requirements for the Certified General Real Property Appraiser credential by completing the following **additional** educational hours:

General Appraiser Market Analysis and Highest and Best Use	15 Hours
Statistics, Modeling & Finance	15 Hours
General Appraiser Sales Comparison Approach	15 Hours
General Appraiser Site Valuation & Cost Approach	15 Hours
General Appraiser Income Approach	45 Hours
General Appraiser Report Writing & Case Studies	15 Hours
Appraisal Subject Matter Electives	30 Hours

**Total 150 Hours**

Appraisers holding a valid **Certified Residential Real Property Appraiser** credential may satisfy the educational requirements for the Certified General Real Property Appraiser credential by completing the following **additional** educational hours:

General Appraiser Market Analysis & Highest & Best Use	15 Hours
General Appraiser Sales Comparison Approach	15 Hours
General Appraiser Site Valuation & Cost Approach	15 Hours
General Appraiser Income Approach	45 Hours
General Appraiser Report Writing & Case Studies	10 Hours
<b>Total</b>	<b>100 Hours</b>

**WHEN MOVING FROM ONE LICENSE CLASSIFICATION TO ANOTHER COURSES DO NOT NEED TO BE REPEATED.**

**\*\*\*\*NEW CONTINUING EDUCATION OPTION\*\*\*\***

At their January 21, 2011 meeting the Board voted to amend the continuing education requirements for all appraisers. As before, 28 hours of continuing education is required, and 7 of those 28 hours must be the National USPAP Update.

Occasionally, appraisers take appraisal related courses not approved by the Board and ask to use them for continuing education credit. The Board now considers approving these requests for continuing education credit **IF** the appraiser does the following:

1. Submit course content, timeline and syllabus.
2. Submit a non-refundable review fee of \$35.

*The Education Committee will review the course information to determine if the content meets the Appraisal Foundation continuing education criteria. **If the course meets all requirements a maximum of 7 hours credit will be granted.***

If you have any questions regarding this new option please contact our office.

**Alabama Real Estate  
Appraisers Board**

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**CHANGE OF ADDRESS FORM**

In accordance with the Code of Alabama, 1975, §34-27A-16, which requires **IMMEDIATE** written notification to the Board of changes in business and resident addresses, **PLEASE CHANGE MY ADDRESS TO:**

Business: (Preferred Mailing ____)	Home: (Preferred Mailing ____)
_____	_____
_____	_____
Telephone No.: _____	Telephone No.: _____
Signed: _____	License Number: _____
Date: _____	