

The APPRAISER Bulletin



VOLUME 13 NO. 1

A Publication of the Alabama Real Estate Appraisers Board

WINTER 2010

CONTINUING EDUCATION CREDIT FOR BOARD MEETING ATTENDANCE

An Appraiser Qualifications Board Interpretation issued on January 8, 2007 stated:

“State appraiser regulatory agencies may award continuing education credit to credentialed appraisers who attend a state appraiser regulatory agency meeting under the following conditions:

Credit may be awarded for a single state appraiser regulatory agency meeting per continuing education cycle. The meeting must be open to the public and must be a minimum of two (2) hours in length. The total credit cannot exceed seven (7) hours.

The state appraiser regulatory agency must ensure that the credentialed appraiser attends the meeting for the required period of time.”

At their September 20, 2007 Board meeting the Alabama Real Estate Appraisers Board voted that credit will be awarded for a single Board meeting per continuing education cycle. The total credit cannot exceed seven (7) hours and the appraiser must attend the meeting in its entirety.

CALENDAR

As of May 2007 The Alabama Real Estate Appraisers Board changed their meeting schedule to meet on the third Thursday of each month instead of the third Friday. 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/. 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.

TENTATIVE MEETING SCHEDULE

January 21, 2010
March 18, 2010
May 20, 2010
July 15, 2010
September 16, 2010
November 18, 2010

FACEBOOK PAGE

The Alabama Real Estate Appraisers Board now has created a Facebook page. This page has been created to keep appraisers updated and informed promptly on current issues dealing with appraisers throughout the state. This page will be used to benefit the Board along with our appraisers.

Please search for Alabama Real Estate Appraisers Board and become a fan. Helpful comments are welcome and your positive feedback is encouraged.

PROPOSED APPRAISAL MANAGEMENT LEGISLATION

The Board has submitted proposed legislation to register and regulate Appraisal Management Companies. This legislation would rename the Alabama Real Estate Appraisers Act the Alabama Real Estate Appraisers and Appraisal Management Company Registration and Regulation Act. The legislation would also provide for the licensing and regulation of real estate appraisal management companies by the State of Alabama Real Estate Appraisers Board.

There are identical Bills in the House (HB490) and Senate (SB351). Representative Randy Wood from the Anniston area is sponsoring this Bill in the House and Senator Quinton Ross from the Montgomery area is the sponsor in the Senate.

Please contact your local legislators to show your support of these Bills.

TRAINEE CONTRIBUTION IN APPRAISAL REPORTS

At their January 21, 2010 Board meeting the Board voted to allow claim for experience credit to non-signatory Trainee appraisers only if the specific contributions of that appraiser are set out in an addendum as required by Standard Rule 2-3 of USPAP and as suggested in Advisory Opinion 31 of USPAP. If the Trainee does not sign the report and does not list their specific contributions in the addendum experience credit will not be allowed.

QUALIFYING AND CONTINUING EDUCATION CREDIT

At their November 19, 2009 meeting the Board voted to not allow qualifying or continuing education credit for courses taken as part of a Consent Settlement Order.

GEOGRAPHIC COMPETENCY

Effective January 1, 2010, the Appraisal Standards Board (ASB) amended the Competency Rule of USPAP. The Rule now specifically defines competency and states that an appraiser must have the knowledge and experience to complete an assignment competently. We have observed that Appraisal Management Companies (AMC's) often hire appraisers to perform assignments in markets where the appraiser has little or no experience. In those cases, the selections of data used to develop the appraisal reports reflect that lack of appraiser knowledge. Appraisers should be very cautious when accepting assignments in unfamiliar markets and be prepared to defend their competency to complete these assignments.

CHANGE OF ADDRESS

In accordance with Code of Alabama, 1975 §34-27A-16, whenever a licensed appraiser changes a place of business, he or she shall **immediately** give written notification of the change to the Board. The appraiser is also required to notify the Board of his or her current residence address. Also, in accordance with Code of Alabama, 1975 §34-27A-20(c), in addition to the disciplinary powers granted in subsection (a), the Board may levy administrative fines for serious violations of this chapter or the rules and regulations of the Board of not more than \$500 for each violation.

The Board members at their May 19, 2006 meeting voted to levy a fine of \$200 effective July 1, 2006 to any appraiser who does not give written notification within 10 days of his/her change of address.

Please go to our website at www.reab.state.al.us to check your address.

IMPORTANT E-MAIL ADDRESS NOTICE

The Board office is now sending newsletters, board notices, and other important 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 to Carolyn Greene, Executive Secretary. You can e-mail this information to Mrs. Greene at Carolyn.greene@reab.alabama.gov.

APPRAISERS WHO HAVE NOT RENEWED

For the License Year 10-1-09 through 9-30-10

James D. Ard	T01750	Lynne A. Rice	T01844	Donna K. Cooper	R00721	Craig H. Butterfield	G00775
Kevin A. Arrowood	T01477	Brett S. Richards	T01827	James F. Couch, II	R00696	J. Craig Cecil	G00367
Jennifer M. Barnes	T01843	Ronald E. Ridings	T01734	Freda C. Craft	R00589	Charles C. Chatham	G00716
Louis A. Battle	T01882	Sharon G. Roberts	T01492	Sherry M. Davidson	R01063	Louis E. Clark	G00882
William A. Blagburn	T01791	Candice M. Smith	T01698	Robert L. Devoe	R00606	Arthur C. Dyas	G00267
Pamela Jo Brady	T00594	Debbie N. Smith	T01604	Sarah J. Doyle	R00845	Jonathan D. Filson	G00815
William W. Brown	T00701	Earl H. Smith	T00406	Tracy M. Dvorak	R01020	Kenneth O. Fore	G00874
Frank L. Calloway, Jr.	T01406	Victor L. Smith	T01249	James K. Easterday	R01064	Hugh A. Griffith	G00269
Bobby R. Charley	T00920	Anna N. Stone	T01495	Lindsey M. Ellis	R00882	Joseph A. Guadalupe	G00886
Ted B. Childress	T01721	Janene H. Thomas	T00390	Marla I. Ezzell	R00778	Glen E. Heinzelman	G00498
Steven E. Coleman	T01183	Jack A. Waller	T01392	Paula J. Faulkner	R00941	Hugh B. Hicks	G00877
Nancy T. Cox	T01742	Cary A. Tompkins	T01697	Tammy R. Fortenberry	R00822	Oscar L. Hill, Jr.	G00569
Patricia C. Crowley	T01886	John S. Watson	T01534	Ronnie D. Foster	R00495	Alex Hoenig	G00810
Norman L. Davenport	T01875	Paul J. Weaver	T01737	Helen A. Gilg	R00998	Stephen S. Holcombe	G00851
William T. Davis	T01369	Charles M. Williams	T01497	Oluwamuviwa V. Gomez	R00982	David E. Hopkins	G00462
Chad B. Doggett	T01745	Diedra A. Williams	T01780	Ann C. Grantham	R00004	Walter H. Humphrey	G00579
Larry G. Dunn, Jr.	T01723	Jonathan F. Williams	T01847	Charlie A. Haile	R00623	Bobby G. Johnson	G00511
Sharon A. Easter	T00942	Michael G. Barrios, Jr.	S00137	Josephine T. Hall	R00124	Wayne "Chip" R. Johnson	G00889
Marcus H. Estes	T01455	James W. Butler, III	S00122	Robert B. Hall	R00125	Leo E. Joseph, Jr.	G00255
Melanie A. Fowler	T01725	Matthew J. Clark	S00112	Sarah D. Hall	R00568	Edward P. Karabedian	G00712
Keshia L. Gardner	T01786	Rebecca A. Darden	S00036	Patricia H. Hammonds	R00969	Patrick G. Laflamme	G00875
Toni A. Geddings	T01150	John B. Donald	S00113	Chad D. Hayes	R01054	Ross H. Lavette	G00341
Andrew M. Gibson	T01705	Dale I. Garrett	S00033	William G. Holmes	R00140	G. Davis Lewis, Jr.	G00409
Brian P. Golson	T01675	Christopher K. Hallum	S00101	Marcus C. Hutchinson	R00146	Norman W. Lipscomb	G00319
Alex D. Graf	T01731	Joseph B. Hughes	S00132	Richard D. Israel	R00457	Vincent Maldonado	G00723
Zachary R. Green	T01872	William D. Jones	S00105	Michael G. Jones	R00563	Tommie L. Miller	G00201
Cynthia K. Gurry	T01659	Julie D. Newman	S00126	Faith A. Kaiser	R00806	Sylvinita Mooring	G00655
Darby C. Hale	T01461	Michael N. Alexander	L00369	Alex R. Kambar	R00905	Eric P. Moskau	G00884
Gregory A. Hayes	T01546	John S. Baldwin	L00375	Edward L. Kerr	R00160	Dennis A. Nelson	G00799
Marcus E. Herring	T00897	John P. Carroll, Sr.	L00366	John R. Knight	R00455	Thomas E. Norton, Jr.	G00671
Crystal L. Hiatt	T01450	Rosellen Coggin	L00249	Michael J. Koski	R01059	Chester C. Patterson	G00515
David M. Hicks	T01371	Brian C. Curry	L00278	Robert W. Laird	R00166	Steven Pejza	G00734
Susan B. Hill	T00678	Jerry H. Dodson	L00357	Jack B. Loo	R00175	Smith D. Pickett, Jr.	G00205
Ben W. Hilpert	T01566	Brenda E. Driver	L00341	James D. Moss	R00868	Olin G. Pinkston, III	G00066
William V. Holmes	T01624	Sean M. Garrison	L00125	Erika S. Novelli	R00362	Robert N. Rains	G00765
Melanie S. Housh	T01808	Michael S. Graf	L00223	David H. Ogden	R00930	Gary D. Ray	G00330
Daniel G. Howard	T01708	James E. Graham	L00060	Michael J. Parker	R01048	William H. Reece, Jr.	G00163
Brad S. Isbill	T01744	Ben F. Hamel	L00072	Leonard G. Pate	R00268	Joseph H. Rexroat	G00601
Belinda L. Jones	T01335	Harry D. Mabee, Jr.	L00037	Jean C. Perry	R00694	Jeffrey L. Roberts	G00277
Kurt R. Krueger	T01319	William D. Newell	L00331	Byron D. Prescott, Jr.	R00516	John K. Selve, III	G00895
John W. Landrum	T01833	J. Neil Phillips	L00106	Rebecca J. Renard	R01021	Vaughn I. Snyder	G00114
Abbey L. LeCroy	T01747	Julie L. Pringle	L00347	Paula A. Rice	R00926	Robert W. Spangler	G00890
Ann C. Little	T01852	Brigid K. Steed	L00338	Deanna B. Roberts	R00224	Donald E. Spurlin	G00345
Toni M. Martin-Johnson	T01724	Reabon Walker	L00007	Timothy C. Ryberg	R00311	Luten L. Teate	G00619
Theresa G. Matteson	T01395	Mark R. Wesson	L00362	Diane F. Saab	R00430	Pattie J. Tennille	G00787
Michael L. Matthews	T01757	Richard E. Whatley	L00226	Adam L. Smith	R00980	John F. Thigpen	G00848
Robby D. McDonald	T00807	Teresa Wright	L00349	John F. Sutton	R00904	Keith B. Ward	G00438
Robert L. McGough	T01728	Gaines R. Adams	R00400	Michael C. Thorsen	R01012	Harold D. White	G00863
James M. McKenzie	T01436	Edgar E. Ash	R00521	Clayton L. Wells	R00873	Allison M. Wilson	G00883
John M. McQueen	T01558	Mary C. Benefiel	R00939	Catherine A. Agnew	G00822	Steven M. Zenkovich	G00585
Duane C. Nelson	T01409	Gordon M. Burkhead	R00337	Ronald L. Bailey	G00755	William B. Wilson	G00858
Steven J. Park	T01682	Regina S. Bush	R00518	David C. Ball	G00844		
John D. Patterson	T00291	John M. Coleman	R00936	J. Thomas Bradley, Jr.	G00023		
David A. Rainwaters	T01828	Thomas G. Coleman	R00454	Eben P. Bryant	G00872		

LICENSE NON-RENEWAL

Above is a complete listing of appraisers who did not renew their license for the period 10-1-09 through 9-30-10. The following is the text of a certified letter, which was mailed to each of them detailing the status of their license and ineligibility to perform appraisals:

"Your renewal information for the license year 10-1-2009 thru 9-30-2010 has not been received. It is imperative that you understand the status of your license. You are not authorized to do appraisals after September 30, 2009 without a current license. Appraisals made without a current license may be subject to disciplinary action or prosecution as a Class "A" Misdemeanor under State Law.

Between 10-1-2009 and 3-31-2010 the renewal of your license requires the payment of a \$50 late fee in addition to regular fees and proof of continuing education. After 3-31-2010 the late fee for renewal is \$250 in addition to regular fees and proof of continuing education. If the renewal fee, late fee and proof of continuing education for the license year beginning 10-1-2009 is not paid by 9-30-2010 your file will be closed.

If your file is closed you will be required to go through the entire application process, meet the education and experience requirements effective at the time of application and successfully pass appropriate examination to receive a new license."

2008 EDUCATION CRITERIA CHANGES

As most of you already know on February 20, 2004 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, 2008. **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, 2008.** The changes include increased required education, which is summarized as follows:

Category	Current Requirements ¹	1/1/08 Requirements ^{1,2}	1/1/08 College-Level Course Requirements ³
Licensed	90 hours	150 hours	None
Certified Residential	120 hours	200 hours	Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers-Word Processing/ Spreadsheets; and Business or Real Estate Law. In lieu of the required courses, an Associate degree will qualify.
Certified General	180 hours	300 hours	Thirty (30) semester credit hours covering the following subject matter course; English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers-Word Processing/Spreadsheets; Business or Real Estate Law; and two (2) elective courses in accounting, geography; ag-economics; business management; or real estate. In lieu of the required courses, a Bachelors degree will qualify

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

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

³ 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

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

After many months of thought and discussion the Alabama Real Estate Appraisers Board voted at the September 23, 2005 Board meeting to adopt a variation of the AQB Segmented scenario. Applicants whose education and experience meet the current criteria may apply for a license through December 31, 2007. Applicants whose education and experience do not meet the current criteria as of January 1, 2008 must satisfy the education and experience requirements set out in the 2008 appraiser criteria. This is more flexible than the Firm Date scenario but less flexible than the AQB Segmented scenario. This manner of implementing the new

criteria integrates the current Alabama application process more efficiently. **Therefore, the official position of the Board is adoption of the Segmented Scenario.**

Please also note a new license examination developed by The Appraisal Foundation will replace the examinations currently in use by Alabama. The new examination will be designed to test the knowledge of candidates who have met the education criteria in effect on January 1, 2008. **It will be the responsibility of the candidate to assure that he or she has adequate education to successfully complete the examination.**

For additional information on the required core curriculum effective January 1, 2008 visit www.appraisalfoundation.org.

The following is the required Core Curriculum effective January 1, 2008. 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 (May include hours over minimum shown above in other modules)	20 Hours

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 (May include hours over minimum shown above in other modules)	30 Hours
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
Total	100 Hours

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

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-08-26 On January 15, 2009, the Board issued a private reprimand to a Certified Residential Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$1200 Administrative fine and take a Board approved 7 hour USPAP course. The violations are: Licensee failed to clearly and accurately identify the intended use and intended user of the appraisal report (client). Licensee stated "unknown", for the driveway surface when it is concrete. There was an interior/exterior. Licensee stated the list price of comparable #1 for the sale price in the sales comparison approach. Licensee failed to accurately state within the summary of the sales comparison approach all of the sales except #8 were smaller. Licensee made a typographical error and stated, "the sales were large except #8", when the sales were all smaller except #8. Licensee analyzed the effective age in the actual age section of the sales comparison approach. Licensee used the list price of comparable #1 for the sale price in his analysis. Licensee did not mention that the subject has one fireplace and comparable #1 has 3 fireplaces. Licensee failed to state the analysis of the difference between the subject being in "new" condition and comparable #2 being in "average" condition. Licensee did not mention that the subject has a 3-car garage and comparable #2 has no car storage. Licensee used the list price of comparable #1 for the sales price. Licensee failed to analyze and adjust for the difference in the number of fireplaces between the subject and comparable #1 or state a reason for the lack of an adjustment in the sales comparison approach. (Subject 1/Comp 3) Licensee failed to analyze and adjust for the subject being in new condition and comparable #2 being in average condition or state a reason for the lack of an adjustment. Licensee failed to analyze and adjust for comparable #2 lack of a car storage area or state a reason for the lack of an adjustment. Licensee failed to state the analysis of the actual age difference between the subject and comparables in the actual age grid of the sales comparison approach. Licensee adjusted for effective age in the actual age grid. Licensees failed to clearly and accurately identify the intended use and intended user of the appraisal report. Licensee failed to provide sufficient information to understand the neighborhood name and neighborhood boundaries. Licensee failed to provide sufficient information to understand the subject fronted a lake and did not encompass the entire. Licensee failed to accurately state the statutory certification that is required.

AB-08-43 On January 15, 2009 the Board suspended the license of **Charles L. Robertson, III, (R00602)** for three months beginning on January 15, 2009 for a residential appraisal. Licensee signed a Consent Settlement Order and also agreed to complete 40 hours of Board approved residential appraisal courses. The violations are: Licensee's description of the neighborhood boundaries, the neighborhood market conditions, the unsupported effective age and the poor selection of comparables make this report misleading and fraudulent. Licensee failed to use the best comparable sales that were available at the time of the appraisal.

AB-08-15 On May 21, 2009 the Board issued a private reprimand to a Certified Residential Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$1000 Administrative fine and take a Board approved URAR course. The violations are: Licensee failed to maintain a true copy of a written appraisal report as required by USPAP and the Alabama Real Estate Appraisers Act. In the Sales Comparison Approach, Licensee made an adjustment for Design of Comparable #1 and failed to make an adjustment for Comparable #3 also a different Design, or explain the reason for the lack of an adjustment to Comparable #3. Licensee failed to make an adjustment to Comparable #3 Design and omitted the reason for the lack of the adjustment. In the Sales Comparison Approach, Licensee made an adjustment for Design of Comparable #1 and failed to make an adjustment for Comparable #3 also a different Design, or explain the reason for the lack of an adjustment to Comparable #3. Licensee failed to provide sufficient information for the intended user of the appraisal report to understand the report properly. Licensee failed to explain the exclusion of the Cost Approach and Income Approach within the appraisal report. Licensee, in the Sales Comparison Approach, made an adjustment for Design of Comparable #1 and failed to make an adjustment for Comparable #3 also a different Design, or explain the reason for the lack of an adjustment to Comparable #3. Licensee stated within the legal description, "See deed" but failed to provide a copy of the deed in the appraisal report so that the intended user of the report could have the legal description of the property being appraised. Licensee provided a sketch in the appraisal report, but failed to include a drawing of the basement area. Licensee also failed to provide the complete dimensions of the improvement with the drawing or provide a scale of measurement for the intended user to verify the GLA/square footage of the home. The Lender/Client copy of the report did not contain a location map of the subject and comparables. Licensee failed to explain the exclusions of the Cost Approach and Income Approach within the appraisal report. Licensee failed to include the required certification for a license/certified appraiser in the appraisal report.

DISCIPLINARY REPORT (Continued)

AB-08-16, AB-08-56 On May 21, 2009 the Board suspended the license of **Charles Robert Jones, III, (R01039)** for six months. The suspension is stayed and Licensee will be on probation for twelve months or until all fines are paid and education is completed. Licensee signed a Consent Settlement Order and also agreed to complete 60 hours of Board approved basic appraisal principals and procedures courses and pay an administrative fine of \$5000. He will submit logs of all appraisals completed during the probation period to the Board for review. The violations are: AB 08-16 Licensee failed to provide sufficient information for the intended user to understand the Map Reference stated was from a Jefferson County, Al Carto-Craft Map. Licensee failed to report that there was a homeowner's association fee for the subject property. Licensee failed to provide sufficient information for the intended user to identify the neighborhood boundaries of the subject neighborhood. In the Improvement Section of the appraisal report, Licensee states the home was in average condition inside and outside. In the Sales Comparison Approach, Licensee states the home is in good condition. Licensee did not provide sufficient information for the intended user to understand the condition. Licensee communicated a misleading appraisal report and/or knowingly permitted another person to communicate a misleading appraisal report by developing the Cost Approach and Sales Comparison Approach using inaccurate sales data, flawed appraisal method. The approaches contain errors that resulted in the value opinions being non-credible rendering the reconciled opinion of market value non-credible. Licensee communicated and/or knowingly permitted another person to communicate a misleading appraisal report by including in the scope of work that the Mentor inspected the subject's exterior/interior and the comparable exteriors, when the Mentor did not inspect as stated in the report. Licensee failed to retain a true copy of the appraisal report that was provided to the lender/client. The report obtained from the lender was not the same as the report obtained from Licensee. Licensee included in the scope of work that the Mentor inspected the interior and exterior of the subject and exteriors of the comparable sales. Licensee overstated the scope of work performed by the Mentor. Licensee failed to use recognized methods and techniques to develop the Sales Comparison Approach. Licensee failed to state, analyze and/or adjust for some improvements, amenities and age where the subject and comparables were different. This caused the indicated value to be non-credible. In developing the Sales Comparison Approach, Licensee used sales from outside of the subject's immediate market. A sale existed across the street from the subject. Licensee failed to use recognized methods and techniques to develop the Cost Approach. Licensee included site improvements within the dwelling cost calculations and failed to include some dwelling costs. These errors rendered the physical depreciation and total estimate of cost new non-credible. Licensee stated a Carto-Craft map reference that was not accurate. Licensee failed to identify the neighborhood boundaries within the report. Licensee

stated the home was on public sewer and public sewer was not available. Licensee stated the home had a wood stove, when the home did not have a wood stove. Licensee indicated washer/dryer in the appliance section, there was no washer/dryer, there was a microwave. Licensee used sales from outside of the subject's market in the Sales Comparison Approach. There was a sale across the street from the subject. Licensee stated the Homeowner's Association fee is N/A for subject, and there is a Homeowner's Association fee. Licensee stated an inaccurate Carto-Craft map reference number in the report. Licensee failed to provide sufficient information in the report for the intended user to understand that the source of the map reference was a Carto-Craft map. Licensee stated the Homeowner's Association fee is N/A for subject, and there is a Homeowner's Association fee. Licensee failed to state the neighborhood boundaries within the report. Licensee stated the subject had public sewer when sewer is not available. Licensee stated the subject is 1-story when the report is a 2-story. Licensee stated the subject has a wood stove, when the subject did not have a wood stove. Licensee checked washer/dryer in the appliances, when microwave was the box intended to be checked. In the Improvement Section comments, Licensee stated the subject was in average condition inside and outside. In the Sales Comparison Approach, Licensee stated the home was in good condition. The report does not provide sufficient information for the intended user to understand the condition statements used the report. In developing the Sales Comparison Approach, Licensee used sales from outside of the subject's immediate market. A sale existed across the street from the subject. Licensee failed to adjust for the difference in actual age of Comparable #1 & #3 or state a reason for the failure to make an adjustment. Licensee reported an attached 2-car garage in Comparable #3. Licensee failed to report the apartment above the garage or state a reason for the failure to make an adjustment. Licensee failed to adjust for a stocked fishpond in Comparable #3 or state a reason for the failure to make an adjustment. Licensee failed to provide adequate information for the Lender/Client to replicate the cost data and calculations within the Cost Approach. Licensee failed to accurately develop the Cost Approach within the appraisal report. Licensee overstated the Scope of Work performed by the Mentor/Supervisor appraiser within the appraisal report, resulting in a lack of credibility in the assignment. Licensee failed to adjust for the actual age difference in Comparable #1 & #3 or state a reason for the failure to make an adjustment. Licensee reported an attached 2-car garage in Comparable #3, but failed to report the apartment above the garage or state a reason for the failure to make an adjustment. Licensee failed to adjust for the stocked fishpond in Comparable #3 or state a reason for the failure to make an adjustment. In developing the Sales Comparison Approach, Licensee used sales from outside of the subject's immediate market. A sale existed across the street from the subject. In developing the Sales Comparison Approach, Licensee failed to report and analyze the comparable sale within the immediate market.

DISCIPLINARY REPORT (Continued)

Licensee included site improvements in the dwelling cost calculations and arrive at a total estimate of cost new that was not credible. Licensee omitted some of the dwelling cost components from the estimate of cost new. Licensee failed to accurately analyze the accrued depreciation (physical depreciation) by including site improvement cost in the dwelling cost new calculations and omitted other dwelling cost calculations in the Cost Approach. Licensee stated the subject property was on public sewer. The subject area is not served by a sewer system. Licensee stated the Homeowner's Association fee is N/A for subject and there is a Homeowner's Association fee. Licensee reported the subject has a wood stove, when the home did not have a wood stove. Licensee reported the subject has a washer/dryer in appliance section, when microwave was the intended box to be checked.

Licensee indicated the Mentor inspected the interior & exterior of the subject and exterior of the comparables when these tasks were not performed. **AB-08-56** Licensee communicated a misleading appraisal report and/or knowingly permitted another person to communicate a misleading appraisal report by developing the Cost Approach and Sales Comparison Approach using inaccurate sales data, flawed appraisal method. The approaches contain errors that resulted in the value opinions being non-credible rendering the reconciled opinion of market value non-credible. Licensee communicated and/or knowingly permitted another person to communicate a misleading appraisal report by including in the scope of work that the Mentor inspected the subject's exterior/interior and the comparable exteriors, when the Mentor did not inspect as stated in the report. Licensee failed to retain a true copy of the appraisal report that was provided to the lender/client. The report obtained from the lender was not the same as the report obtained from Licensee. Licensee included in the scope of work that the Mentor inspected the interior and exterior of the subject and exteriors of the comparable sales. Licensee overstated the scope of work performed by the Mentor. Licensee failed to use the recognized and stated method and technique to develop the GLA and square footage of the home on the subject property. The non-credible GLA and non-credible square footage was then used to develop the cost approach and sales comparison approach. Due to the non-credible data and errors, the indicated value by the cost approach and the adjusted sales price of the comparable in the sales comparison approach were non-credible. Licensee stated and analyzed, in the sales comparison approach, the above grade room count of the gross living area as 4 bedrooms/3 baths. According to the sketch in the appraisal report, the home was 3 bedrooms/2 baths above grade with an additional bedroom and bath in the finished basement area. In the Sales Comparison Approach, Licensee stated and analyzed the total of the square footage of the finished basement area and the above grade area as gross living area (GLA). Licensee did not state and analyze, the unfinished square footage of the basement. Licensee failed to state and analyze an in-ground pool for Comparable #2

or state a reason for the lack thereof. Licensee, in developing the Cost Approach, used a GLA (dwelling square footage) that was not credible due to being the total of the above grade square footage and the finished basement square footage. Licensee, in developing the Cost Approach failed to develop the cost-new of the unfinished or finished basement of the subject home. Licensee failed to develop the cost-new of the appliances and fireplace within the Cost Approach. Licensee failed to use a credible square footage to develop the cost-new of the garage in the Cost Approach. Due to the errors in the estimate of cost-new, Licensee did not analyze a credible accrued depreciation resulting in a non-credible indicated value in the Cost Approach. Licensee calculated the GLA for the subject as a two (2) story, when the subject was a split foyer with partial finished basement. Licensee failed to use credible measurements to sketch and calculate the GLA and square footage of the home on the subject property. Licensee developed the Sales Comparison Approach and Cost Approach with square footage that was not credible. Licensee failed to develop a credible Sales Comparison Approach. Licensee failed to develop a credible Cost Approach. Licensee prepared, developed and communicated an appraisal report that was reconciled from non-credible data resulting in an opinion of market value that was also non-credible.

Licensee overstated the Scope of Work performed by the Mentor/Supervisor Appraiser within the appraisal report, resulting in a lack of credibility in the assignment. Licensee overstated the Scope of Work performed by the Mentor/Supervisor Appraiser within the appraisal report, resulting in a lack of credibility in the assignment. Licensee stated and analyzed an incorrect date of sale of Comparable #1. Licensee failed to state and adjust Comparable #2 pool or state a reason for the lack thereof. Licensee failed to develop a credible estimate of cost-new of the improvement, due to using a GLA (dwelling square footage) that was not credible. Licensee failed to develop a credible estimate of cost-new of the improvement, due to a failure to estimate the cost-new of the basement area. Licensee failed to estimate the cost new of the appliances and fireplace, as stated in the improvement section of the appraisal report. Licensee failed to develop the cost-new of the garage area with a credible square footage. Licensee failed to analyze an accurate accrued physical depreciation, due to the total estimate of cost-new was developed with data that was not credible. Licensee provided a Sketch Addendum with a sketch that was not accurate, square footage and area calculations that were not credible. The sketch was misleading and the non-credible calculations were used to develop the appraisal, which resulted in a non-credible misleading appraisal report. Licensee stated ANSI Standard was used to measure the subject property, when ANSI Standard was not used in the measurement and calculations of the Subject property. Licensee stated the opinion of site value was from an estimate of sales of similar sites, improved or unimproved in the Subject's market area. The site vale was taken from the courthouse

DISCIPLINARY REPORT (Continued)

records (tax assessment land value). Licensee indicated a sump pump, when the intent was to indicate an outside entry/exit in the appraisal report. Licensee indicated brick & vinyl siding, when the exterior of the home was brick and wood. Licensee indicated 4 bedrooms/3 baths above grade, when the home had 3 bedrooms/2 baths above grade and a bedroom & bath in the finished basement area. Due to a typo in Comparable #1, Licensee indicated a date of sale that was not accurate. (9/21/06 for 7/21/06) Licensee stated no previous transfer of the comparable properties for the prior year to the date of sale. Licensee failed to report Comparable #1 had transferred within this time period. Licensee indicated in the Multi-Purpose Appraisal Addendum, the estimated market rent and gross rent multiplier was utilized in the Income Approach, when the Income Approach was not developed. Licensee indicated in the Multi-Purpose Appraisal Addendum, the Subject has not been offered for sale in the past 30 days when the subject was under contract at the time of the appraisal. Licensee indicated in the Multi-Purpose Appraisal Addendum, the Subject was not currently under contract, when the Subject was under contract at the time of the appraisal. Licensee indicated the Mentor/Supervisor Appraiser inspected the interior and exterior of the Subject and exterior of the comparables, which was not accurate and misleading as to the task the Mentor/Supervisor Appraiser performed. Licensee's USPAP Compliance Addendum pages are labeled 2005 USPAP Compliance Addendum, when 2006 USPAP was the current edition at the time of the appraisal. Licensee failed to include the statutory certification accurately within the appraisal report. Licensee failed to provide sufficient information within the appraisal report for the intended user to understand the source of the Map Reference in the Subject section of the appraisal report.

Licensee failed to provide sufficient information within the appraisal report for the intended user to identify the neighborhood boundaries of the Subject property. Licensee failed to provide sufficient information within the appraisal report for the intended user to understand the GLA for Comparable #1 came from an additional source than stated in the report. Licensee failed to provide sufficient information for the lender/client to replicate the cost figures and calculations in the Cost Approach. Licensee represented in the appraisal report the inspection of the interior and exterior of the subject and exterior of the comparables. Licensee overstated the scope of work performed within the appraisal assignment for the Mentor/Supervisor. The Mentor/Supervisor Appraiser did not inspect.

AB-08-17, AB-08-57 On May 21, 2009 the Board suspended the license of **Roger M. Pugh, (G00162)** for six months. The suspension is stayed and Licensee will be on probation for twelve months or until all fines are paid and education is completed. Licensee signed a Consent Settlement Order and also agreed to complete 60 hours of Board approved basic appraisal principals and procedures

courses and pay an administrative fine of \$5000. He will submit logs of all appraisals completed during the probation period to the Board for review. Licensee will not undertake supervision of a Trainee appraiser without obtaining prior approval by the Board. **AB-08-17** Licensee failed to provide sufficient information for the intended user to understand the Map Reference stated was from a Jefferson County, Al Carto-Craft Map. Licensee failed to report that there was a homeowner's association fee for the subject property. Licensee failed to provide sufficient information for the intended user to identify the neighborhood boundaries of the subject neighborhood. In the Improvement Section of the appraisal report, Licensee states the home was in average condition inside and outside. In the Sales Comparison Approach, Licensee states the home is in good condition. Licensee did not provide sufficient information for the intended user to understand the condition. Licensee communicated a misleading appraisal report and/or knowingly permitted another person to communicate a misleading appraisal report by developing the Cost Approach and Sales Comparison Approach using inaccurate sales data, flawed appraisal method. The approaches contain errors that resulted in the value opinions being non-credible rendering the reconciled opinion of market value non-credible. Licensee communicated and/or knowingly permitted another person to communicate a misleading appraisal report by including in the scope of work that the Mentor inspected the subject's exterior/interior and the comparable exteriors, when the Mentor did not inspect as stated in the report. Licensee failed to retain a true copy of the appraisal report that was provided to the lender/client. The report obtained from the lender was not the same as the report obtained from Licensee. Licensee included in the scope of work that the Mentor inspected the interior and exterior of the subject and exteriors of the comparable sales. Licensee overstated the scope of work performed by the Mentor. Licensee failed to use recognized methods and techniques to develop the Sales Comparison Approach. Licensee failed to state, analyze and/or adjust for some improvements, amenities and age where the subject and comparables were different. This caused the indicated value to be non-credible. In developing the Sales Comparison Approach, Licensee used sales from outside of the subject's immediate market. A sale existed across the street from the subject. Licensee failed to use recognized methods and techniques to develop the Cost Approach. Licensee included site improvements within the dwelling cost calculations and failed to include some dwelling costs. These errors rendered the physical depreciation and total estimate of cost new non-credible. Licensee stated a Carto-Craft map reference that was not accurate. Licensee failed to identify the neighborhood boundaries within the report. Licensee stated the home was on public sewer and public sewer was not available. Licensee stated the home had a wood stove, when the home did not have a wood stove. Licensee indicated washer/dryer in the appliance section, there was no washer/dryer, there was a microwave. Licensee used sales from outside of the subject's market in the Sales

DISCIPLINARY REPORT (Continued)

Comparison Approach. There was a sale across the street from the subject. Licensee stated the Homeowner's Association fee is N/A for subject, and there is a Homeowner's Association fee. Licensee stated an inaccurate Carto-Craft map reference number in the report. Licensee failed to provide sufficient information in the report for the intended user to understand that the source of the map reference was a Carto-Craft map. Licensee stated the Homeowner's Association fee is N/A for subject, and there is a Homeowner's Association fee. Licensee failed to state the neighborhood boundaries within the report. Licensee stated the subject had public sewer when sewer is not available. Licensee stated the subject is 1-story when the report is a 2-story. Licensee stated the subject has a wood stove, when the subject did not have a wood stove. Licensee checked washer/dryer in the appliances, when microwave was the box intended to be checked. In the Improvement Section comments, Licensee stated the subject was in average condition inside and outside. In the Sales Comparison Approach, Licensee stated the home was in good condition. The report does not provide sufficient information for the intended user to understand the condition statements used the report. In developing the Sales Comparison Approach, Licensee used sales from outside of the subject's immediate market. A sale existed across the street from the subject. Licensee failed to adjust for the difference in actual age of Comparable #1 & #3 or state a reason for the failure to make an adjustment. Licensee reported an attached 2-car garage in Comparable #3. Licensee failed to report the apartment above the garage or state a reason for the failure to make an adjustment. Licensee failed to adjust for a stocked fishpond in Comparable #3 or state a reason for the failure to make an adjustment. Licensee failed to provide adequate information for the Lender/Client to replicate the cost data and calculations within the Cost Approach. Licensee failed to accurately develop the Cost Approach within the appraisal report. Licensee overstated the Scope of Work performed by the Mentor/Supervisor appraiser within the appraisal report, resulting in a lack of credibility in the assignment. Licensee failed to adjust for the actual age difference in Comparable #1 & #3 or state a reason for the failure to make an adjustment. Licensee reported an attached 2-car garage in Comparable #3, but failed to report the apartment above the garage or state a reason for the failure to make an adjustment. Licensee failed to adjust for the stocked fishpond in Comparable #3 or state a reason for the failure to make an adjustment. In developing the Sales Comparison Approach, Licensee used sales from outside of the subject's immediate market. A sale existed across the street from the subject. In developing the Sales Comparison Approach, Licensee failed to report and analyze the comparable sale within the immediate market. Licensee included site improvements in the dwelling cost calculations and arrive at a total estimate of cost new that was not credible. Licensee omitted some of the dwelling cost components from the estimate of cost new. Licensee failed to accurately analyze the accrued depreciation (physical depreciation) by including site improvement cost

in the dwelling cost new calculations and omitted other dwelling cost calculations in the Cost Approach. Licensee stated the subject property was on public sewer. The subject area is not served by a sewer system. Licensee stated the Homeowner's Association fee is N/A for subject and there is a Homeowner's Association fee. Licensee reported the subject has a wood stove, when the home did not have a wood stove. Licensee reported the subject has a washer/dryer in appliance section, when microwave was the intended box to be checked. Licensee indicated the Mentor inspected the interior & exterior of the subject and exterior of the comparables when these tasks were not performed. **AB-08-57** Licensee communicated a misleading appraisal report and/or knowingly permitted another person to communicate a misleading appraisal report by developing the Cost Approach and Sales Comparison Approach using inaccurate sales data, flawed appraisal method. The approaches contain errors that resulted in the value opinions being non-credible rendering the reconciled opinion of market value non-credible. Licensee communicated and/or knowingly permitted another person to communicate a misleading appraisal report by including in the scope of work that the Mentor inspected the subject's exterior/interior and the comparable exteriors, when the Mentor did not inspect as stated in the report. Licensee failed to retain a true copy of the appraisal report that was provided to the lender/client. The report obtained from the lender was not the same as the report obtained from Licensee. Licensee included in the scope of work that the Mentor inspected the interior and exterior of the subject and exteriors of the comparable sales. Licensee overstated the scope of work performed by the Mentor. Licensee failed to use the recognized and stated method and technique to develop the GLA and square footage of the home on the subject property. The non-credible GLA and non-credible square footage was then used to develop the cost approach and sales comparison approach. Due to the non-credible data and errors, the indicated value by the cost approach and the adjusted sales price of the comparable in the sales comparison approach were non-credible. Licensee stated and analyzed, in the sales comparison approach, the above grade room count of the gross living area as 4 bedrooms/3 baths. According to the sketch in the appraisal report, the home was 3 bedrooms/2 baths above grade with an additional bedroom and bath in the finished basement area. In the Sales Comparison Approach, Licensee stated and analyzed the total of the square footage of the finished basement area and the above grade area as gross living area (GLA). Licensee did not state and analyze, the unfinished square footage of the basement. Licensee failed to state and analyze an in-ground pool for Comparable #2 or state a reason for the lack thereof. Licensee, in developing the Cost Approach, used a GLA (dwelling square footage) that was not credible due to being the total of the above grade square footage and the finished basement square footage. Licensee, in developing the Cost Approach failed to develop the cost-new of the unfinished or finished basement of the subject home. Licensee failed to develop the cost-new of the

DISCIPLINARY REPORT (Continued)

appliances and fireplace within the Cost Approach. Licensee failed to use a credible square footage to develop the cost-new of the garage in the Cost Approach. Due to the errors in the estimate of cost-new, Licensee did not analyze a credible accrued depreciation resulting in a non-credible indicated value in the Cost Approach. Licensee calculated the GLA for the subject as a two (2) story, when the subject was a split foyer with partial finished basement. Licensee failed to use credible measurements to sketch and calculate the GLA and square footage of the home on the subject property. Licensee developed the Sales Comparison Approach and Cost Approach with square footage that was not credible. Licensee failed to develop a credible Sales Comparison Approach. Licensee failed to develop a credible Cost Approach. Licensee prepared, developed and communicated an appraisal report that was reconciled from non-credible data resulting in an opinion of market value that was also non-credible.

Licensee overstated the Scope of Work performed by the Mentor/Supervisor Appraiser within the appraisal report, resulting in a lack of credibility in the assignment. Licensee overstated the Scope of Work performed by the Mentor/Supervisor Appraiser within the appraisal report, resulting in a lack of credibility in the assignment. Licensee stated and analyzed an incorrect date of sale of Comparable #1. Licensee failed to state and adjust Comparable #2 pool or state a reason for the lack thereof. Licensee failed to develop a credible estimate of cost-new of the improvement, due to using a GLA (dwelling square footage) that was not credible. Licensee failed to develop a credible estimate of cost-new of the improvement, due to a failure to estimate the cost-new of the basement area. Licensee failed to estimate the cost new of the appliances and fireplace, as stated in the improvement section of the appraisal report. Licensee failed to develop the cost-new of the garage area with a credible square footage. Licensee failed to analyze an accurate accrued physical depreciation, due to the total estimate of cost-new was developed with data that was not credible. Licensee provided a Sketch Addendum with a sketch that was not accurate, square footage and area calculations that were not credible. The sketch was misleading and the non-credible calculations were used to develop the appraisal, which resulted in a non-credible misleading appraisal report. Licensee stated ANSI Standard was used to measure the subject property, when ANSI Standard was not used in the measurement and calculations of the Subject property. Licensee stated the opinion of site value was from an estimate of sales of similar sites, improved or unimproved in the Subject's market area. The site value was taken from the courthouse records (tax assessment land value). Licensee indicated a sump pump, when the intent was to indicate an outside entry/exit in the appraisal report. Licensee indicated brick & vinyl siding, when the exterior of the home was brick and wood. Licensee indicated 4 bedrooms/3 baths above grade, when the home had 3 bedrooms/2 baths above grade and a bedroom & bath in the finished basement area. Due to a typo in Comparable #1, Licensee indicated a date of sale

that was not accurate. (9/21/06 for 7/21/06) Licensee stated no previous transfer of the comparable properties for the prior year to the date of sale. Licensee failed to report Comparable #1 had transferred within this time period. Licensee indicated in the Multi-Purpose Appraisal Addendum, the estimated market rent and gross rent multiplier was utilized in the Income Approach, when the Income Approach was not developed. Licensee indicated in the Multi-Purpose Appraisal Addendum, the Subject has not been offered for sale in the past 30 days when the subject was under contract at the time of the appraisal. Licensee indicated in the Multi-Purpose Appraisal Addendum, the Subject was not currently under contract, when the Subject was under contract at the time of the appraisal. Licensee indicated the Mentor/Supervisor Appraiser inspected the interior and exterior of the Subject and exterior of the comparables, which was not accurate and misleading as to the task the Mentor/Supervisor Appraiser performed. Licensee's USPAP Compliance Addendum pages are labeled 2005 USPAP Compliance Addendum, when 2006 USPAP was the current edition at the time of the appraisal. Licensee failed to include the statutory certification accurately within the appraisal report. Licensee failed to provide sufficient information within the appraisal report for the intended user to understand the source of the Map Reference in the Subject section of the appraisal report.

Licensee failed to provide sufficient information within the appraisal report for the intended user to identify the neighborhood boundaries of the Subject property. Licensee failed to provide sufficient information within the appraisal report for the intended user to understand the GLA for Comparable #1 came from an additional source than stated in the report. Licensee failed to provide sufficient information for the lender/client to replicate the cost figures and calculations in the Cost Approach. Licensee represented in the appraisal report the inspection of the interior and exterior of the subject and exterior of the comparables. Licensee overstated the scope of work performed within the appraisal assignment for the Mentor/Supervisor. The Mentor/Supervisor Appraiser did not inspect.

AB-08-66, AB-08-67 On May 21, 2009, the Board issued a private reprimand to a Certified General Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$500 fine and complete board approved provided appraiser education for VA and FHA appraisals. In AB 08-66 the violations were: Licensee prepared, developed and communicated an appraisal report that was not credible, which resulted in a misleading appraisal report. The opinion of market value for the subject property was not supported by the approach used in the appraisal report. Licensee failed to produce a true copy of the original appraisal report as provided to the lender/client at the time of the appraisal. Licensee failed to prepare, develop and communicate an appraisal report with an acceptable scope of work. The appraisal report did not comply with FHA/HUD guidelines,

DISCIPLINARY REPORT (Continued)

which were a condition of the assignment. Licensee failed to use recognized methods and techniques by analyzing sales from outside of the subject neighborhood, when sales were available within the immediate neighborhood; adjusting for sale/finance concessions in comparable #1 and #2, when these were not market supported adjustments; failed to report and adjust for comparable #1's fenced area; failed to state that FHA was an intended user and did not state the intended use of the appraisal report; in the sales comparison approach, stated adjustments that were not market supported, omitted market information and adjustments; failed to reconcile the quality and quantity of data available and the applicability/suitability of the approaches used; communicated misleading information that was not clear and accurate within the appraisal report; failed to prepare, develop and communicate an appraisal report with an acceptable scope of work; stated lot dimensions that were not accurate, which caused the calculated site area to be incorrect; stated the limited amount of sales in the area forced the appraiser to use sales that were over six months old. Sales were available within the market, which had sold within six months of the date of the appraisal; in the photograph addendum (comparables), represented a photograph of a home from a street with a similar name and not the actual photograph of comparable #3; the location map addendum and flood map addendum is not the accurate location of the subject; failing to provide information to explain the interstate ROW is within 125 feet +/- of the subject property; In **AB-08-67** Licensee failed to prepare, develop and communicate an appraisal report with an acceptable scope of work. The appraisal report lacked the expectations of an appraisal report prepared to HUD/FHA appraisal standards; failed to prepare, develop and communicate an appraisal report in compliance with the published appraisal standards of HUD/FHA; failed to use sales within the immediate neighborhood, which were more similar to the subject for comparables in the sales comparison approach; used an older sale (18 months old +/-) from another development (comparable #1), when more recent comparable sales were available in the immediate development; GLA of comparable #2 was not accurate; Did not state that FHA was an intended user of the report; did not report that the subject property was located in a PUD with homeowners association fees; failed to report the common area amenities of the PUD, specifically a club house and pool; failed to report that the subject adjoins a commercial/warehouse type property; failed to reconcile the quality and quantity of data available and the applicability/suitability of the approaches used; stated the subject as having a total room count of 6 rooms, when the total room count was 5 rooms affecting the credibility of the market approach; failed to report the AmeriDream fees and analyze those fees; stated the home was new in the neighborhood section of the report, built in 2005 in the improvement section and actual age of 2 years in the sales comparison approach. The comment of the home being new was not accurate in the appraisal report; Licensee stated lot dimensions that were not accurate, which

resulted in inaccurate calculation of the site area; stated brick foundation walls, when the subject foundation was poured concrete; indicated a scuttle attic opening, when the attic access was drop stairs; stated average condition in the comments of the improvement section of the report and then stated good condition in the sales comparison approach and neighborhood sections of the report. The condition information was not clear and consistent within the report; stated good quality of construction in the sales comparison approach and average quality of construction in the cost approach. The quality of construction information was not clear and consistent within the report; indicated the reproduction cost new was estimated in the cost approach, when the replacement cost new was the actual cost developed and analyzed in the cost approach; failed to explain the exclusion of the income approach.

AB-08-128 On May 21, 2009, the Board publicly reprimanded **Sean Garrison, (L00125)**. Licensee signed a Consent Settlement Order and agreed to pay a \$500 administrative fine. Licensee appraised real property in October 2008 without first renewing his appraiser License.

AB-08-132, AB-08-133, AB-08-134, AB-08-135, AB-08-136 On May 21, 2009, the Board approved the Voluntary Surrender of License from **Martha Garrett, (R00642)**. Licensee chose to surrender her license in lieu of the Board conducting an investigation of the complaints in the referenced cases. Licensee is eligible to apply for a reinstatement of the license after a period of two years.

AB-07-61, AB-07-62, AB-07-63, AB-07-64, AB-07-65, AB-07-66, AB-07-67, AB-07-68, AB-07-69, AB-07-70, AB-07-71, AB-07-72, AB-07-73, AB-07-74, AB-07-75, AB-07-76, AB-07-77, AB-07-78, AB-07-79, AB-07-80, AB-07-81, AB-07-82, AB-07-83, AB-07-84, AB-07-85, AB-08-20, AB-08-21, AB-08-22, AB-08-23, AB-08-24, AB-08-25, AB-08-147, AB-08-149 On July 16, 2009 the Board suspended the license of **Ira M. Betts (G00087)** for twelve months. Betts signed a Consent Settlement Order and agreed to pay a \$5000 Administrative fine and take 56 hours of Board approved appraisal education. Six months of the suspension will be served on probation. Licensee agreed to this disposition in lieu of an investigation.

AB-08-04, AB-08-05, AB-08-06, AB-08-07, AB-08-08, AB-08-09, AB-08-146, AB-08-148 On July 16, 2009 the Board accepted the Voluntary Revocation Consent Order from **Laura M. Betts (G00796)**. Licensee agreed to this disposition in lieu of an investigation.

AB-08-48 On July 16, 2009, the Board issued a private reprimand to Certified Residential Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$150 fine and complete 30 hours of board approved appraiser education. The violations were: Licensee failed to utilize comparable sales of similar land to develop a land value of the subject property as vacant and ready to be put to its highest and best use. The Licensee failed to

DISCIPLINARY REPORT (Continued)

understand and apply the concept of contribution, which states that the value of a particular component is measured in terms of its contribution to the value of the whole, in his appraisal of the subject property by valuing the subjects land as commercial land and not considering the effect this would have on the value of the improvements. Licensee failed to properly adjust comparable sales for differences in land value, location, age of improvements and condition of improvements. Licensee fails to research and consider the effect on value of a bridge cutting off access by boat to the main part of the lake. The Licensee failed to research and consider the effect on value of the subject site not having legal access to a public road. Licensee fails to identify the effect on value of a bridge cutting off access by boat to the main part of the lake. The Licensee failed to identify the effect on value of the subject site not having legal access to a public road. Licensee failed to gather comparable land sales, which after analyzing would have indicated a value difference from one side of bridge to the other. Licensee failed to properly analyze comparable sales to determine proper adjustments for site value, location, age and condition. Licensee did not utilize an appropriate appraisal method or technique in valuing the subject site; basically he pulled the value out of the air. Licensee failed to analyze a prior sale of the subject property that took place on June 3, 2005. Licensee had copy of deed for the sale in his work file.

AB-08-49 On July 16, 2009 the Board issued a private reprimand to a Certified Residential appraiser. Licensee agreed to pay an administrative fine of \$150 and complete 15 hours of board approved appraiser education. The violations were: The Licensee failed to gather significant information from the client to properly identify the real property to be appraised. Licensee failed to properly identify that the subject site was two subdivision lots with a single-family residence. Licensee failed to include and adjust for an in-ground pool located on comparable number two. The Licensee failed to properly identify the correct GLA in comparable 3. Licensee used 1,963 square feet when 2,800 square feet was correct. Licensee failed to utilize the ANSI Z765-2003 method for calculating square footage for the upstairs bonus room in comparable 3 and miscalculated the area Licensee fails to identify the subject as two lots, only one lot and the residence was included in the appraisal. The Licensee failed to include and adjust for an in-ground pool located on comparable number two. The Licensee failed to properly identify the correct GLA of comparable 3. Licensee utilized 1,963 square feet when it was contained 2,800 square feet. Licensee failed to analyze a prior sale of the subject property in July 2006. Licensee failed to identify the real property to be appraised by only identifying one lot when there were two lots comprising the property.

AB-08-59, AB-08-60, AB-08-61, AB-08-62 On July 16, 2009, the Board issued a private reprimand to a Certified Residential appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$275 administrative

fine and complete 15 hours of board approved appraiser education. The violations were: Licensee utilized sales as comparables when there were better sales available in the subject's immediate area. Licensee made unsupported adjustments to the sales used as comparables in the report. Licensee fails to consider and disclose the number of foreclosures in the subject neighborhood. Licensee made unsupported adjustments to the comparables. Licensee fails to consider and disclose the large number of foreclosures in the subject's neighborhood. Licensee failed to analyze the sales although he disclosed the contract sales price of \$106,000 in the report. Licensee reported a sale of the subject on 11/14/06 for \$31,000. There was no analysis of the transaction. Licensee failed to analyze the sales although he disclosed the contract sales price of \$120,500 in the report. Licensee fails to consider and disclose the large number of foreclosures in the subject's neighborhood.

AB-08-150, AB-08-151, AB-08-152, AB-08-153, AB-09-47, AB-09-48, AB-09-49, AB-09-50, AB-09-52, AB-09-53, AB-09-54, AB-09-55, AB-09-56, AB-09-57 On July 16, 2009, the Board approved the Voluntary Surrender of License from **Carlton Parker Cobb (R00767)**. Licensee chose to surrender his license in lieu of the Board conducting an investigation of the complaints in the referenced cases. Licensee is eligible to apply for a reinstatement of the license after a period of two years.

AB-08-106 On July 16, 2009, The Board suspended the license of **Travis Grant Berry (R00784)** for six months. The suspension will be served on probation. Licensee signed a consent settlement Order and agreed to pay an administrative fine of \$1000 and complete 15 hours of board approved appraiser education. Licensee must also submit logs of all appraisals performed on a monthly basis. The violations were: Licensee failed to analyze prior sales of subject property when this information was readily available to the Licensee. Licensee utilized comparable sales of homes of superior quality and located on view lots of much higher value than the subject. The subject property went from being listed for sale on March 28, 2005 for \$409,000 to having sold on March 29, 2005 for \$534,000 this information was readily available to Licensee and was not analyzed. Licensee fails to use the best comparable sales that were available at the time of the appraisal. Licensee used homes of superior quality and on view lots when there were better more comparable sales available. Licensee fails to make needed adjustments to comparable sales for location, site, view and quality of construction. Licensee made unsupported adjustments for age, gross living area and basement area. Licensee fails to adjust for a swimming pool that is present on comparable sale number three. Licensee fails to use the best comparable sales that were available at the time of the appraisal. Licensee used homes of superior quality and on view lots when there were better more comparable sales available. Licensee fails to make needed adjustments to comparable sales for location, site, view and quality of construction.

DISCIPLINARY REPORT (Continued)

Licensee made unsupported adjustments for age, gross living area and basement area. Licensee fails to adjust for a swimming pool that is present on comparable sale number three. Licensee fails to analyze a sale of subject property that took place on October 1, 2003 when the subject property sold for \$427,000. Licensee fails to analyze a sale of subject property that took place on March 29, 2005 when the subject property reportedly sold for \$534,000.

AB-08-137, AB-08-139, AB-08-141, AB-08-144 On July 16, 2009 the Board issued a private reprimand to a certified residential appraiser for appraisals completed during the time licensee was a trainee appraiser. Licensee agreed to pay an administrative fine of \$1800 and complete 7 hours board approved appraiser education. The violations were: Licensee failed to retain a complete true copy of the appraisal report. The copy of the appraisal report presented to the Board was not a true copy of the appraisal report under investigation. In the Cost Approach, Licensee analyzed a site improvement (detached garage) within the dwelling calculations to arrive at a total estimate of cost new that was not credible. The non-credible cost new figure was then used to calculate the accrued physical depreciation, which resulted in a non-credible accrued depreciation. Licensee's USPAP Compliance Addendum was a 2002 Addendum, when the 2004 USPAP was the current edition at the time of the appraisal. Licensee stated MLS as the data and/or verification source for comparable #3, when the property information was not available from the MLS data system. Licensee failed to accurately state the location of comparable #1 and #2 on the location map addendum of the appraisal report. Licensee failed to provide sufficient information for the intended user to understand the estimated marketing time of neighborhood properties and subject. Licensee estimates the marketing time less than 3 months in the neighborhood section and in the FIRREA Addendum estimates the marketing time of the subject property as 1 to 4. Licensee failed to provide sufficient information for the intended user to understand as to how the opinion of site area was developed in the cost approach. Licensee stated MLS as the data and/or verification source for comparable #5 and #6, when these properties were not available in the local MLS data system. Licensee's USPAP compliance addendum was a 2002 addendum, when the 2005 USPAP was the current edition at the time of the appraisal. Licensee failed to accurately state the location of comparable #1 on the location map addendum.

AB-08-138, AB-08-140, AB-08-142, AB-08-143, AB-08-145 On July 16, 2009 the Board issued a private reprimand to a certified residential appraiser. Licensee agreed to pay an administrative fine of \$2500 and complete 7 hours board approved appraiser education. The violations were:

Licensee failed to retain a complete true copy of the appraisal report. The copy of the appraisal report presented to the Board was not a true copy of the appraisal report under investigation. In the Cost Approach, Licensee analyzed a site improvement (detached garage) within the dwelling calculations to arrive at a total estimate of cost new that was not credible. The non-credible cost new figure was then used to calculate the accrued physical depreciation, which resulted in a non-credible accrued depreciation. Licensee's USPAP Compliance Addendum was a 2002 Addendum, when the 2004 USPAP was the current edition at the time of the appraisal. Licensee stated MLS as the data and/or verification source for comparable #3, when the property information was not available from the MLS data system. Licensee failed to accurately state the location of comparable #1 and #2 on the location map addendum of the appraisal report. Licensee failed to provide sufficient information for the intended user to understand the estimated marketing time of neighborhood properties and subject. Licensee estimates the marketing time less than 3 months in the neighborhood section and in the FIRREA Addendum estimates the marketing time of the subject property as 1 to 4. Licensee failed to provide sufficient information for the intended user to understand as to how the opinion of site area was developed in the cost approach. Licensee stated MLS as the data and/or verification source for comparable #5 and #6, when these properties were not available in the local MLS data system. Licensee's USPAP compliance addendum was a 2002 addendum, when the 2005 USPAP was the current edition at the time of the appraisal. Licensee failed to accurately state the location of comparable #1 on the location map addendum.

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

AB-08-130 To a Certified Residential appraiser for distributing misleading advertising to potential clients. The trainee appraisers listed in the packet are not licensed appraisers in Alabama.

AB-09-05 To a Licensed Real Property appraiser for an appraisal where the three year sales history not complete; There were many cloning errors in the report that did not significantly affect the results of the appraisal but that in the aggregate, affected the credibility of the results.

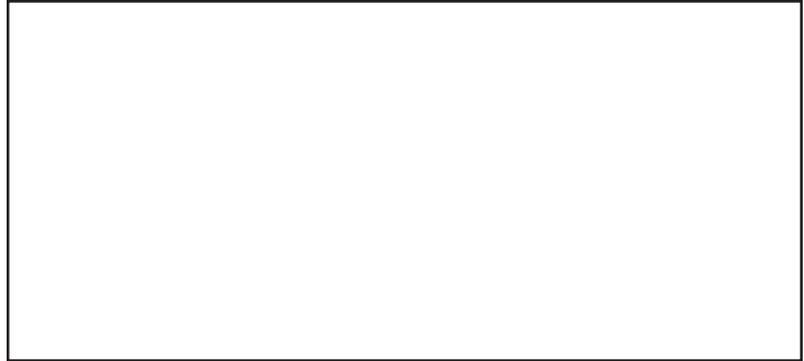
AB-09-23 To a Licensed Real Property appraiser for an appraisal where quality of construction is reported as type of construction, the actual age of comparable sales is given as a range from MLS and exclusion of the Income Approach was not explained as required by 2-2(b)(viii).

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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: _____