

**DISCIPLINARY REPORT**  
**September 19, 2019**

**AB 17-15** On July 18, 2019, the Board approved a Consent Settlement Order with a Certified General Appraiser where the appraiser agreed to a Private Reprimand and assessment of an administrative fine of Two Thousand Five Hundred (\$2,500) Dollars. The violations in the report are: The original work file submitted to the Board only had copies of multiple listings, ad valorem tax data sheets, and copies of the deed. There was nothing to support adjustments to comparable sales, land value or the estimate of effective age. Even though Licensee supplemented the work file was at a later date, it still lacked support for opinions and conclusions. The appraiser made unsupported adjustments to the comparable sales utilized in the report and gave no rationale for the adjustments. Licensee committed substantial errors by reporting the wrong sales prices on 4 of the 6 comparable sales utilized in the appraisal. Licensee states in his comments on the USPAP Addendum Additional Comments page that he prepared a retrospective appraisal of a single-family residence reported as a restricted use appraisal report but he marked the box that states he prepared an Appraisal Report. The Fannie Mae 1004 Form (URAR) is designed for an appraisal report in a mortgage finance transaction, not a restricted use report. The purpose of the assignment was to assist a family trust in the valuation of the property which is not consistent with the preprinted language in the form that is specific for use with mortgage finance transactions. On page 1 of the URAR, the licensee checks that this appraisal is for a refinance transaction and on page 4 of 6 of the report under Intended Use the licensee has the statement "The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage transaction." The licensee listed the sales price of his comparable number 2 at \$399,000 when it actually sold for \$350,000 according to the MLS and the realtor. It was also noted the licensee reported comparable 3 as having sold for \$419,900 when it actually sold for \$460,000 according to the MLS and the realtor. The licensee reported comparable number 5 as having sold for \$510,000 when it actually sold for \$475,000 according to the MLS and the realtor. The licensee reported comparable 6 as having sold for \$699,000 when it actually sold for \$664,500 according to the MLS and the realtor. It was also noted that licensee failed to accurately report and properly analyze comparable number one's correct additional living area. Licensee reports the gross living area as 2,821 square feet when the MLS reports that there is 4,332 square feet and according to the realtor there is living area on the first floor containing a kitchen, living room, bedroom, bath and a laundry room. The second floor was accessed by outdoor stairs and contained a kitchen, 2 bedrooms, 2 baths, laundry and a large living area. Licensee reported the residence as having been built in 1930 but estimated the residence as having an effective age of 35 years. The licensee has no justification for this estimate of effective age and states in his report that there have been no updates in the prior 15 years and rates Condition of the subject as C5 which states "The improvements feature obvious deferred maintenance and are in need of some significant repairs." The licensee states under condition in the report that "the interior and exterior are

dated but have the old beach cottage appeal “.The licensee did not do a highest and best use analyses but only checked the box that stated the subjects current use was the highest and best use. Licensee did state in the report “it would be possible to subdivide the land similar to the adjacent properties with speculation and costs involved.” but the licensee did not summarize the support and rationale for that opinion in the report or in his work file. Licensee failed to verify the comparable sales utilized in the report with a party to the transaction and as a result he used incorrect sales prices for 4 of the comparable sales. The licensee states the site value was from comparable sales extractions and from allocations of tax values. There was no support for the value from the allocation method in the report or the licensee’s work file. Licensee stated the report was prepared as a Restricted Appraisal Report and failed to state the use restriction. **Violations: Record Keeping Rule. Standard Rule 1-1(a), Standard Rule 1-1(b), Standard Rule 1-1(c), Standard Rule 2-1(a), Standard Rule 1-3(a), Standard Rule 1-3(b), Standard Rule 1-4, Standard Rule 1-4(b)(i), Standard Rule 2-2(b)(i), USPAP, 2016-2017 Ed.**