

## DISCIPLINARY REPORT

November 16, 2017

**AB 16-39, AB 16-40** On September 21, 2017 the Board approved a Consent Settlement Order from Certified Residential appraiser Charles M. England, R00790, where Licensee agreed to complete a fifteen (15) hour USPAP course with exam. The violations in the appraisal reports were:

**AB 16-39:** Licensee knowingly violated the Record Keeping Rule because he did not retain a “true copy” (*replica*) of all written appraisal reports communicated to the Client. Licensee issued several reports during the assignment and did not keep a “true copy” (*replica*) of all appraisal reports transmitted to the Client. The work file did not include documentation to support the conclusions of the opinion of site value in the Cost Approach. In the URAR/Improvements section, the condition ratings of the building materials did not support the effective age being less than the actual age. In the URAR/Improvements section, included the room count from the additional living area which resulted in inaccurate information being provided for the room count of the gross living area. In the URAR/ Sales Comparison Approach/ Subject/ Gross Living Area/ Square Footage section, included the area of the additional living area in the GLA. In the URAR/Sales Comparison Approach/Summary of Sales Comparison Approach section, provided commentary of the GLA per square foot adjustment being \$30 per square foot, when the actual per square foot adjustment was in the \$20 per square foot range. In the URAR/ Sales Comparison Approach/ Summary of Sales Comparison Approach section said an age adjustment was made to Sale Three and both listings. The age adjustment was made to Comp #1 but not Comp #3. In the Cost Approach section, indicated reproduction cost estimate and then stated it was replacement cost. In the URAR/ Sales Comparison Approach/ Functional Utility section, provided the functional utility as “Typical” without explaining what was considered typical functional utility within the local market. In the URAR/Site/Highest & Best Use section, failed to summarize the information analyzed to support highest and best use of the Subject property as the present use. **Violations:** ETHICS RULE Conduct RECORD KEEPING RULE Standards Rule 1-1(c) Standards Rule 2-1(b) USPAP, 2016-17 Edition. **AB 16-40:** Licensee knowingly violated the Record Keeping Rule because he did not retain a “true copy” (*replica*) of all written appraisal reports communicated to the Client. Several reports were transmitted to the client during the assignment and Licensee did not keep a “true copy” (*replica*) of all the appraisal reports transmitted to the Client. In the URAR/Sales Comparison Approach/Comparable #1/Porch-Patio-Deck section, analyzed a covered patio, when there was also a covered porch at the front entrance of the home. In the URAR/Sales Comparison Approach/Comparable #2/Porch-Patio-Deck section, analyzed a deck, when there was also a covered wrap-around porch at the front entrance and sides of the home. Licensee failed to analyze the amenity of the storm shelter in the garage floor of the comparable (*Comparable located within an area, where severe weather is common.*) Licensee failed to use an appropriate appraisal method and technique to develop a site value.

In the URAR/Sales Comparison Approach/Comparable #3/Fireplace section, provided there was a fireplace, when there was not a fireplace. In the URAR/Sales Comparison Approach/Comparable #7/Design-Style section, provided the home as a two story, when the home was a three story. Licensee, in the URAR/Cost Approach section, indicated development of reproduction cost and in commentary said replacement cost being used. In the URAR/Site/Highest & Best Use section, failed to summarize the information analyzed, to support Licensee's opinion and conclusions of the highest and best use of the Subject property being the present use. In the URAR/Sales Comparison Approach/Gross Living Area/Total Room Count and Bedroom Count sections, failed to summarize the analyses of the comparable sales total room count and bedroom count, when different from the Subject's total room count and bedroom count. Licensee failed to summarize support and rationale for the opinion of the highest and best use as the present use. **Violations:** Ethics Rule Conduct Record Keeping Rule Standards Rule 1-4(a), 1-4(b)(i), Standards Rule 2-1(a), 2-1(b), 2-2(a)(x), USPAP, 2016-17 Edition.

**AB 16-41** On September 21, 2017 the Board approved a Consent Settlement Order from Certified Residential appraiser Charles M. England, R00790, where Licensee agreed to complete a fifteen (15) hour USPAP course with exam. The violations in the appraisal reports were: Licensee performed an appraisal assignment in a grossly negligent manner by including 800SF finished basement in the 2992 SF GLA for Comp 4, a listing included in the Sales Comparison approach for informational purpose only; by failing to analyze the HOA fees or list all the amenities of the subdivision when use of the amenities was limited to members of private clubs where membership was available to any resident of the county. The workfile did not contain documentation to support the Income Approach. Even though Licensee did not give any weight to the Income Approach, there were many errors in the development of the approach; Licensee developed a single family comparable rent schedule and operation income statement with many errors. Licensee provided in the legal description and elsewhere within the appraisal report, the site area of the Subject property consisted of two lots. Licensee failed to provide commentary to explain, the analyses of the assemblage of the two lots into a single site area for the Subject property and the effect on value, if any. **Violations:** Ethics Rule- Conduct, Record Keeping Rule, Standards Rule 1-1(a), Standards Rule 2-1(b), USPAP, 2016-17 Edition.