

DISCIPLINARY REPORT

May 17, 2018

AB 16-26 The Board approved a Consent Settlement Order with Certified General Appraiser Constance C. Whitworth, G00380. Licensee agreed to pay an administrative fine of Seven Hundred Fifty (\$750) Dollars and complete a fifteen (15) hours USPAP course. The USPAP course cannot be used for continuing education credit. The violations in the appraisal report were: Licensee utilized the Sales Comparison Approach to value and made several large adjustments to the comparable sales but has no justification or support for these adjustments in the appraisal report or in the work file. Licensee states that the subject property sold March 2016 and that the sales price was \$197,900 verified from deed records. Investigation reveals that the stated consideration in the deed is ten dollars and other consideration. Attached to the deed is a Real Estate Sales Validation Form that shows the Assessor's Market Value as \$197,900 and the Purchase Price is blank. Licensee met with the client/owner of the subject property but did not ask about sales price of the property or any details concerning the March 2016 sale. Licensee committed a substantial error by stating the subject sold in March 2016 for \$197,600 and that the sales price came from the deed when it did not. Licensee continues in the Final reconciliation section of the report and states "*the recent sale of the subject was concluded to also offer some insight into value. The subject was purchased 3/15/2016 for \$197,500.*" Licensee did not analyze this sale that took place on the property less than 6 months prior to the effective date of the assignment and licensee also failed to gather pertinent information about the sale such as relationship between buyer and seller, how the property was marketed, how long it was on the market and if it were a cash transaction. Investigation revealed that there was a transfer of the property from the elderly owner to a caregiver and this transfer was not an arm's length transaction due to the relationship between elderly owner and caregiver, and the transaction did not meet the definition of market value in order for licensee to state "the recent sale of the subject was concluded to also offer some insight into value." Licensee disclosed but did not analyze the March 2016 sale of the subject property less than 6 months prior to the effective date of the assignment. She failed to gather accurate details of the transaction such as relationship between buyer and seller, how the property was marketed, how long it was on the market and if it were a cash transaction. **Violations: Record Keeping Rule, Scope of Work Acceptability; Standard Rules 1-1(b), 1-5, USPAP 2016-2017 Edition.**

AB-17-08 The Board approved a Consent Settlement Order with Certified General appraiser Everett S. Brooks, G00442. Licensee agreed to pay an administrative fine of Three Thousand (\$3,000) Dollars. The violations in the appraisal report were: Licensee performed an appraisal assignment in a grossly negligent manner: Licensee certified to personally preparing all conclusions and opinions about the real estate that was set forth in the appraisal report. Licensee failed to state the reliance on significant real property appraisal assistance from Angel Lanier in the performance of the appraisal and failed to disclose the tasks performed by Angel Lanier. Licensee's workfile did not include a "true copy" (*replica*) of all written appraisal reports communicated to the Client along with all

data, information and documentation necessary to support the appraiser's opinions and conclusions and show compliance with USPAP. The failure was willful and with knowledge of the requirements of the Record Keeping Rule. Licensee's workfile: Failed to provide a "true copy" (*replica*) of all appraisal reports transmitted to the Client, at the time of the appraisal assignment. Licensee's workfile, as provided to AREAB, failed to provide a copy of the appraisal report transmitted with a date of signature and report of 05/11/2017 with additional commentary dated 5/17/2017 within the appraisal report. Failed to provide support of the opinion and conclusions of the effective age; Licensee analyzed a single (one) comparable sale to develop the effective age and used a sale price of \$134,175 when the actual sale price was \$140,000; as a result, the workfile did not support the opinion and conclusions of the effective age analyzed within the appraisal report *Effective age of 20 years for a home reported to be ~41 years actual age*. Licensee: Analyzed a +3,000 adjustment in the Sales Comparison Approach/Comparable #1/Garage-Carport section, when according to Licensee, there should have been a "\$0" adjustment analyzed; Analyzed the construction cost of the front porch, with a roof and step-up concrete floor, and the building cost of the rear deck, with a shed roof and wooden floor, together at the same per square foot cost in the Cost Approach; Analyzed the construction cost of the attached carport and the construction cost of the detached garage (*site improvement*) together, at the same per square foot cost in the Cost Approach; In the Subject Photo Addendum section, provided photos taken by Angel Lanier and withheld the source of the photos; In the Comparable Photo Addendum section, provided MLS photos without providing the actual data source of the photos; In the Appraiser's Certification #1, certified to at a minimum, developing and reporting the appraisal in accordance with the scope of work requirements stated in the appraisal report. Some of the scope of work requirements, as stated on the first page of the preprinted section of the URAR under Scope of Work, were not performed. The Scope of Work provides for: Perform a complete visual inspection of the interior and exterior areas of the subject property. The visual inspection was performed by Angel Lanier and not by Licensee. Inspect the neighborhood. The fieldwork was performed by Angel Lanier and not by Licensee. In the Appraiser's Certification #2, certified to, an interior and exterior inspection of the subject property, when the inspections were performed by Angel Lanier. In the Appraiser's Certification #15, certified that he had not knowingly withheld any significant information and to the best of Licensee's knowledge, all statements and information in the appraisal report are true and correct. Licensee failed to provide significant information, the appraisal assignment was assigned to Licensee with the fieldwork (inspections, photos, measurement, etc.) being performed by Angel Lanier. Licensee performed the analyses for the Sales Comparison Approach and Cost Approach along with keying information into the appraisal report and addendum. In the Appraiser's Certification #19, certified to, if Licensee relied on significant real property appraisal assistance from any individual in the performance of the appraisal or preparation of the appraisal report, the individual is named and disclosure of the specific tasks performed were provided within the appraisal report. Licensee represented the appraisal report was prepared without significant appraisal assistance, when significant appraisal assistance was provided by Angel Lanier. Licensee, in Comparable #1/Condition section, analyzed the cost to cure for the superior condition. The appraisal report nor workfile supported the \$8,000 adjustment being developed by appropriate methods and techniques with

supported data. *(No analyses, no figures & calculations with a data source, no support the market would be willing to pay a cost to cure in a condition adjustment.)* Licensee, in Comparable #1/Garage-Carport section, analyzed a + \$3,000 adjustment. According to Licensee, the amount should have been provided and analyzed as “0” rather than the + \$3,000. Licensee, in the Subject Photo Addendum section, provided photos taken by Angel Lanier. The photos were not taken by Licensee, as evidence of an exterior and interior inspection of the subject property. Inspection was performed by another appraiser without the assistance being noted in the appraisal report. Licensee, in the Comparable Photo Addendum sections, provided MLS photos without providing the actual source of the photos. The photos provided were MLS photos and not the original photos taken by Licensee. Licensee, in the Appraiser’s Certification #1, certified to at a minimum, developing and reporting the appraisal in accordance with the scope of work requirements stated in the appraisal report. Some of the scope of work requirements stated in the first page of the preprinted section of the URAR under Scope of Work were not performed. Perform a complete visual inspection of the interior and exterior areas of the subject property. The visual inspection was performed by Angel Lanier and not by Licensee. Inspect the neighborhood. The fieldwork was performed by Angel Lanier and not by Licensee. Licensee, in the Appraiser’s Certification #2, certified to an interior and exterior inspection of the subject property, when the inspections were performed by Angel Lanier. Licensee, in the Appraiser’s Certification #15, certified to not knowingly withholding any significant information and to the best of Licensee’s knowledge, all statements and information in the appraisal report are true and correct. Licensee failed to provide significant information, the appraisal assignment was assigned to Licensee with the fieldwork (inspections, photos, measurement, etc.) being performed by Angel Lanier. Licensee performed the analyses for the Sales Comparison Approach and the Cost Approach along with keying information into the appraisal report and addendum. Licensee, in the Appraiser’s Certification #19, certified to, if Licensee relied on significant real property appraisal assistance from any individual in the performance of the appraisal or preparation of the appraisal report, the individual is named and disclosure of the specific tasks performed were provided within the appraisal report. Licensee represented the appraisal report was prepared without significant appraisal assistance, when significant appraisal assistance was provided by Angel Lanier. Licensee, in the URAR/Improvements section, provided the condition of the building materials as being in average condition with commentary of no updates in the prior 15 years. Additional commentary was provided, the property was found to be in average condition and maintained well at the time of the inspection. Licensee failed to provide sufficient information to explain, how a home built in 1976 (41 years actual age) would have an effective age of 20 years. Licensee, in the URAR/Improvements/Car Storage section, indicated detached for the carport and garage in the checkbox for detached. Licensee failed to provide commentary to explain the garage was detached and the carport was attached. Licensee failed to provide an indication in the checkbox or commentary of the carport being attached. Licensee, in the URAR/Sales Comparison Approach/Comparable #4 and Comparable #5/Sales or Financing section, provided information of arms-length with \$0 concession for the listings, without sufficient information being provided to explain why the information was provided for a listing. Licensee, in the Cost Approach/Dwelling Cost section, developed a dwelling cost of \$81.25 from the online

cost service. The dwelling cost was then reduced to \$80.00 per square foot, because the subject was located outside of the city where regulatory/permit cost was lower. Licensee failed to provide data/ information to explain the figures/calculations analyzed for the reduction in per square foot dwelling cost, where the lender/client could replicate the cost figures and calculations. ($\$81.25 \times ?? = \80.00) Licensee, in the Cost Approach section, provided the opinion of site value was developed from the research of latest sales or through allocation. Licensee failed to provide the actual method and technique employed in the development of the opinion of site value. (*The actual method & technique employed to develop the opinion of site value was not provided. Research of latest sales is not a method and technique but a task performed. Licensee used the term "or", which made it unclear if either was performed.*) **Violations: Ethics Rule, Conduct, Record Keeping Rule, Standards Rules 1-1(b), 1-4(a), 2-1(a), 2-1(b), USPAP 2016-2017 Edition.**

AB 17-13 The Board approved a Consent Settlement Order with Certified Residential appraiser Anthony Lee Johnson, R00993. Licensee agree to surrender his license to the Board. The violations in the report were: Licensee chose not to use comparable sales in closer proximity to the subject and available to the Licensee that would indicate a value significantly lower than Licensee's value opinion and instead used sales that were located in different towns, over 10 miles in distance from the subject but that resulted in a significantly different opinion of value. Licensee failed to perform the research for comparable sales that were needed to produce a credible assignment. Licensee failed to do adequate research in the subject market and bypassed sales in closer proximity that were comparable and that would produce a different value opinion. Because Licensee did not have market based data or other justification for the adjustments made in the Sales Comparison Approach, the Licensee did not demonstrate that he understood how to correctly employ the methods and techniques to reach a credible result. Licensee mis-measured the subject improvements and used a gross living area that was 234 square feet less than the correct GLA. Licensee failed to use sales that were more similar, hence more comparable that were available in the immediate market that would produce a more credible opinion of value. **Violations: Ethics Rule-Conduct; Scope of Work Rule, Standards Rules 1-1(a), 1-1(b), USPAP, 2016-2017 Edition.**

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 16-30 On April 10, 2018 to a Certified General appraiser because even though the assignment was abandoned by the client, the appraiser's work file included a signed and dated appraiser certification although the appraiser maintains that an appraisal was never completed and a report was never written. A draft of report prepared at any stage of the appraisal process should never include a signature. **Violations: Standard 2-1, USPAP, 2014-2015 Ed.**

AB-17-17 On March 29, 2018 to a Certified Residential appraiser where the reports says the verification source for sales is MLS and Public Records. The assignment is for a report that meets FANNIE MAE guidelines and the failure to verify the sales with a party to the transaction violates FANNIE MAE guidelines and the Scope of Work. **Violations: SCOPE OF WORK RULE: Scope of Work Acceptability; Standard 1-4, USPAP, 2016-2017 Ed.**

AB 17-18 On March 29, 2018 to a Certified Residential appraiser where Licensee did not demonstrate that she has geographic competency in the subject property market place. Licensee used sales from surrounding counties as comparables but did not use any sales in the county where the subject property is located. Investigation revealed at least three sales listed in the MLS that serves the area that could have been considered as comparable sales. The stated verification source for sales is MLS and Public Records. **Violations: Competency Rule Standard 1-4, USPAP, 2016-2017 Ed.**