

DISCIPLINARY REPORT

September 15, 2016

AB 15-08, AB 15-21 The Board approved a Consent Settlement Order from Dillard Richardson, Saltillo, Mississippi where Licensee agreed to a revocation of his Certified Residential appraiser license R01230. The violations in the two appraisal reports were: The assignment was for a Fannie Mae compliant appraisal with licensee as the only approved appraiser to complete the assignment. The assignment was appraiser specific and required that the interior and exterior inspections and all conclusions and opinions be by the assigned appraiser. Licensee did not inspect the subject property yet signed a certification that said the licensee had inspected the property. Also licensee certified that he “performed this appraisal”, “developed my opinion of the market value” and all the other parts of the appraisal certification when in actuality this is false. Licensee’s office was located more the 100 miles from the subject property and licensee did not have access to the local MLS for the area. Licensee having this information did not inform the client of this lack of geographic competency and did not take steps to become geographically competent by joining or accruing access to the local MLS and spending time in the areas of the subject and comparable sales to become knowledgeable with the different market perspectives that influence sales price. Without having access to the local MLS licensee utilized comparable sales that were located more than 60 miles from the subject in a completely different market area without making adjustments or discussing the difference in market area. The assignment was a Fannie Mae appraisal assignment and therefore had to conform to the appraisal assignment conditions found in the Fannie Mae Guidelines to meet the expectations of parties who regular users of Fannie Mae appraisals. During the review it was also noted that in the sales comparison approach under the area titled Verification Source, the Licensee reported Revenue Commissioner as the verification source and did not explain the efforts undertaken to verify the data used in the report. This was a Fannie Mae appraisal performed in 2015 and the Fannie Mae guidelines states, “Examples of verification sources include, but are not limited to, the buyer, seller, listing agent, selling agent, and closing documents in certain situations. Regardless of the source(s) used, there must be sufficient data to understand the conditions of sale, existence of financing concessions, physical characteristics of the property and whether it was an arms-length transaction.” There was no exclamation as to any steps licensee took in trying to meet the Fannie Mae requirement. Licensee had no location adjustment made or no discussion on why none was needed for the comparable sales that were located over 60 miles away in different tax bases, different school systems, different governments and so on. It was also noted that there were several large adjustments made in the Sales Comparison Approach with no justification or explanation for these adjustments in the report or in the work file. Licensee’s failure to acknowledge the lack of geographic competency and not taking efforts to become geographically competent by joining or accruing access to a local data source, along with stating in the report that the comparable sales utilized in the report

were the closest, most comparable sales for the subject even though the sales utilized were located more than 60 miles away in a different market area. These facts make this report misleading. **Violations: Standards Rule 2-1(a); 1-1; Scope of Work Acceptability; Competency Rule, USPAP, 2014-15 Edition.**