

DISCIPLINARY REPORT

May 20, 2010

AB 07-39

On March 18, 2010, the Board entered an order revoking the privilege of temporary practice of Georgia Certified General Real Property appraiser Elbert Jenkins and assessing an administrative fine of \$8,000. Respondent accepted an appraisal assignment in Alabama, completed the assignment and transmitted the appraisal without first applying for and obtaining a temporary permit. The Board received a complaint and requested a copy of the appraisal. Jenkins provided a copy of the appraisal dated after the issuance of the temporary permit. Further, land sales utilized by Jenkins were subject to zoning restrictions and price controls that did not apply to the subject property. The restrictions and price controls were not mentioned or adjusted in the appraisal report. Jenkins stated the intended use of the appraisal was for purchasing purposes. The client's intended use was for financing purposes. Jenkins states the subject is 4.8 acres and improvements thereon. The legal description and plat map show a 20 acre parcel. Jenkins does not identify the subject as a physical segment of the whole parcel. The neighborhood map and flood map indentifying the subject indicate a location on Clinton Avenue in downtown Huntsville, Alabama. The subject is located 20 miles east of downtown. The appraisal report does not state a hypothetical condition of proposed construction and installation of equipment. Jenkins failed to report the three year sales history of the subject. **Violation: Ethics Rule of Conduct, Ethics Rule of Record Keeping, Standards Rule 1-1(b), Standards Rule 1-2(b), Standards Rule 1-2(e)(i), Standards Rule 1-2(e)(v), Standards Rule 1-5(b), USPAP 2006 Ed.; § 34-27A-20(a)(6), and § 34-27A-20(a)(9), Code of Alabama 1975.**

AB 09-19

On March 18, 2010 the Board approved a Consent Settlement Order and issued a private reprimand to a Certified General Real Property Appraiser. Licensee also agreed to pay a \$750 administrative fine. The licensee utilized a comparable sale that was a split foyer home with a total of 2,300 square feet of finished living area located on the main level and in the finished basement area. The subject property is a one and half story home containing 1,988 square feet. The licensee utilized the room count and the total square footage of the comparable sale as above grade living area and made adjustments to said comparable as if the room count and living area was all above grade. The licensee incorrectly measured the upper level of the residence and over stated the upper floor area by 175 square feet. When any portion of the work involves significant real property appraisal assistance, the appraiser must summarize the extent of that assistance. Another certified appraiser gave significant appraisal assistance in this assignment but the persons' assistance was not disclosed in the report. It is also noted no disclosure was made in the report of the identity of anyone giving assistance in the assignment. **Violations: Standards Rule 1-1(a) Standards Rule 1-1(b) Standards Rule 2-2(b)(vii) Standards Rule 2-3, USPAP, 2008-2009 Ed., §34-27A-**

20(a)(6), Code of Alabama, 1975.

AB 09-24

On March 18, 2010, the Board approved a Consent Settlement Order and issued a public reprimand to Certified General Appraiser Roger M. Pugh, G00162. Licensee developed the sales comparison approach on data inaccurately recorded from the data source. Licensee analyzed the design of comparable #1 as a one story and comparable #2 as a 1.5 story when the data source indicates both comparables as 1.7 story homes. Licensee failed to state, analyze and adjust for the design of comparable #1 and #2, according to the actual data source used in the appraisal. Licensee stated the porch/patio/deck as unknown in comparable #1, when the data source states porches. Licensee failed to state, analyze and adjust for the porches of comparable #1, according to the data source used in the appraisal. Licensee stated, analyzed and adjusted for a room count of 10/4/1 in comparable #1, when the data source reports the room count as 10/5/4.5. Licensee failed to state, analyze and adjust for the correct bedroom and bath count. Licensee stated, analyzed and adjusted for a room count of 8/3/2 in comparable #2, when the data source reports the room count as 8/3/2.5. Licensee failed to state, analyze and adjust for the bath count, according to the data source used in the appraisal. Licensee stated, analyzed and adjusted for a room count of 11/5/4 in comparable #3, when the actual data source reports the room count as 11/5/4.5. Licensee failed to state, analyze and adjust for the bath count, according to the data source used in the appraisal. Licensee stated in the executive summary of parcel #1, the estimated value by the income approach was \$1,400,000. The income approach was not developed within the report. Licensee stated in the executive summary of parcel #1, the estimated value by the direct sales comparison or market approach was n/a. The sales comparison approach was developed within the appraisal report. Licensee when stating the three (3) reporting options for appraisal reports misstated self contained appraisal report as “complete analysis”. Complete analysis is not a reporting option for appraisals. Licensee stated “follows is a standard URAR form 1004 which is the standard single family residential appraisal form.” The report did not contain the complete URAR 1004 form, but page 1 and page 2 of the 6 page URAR report. Licensee indicated and stated a large horse barn and large pool as off-site improvements, when these were on-site improvements. Licensee failed to accurately state the true data and verification source of the comparables used in the sales comparison approach. Licensee stated courthouse records, when the Licensee actually used a private data source for information. Licensee failed to clear and accurately state the sale or transfer history of the subject and comparables within the appraisal report. The indicated and stated data within the appraisal report were conflicting and misleading to the user of the report. Licensee stated the appraisal was a “complete appraisal”, when the cost approach and income approach were not developed. Licensee failed to provide sufficient information throughout the report, when stating market value to included the wording “retrospective market value” to describe the type of market value appraised. Licensee failed to provide sufficient information for the intended user to understand the scope of work for each parcel of property in the appraisal assignment. The scope of work for the complete appraisal assignment was stated together in one section, which was confusing as to the actual scope of work performed for each parcel. Licensee failed to provide sufficient information to the intended user, the source for the definition of market value

stated in the appraisal report was not the most current edition at the time of the appraisal. Licensee failed to provide sufficient information to the intended user to understand the data source of the map reference stated in the report. Licensee failed to provide sufficient information to the intended user to understand the FEMA map number and FEMA map date analyzed within the appraisal report. Licensee failed to provide sufficient information to the intended user to understand the effective age of 10-12 years assigned to a 40 year old home. Licensee failed to provide sufficient information to the intended user to understand the number of comparable properties or the price range of the comparable properties in the subject neighborhood. Licensee failed to provide sufficient information to the intended user to understand the number of comparables sales in the subject neighborhood with the past 12 months. Licensee failed to provide sufficient information to the intended user to understand the proximity to the subject of comparable #2 and comparable #3 in the sales comparison approach. Licensee failed to provide sufficient information to the intended user to understand the sale and finance concessions of the comparables in the sales comparison approach. Licensee failed to provide sufficient information to the intended user to understand in comparable #1, how the room count was none for a finish basement area in the sales comparison approach. Licensee failed to provide sufficient information to the intended user to understand in comparable #2 and comparable #3, the site area adjustment was a minus adjustment, when the site area was a smaller area than the subject's site area. Subject's topography was very hilly with inferior marketability to the comparables. Licensee failed to provide sufficient information to the intended user to understand the outdated appraisal term "complete appraisal". The cost approach and income approach were not developed within the appraisal report, which the term "complete appraisal" would suggest. The use of the term "complete appraisal" in the appraisal report was misleading as to the content and type of appraisal report. Licensee failed to state the scope of work specific for the subject property (parcel #1) within the report. The scope for work stated in the appraisal report contained information for three different parcels of properties appraised. The information stated was not specific to the subject and parts of the stated scope of work did not apply to the subject (parcel #1). Licensee failed to explain the exclusion of the cost approach and income approach within the report. Licensee stated the approaches had very little relevance and were omitted but did not explain the exclusion of the approaches.

Violations: Standards Rule 1-1(b) Standards Rule 1-4(a), Standards Rule 2-1(a), Standards Rule 2-1(b), Standards Rule 2-2(b)(vii), Standards Rule 2-2(b)(viii), USPAP, 2008-2009 Ed.; §34-27A-20(a)(6), Code of Alabama, 1975.