

DISCIPLINARY REPORT

November 19, 2009

AB-07-61, AB-07-62, AB-07-63, AB-07-64, AB-07-65, AB-07-66, AB-07-67, AB-07-68, AB-07-69, AB-07-70, AB-07-71, AB-07-72, AB-07-73, AB-07-74, AB-07-75, AB-07-76, AB-07-77, AB-07-78, AB-07-79, AB-07-80, AB-07-81, AB-07-82, AB-07-83, AB-07-84, AB-07-85, AB-08-20, AB-08-21, AB-08-22, AB-08-23, AB-08-24, AB-08-25, AB-08-147, AB-08-149

On July 16, 2009 the Board suspended the license of Ira M. Betts, G00087 for twelve months. Betts signed a Consent Settlement Order and agreed to pay a \$5000 Administrative fine and take a 56 hours of Board approved appraisal education. Six months of the suspension will be served on probation. Licensee agreed to this disposition in lieu of an investigation.

AB-08-04, AB-08-05, AB-08-06, AB-08-07, AB-08-08, AB-08-09, AB-08-146, AB-08-148

On July 16, 2009 the Board accepted the Voluntary Revocation Consent Order from Laura M. Betts, G00796. Licensee agreed to this disposition in lieu of an investigation.

AB 08-48

On July 16, 2009, the Board issued a private reprimand to Certified Residential Appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$150 fine and complete 30 hours of board approved appraiser education. The violations were: Licensee failed to utilize comparable sales of similar land to develop a land value of the subject property as vacant and ready to be put to it's highest and best use. The Licensee failed to understand and apply the concept of contribution, which states that the value of a particular component is measured in terms of its contribution to the value of the whole, in his appraisal of the subject property by valuing the subjects land as commercial land and not considering the effect this would have on the value of the improvements. Licensee failed to properly adjust comparable sales for differences in land value, location, age of improvements and condition of improvements.

Licensee fails to research and consider the effect on value of a bridge cutting off access by boat to the main part of the lake. The Licensee failed to research and consider the effect on value of the subject site not having legal access to a public road.

Licensee fails to identify the effect on value of a bridge cutting off access by boat to the main part of the lake. The Licensee failed to identify the effect on value of the subject site not having legal access to a public road.

Licensee failed to gather comparable land sales, which after analyzing would have indicated a value difference from one side of bridge to the other. Licensee failed to properly analyze comparable sales to determine proper adjustments for site value, location, age and condition.

Licensee did not utilize an appropriate appraisal method or technique in valuing the subject site, basically he pulled the value out of the air. Licensee failed to analyze a prior sale of the subject property that took place on June 3, 2005. Licensee had copy of deed for the sale in his work file.

AB 08-49

On July 16, 2009 the Board issued a private reprimand to a Certified Residential appraiser. Licensee agreed to pay an administrative fine of \$150 and complete 15 hours of board approved appraiser education. The violations were: The Licensee failed to gather significant information from the client to properly identify the real property to be appraised. Licensee failed to properly identify that the subject site was two subdivision lots with a single family residence.

Licensee failed to include and adjust for an in-ground pool located on comparable number two. The Licensee failed to properly identify the correct GLA in comparable 3. Licensee used 1,963 square feet when 2,800 square feet was correct. Licensee failed to utilize the ANSI Z765-2003 method for calculating square footage for the upstairs bonus room in comparable 3 and miscalculated the area.

Licensee fails to identify the subject as two lots, only one lot and the residence was included in the appraisal.

The Licensee failed to include and adjust for an in-ground pool located on comparable number two. The Licensee failed to properly identify the correct GLA of comparable 3. Licensee utilized 1,963 square feet when it was contained 2,800 square feet.

Licensee failed to analyze a prior sale of the subject property in July 2006. Licensee failed to identify the real property to be appraised by only identifying one lot when there were two lots comprising the property.

AB 08-59, AB 08-60, AB 08-61, AB 08-62

On July 16, 2009, the Board issued a private reprimand to a Certified Residential appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$275 administrative fine and complete 15 hours of board approved appraiser education. The violations were: Licensee utilized sales as comparables when there were better sales available in the subject's immediate area. Licensee made unsupported adjustments to the sales used as comparables in the report.

Licensee fails to consider and disclose the number of foreclosures in the subject neighborhood. Licensee made unsupported adjustments to the comparables.

Licensee fails to consider and disclose the large number of foreclosures in the subjects neighborhood. Licensee failed to analyze the sales although he disclosed the contract sales price of \$106,000 in the report. Licensee reported a sale of the subject on 11/14/06 for \$31,000. There was no analysis of the transaction. Licensee failed to analyze the sales although he disclosed the contract sales price of \$120,500 in the report. Licensee fails to consider and disclose the large number of foreclosures in the subjects neighborhood

AB 08-106

On July 16, 2009, The Board suspended the license of Travis Grant Berry for six months. The suspension will be served on probation. Licensee signed a consent settlement Order and agreed to pay an administrative fine of \$1000 and complete 15 hours of board approved appraiser education. Licensee must also submit logs of all appraisals performed on a monthly basis. The violations were: Licensee failed to analyze prior sales of subject property when this information was readily available to the Licensee. Licensee utilized comparable sales of homes of superior quality and located on view lots of much higher value than the subject. The subject property went from being listed for sale on March 28, 2005 for \$409,000 to having sold on March 29, 2005 for \$534,000 this information was readily available to Licensee and was not analyzed.

Licensee fails to use the best comparable sales that were available at the time of the appraisal. Licensee used homes of superior quality and on view lots when there were better more comparable sales available. Licensee fails to make needed adjustments to comparable sales for location, site, view and quality of construction. Licensee made unsupported adjustments for age, gross living area and basement area. Licensee fails to adjust for a swimming pool that is present on comparable sale number three.

Licensee fails to use the best comparable sales that were available at the time of the appraisal. Licensee used homes of superior quality and on view lots when there were better more comparable sales available. Licensee fails to make needed adjustments to comparable sales for location, site, view and quality of construction. Licensee made unsupported adjustments for age, gross living area and basement area. Licensee fails to adjust for a swimming pool that is present on comparable sale number three. Licensee fails to analyze a sale of subject property that took place on October 1, 2003 when the subject property sold for \$427,000. Licensee fails to analyze a sale of subject property that took place on March 29, 2005 when the subject property reportedly sold for \$534,000.

AB 08-137; AB 08-139; AB 08-141; AB 08-144

On July 16, 2009, the Board issued a private reprimand to a certified residential appraiser for appraisals completed during the time licensee was a trainee appraiser. Licensee agreed to pay an administrative fine of \$1800 and complete 7 hours board approved appraiser education. The violations were: Licensee failed to retain a complete true copy of the appraisal report. The copy of the appraisal report presented to the Board was not a true copy of the appraisal report under investigation. In the Cost Approach, Licensee analyzed a site improvement (detached garage) within the dwelling calculations to arrive at a total estimate of cost new that was not credible. The non credible cost new figure was then used to calculate the accrued physical depreciation which resulted in a non credible accrued depreciation. Licensee's USPAP Compliance Addendum was a 2002

Addendum, when the 2004 USPAP was the current edition at the time of the appraisal. Licensee stated MLS as the data and/or verification source for comparable #3, when the property information was not available from the MLS data system. Licensee failed to accurately state the location of comparable #1 and #2 on the location map addendum of the appraisal report. Licensee failed to provide sufficient information for the intended user to understand the estimated marketing time of neighborhood properties and subject. Licensee estimates the marketing time under 3 months in the neighborhood section and in the FIRREA Addendum estimates the marketing time of the subject property as 1 to 4. Licensee failed to provide sufficient information for the intended user to understand as to how the opinion of site area was developed in the cost approach. Licensee stated MLS as the data and/or verification source for comparable #5 and #6, when these properties were not available in the local MLS data system. Licensee's USPAP compliance addendum was a 2002 addendum, when the 2005 USPAP was the current edition at the time of the appraisal. Licensee failed to accurately state the location of comparable #1 on the location map addendum. Ethics Rule-Record Keeping, 1-1(a), 1-1(b), 1-1(c), 1-4(b)(ii), 1-4(b)(iii), 2-1(a), 2-1(b), USPAP, 2004 and 2005 Edition.

AB 08-138; AB 08-140; AB 08-142; AB 08-143; AB 08-145

On July 16, 2009, the Board issued a private reprimand to a certified residential appraiser. Licensee agreed to pay an administrative fine of \$2500 and complete 7 hours board approved appraiser education. The violations were: Licensee failed to retain a complete true copy of the appraisal report. The copy of the appraisal report presented to the Board was not a true copy of the appraisal report under investigation. In the Cost Approach, Licensee analyzed a site improvement (detached garage) within the dwelling calculations to arrive at a total estimate of cost new that was not credible. The non credible cost new figure was then used to calculate the accrued physical depreciation which resulted in a non credible accrued depreciation. Licensee's USPAP Compliance Addendum was a 2002 Addendum, when the 2004 USPAP was the current edition at the time of the appraisal. Licensee stated MLS as the data and/or verification source for comparable #3, when the property information was not available from the MLS data system. Licensee failed to accurately state the location of comparable #1 and #2 on the location map addendum of the appraisal report. Licensee failed to provide sufficient information for the intended user to understand the estimated marketing time of neighborhood properties and subject. Licensee estimates the marketing time under 3 months in the neighborhood section and in the FIRREA Addendum estimates the marketing time of the subject property as 1 to 4. Licensee failed to provide sufficient information for the intended user to understand as to how the opinion of site area was developed in the cost approach. Licensee stated MLS as the data and/or verification source for comparable #5 and #6, when these properties were not available in the local MLS data system. Licensee's USPAP compliance addendum was a 2002 addendum, when the 2005 USPAP was the current edition at the time of the appraisal. Licensee failed to accurately state the location of comparable #1 on the location map addendum. Ethics Rule-Record Keeping, 1-1(a), 1-1(b), 1-1(c), 1-4(b)(ii), 1-4(b)(iii), 2-1(a), 2-1(b), USPAP, 2004 and 2005 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 09-05 To a Licensed Real Property appraiser for an appraisal where the three year sales history not complete; There were many cloning errors in the report that did not significantly affect the results of the appraisal but that in the aggregate, affected the credibility of the results . **Violation: 1-1(c), 1-5(b), USPAP, 2008 Ed.**