

## **DISCIPLINARY REPORT**

**May 20, 2021**

**AB 20-01** The Board entered into a Consent Settlement agreement with Certified General appraiser Thomas L. Crye, G01422. Crye agreed to an administrative fine of \$1,125 and to complete a 15-hour USPAP course with exam. The appraiser reports that he has retired. The violations cited are:

In an assignment calling for an FHA appraisal, Licensee violated USPAP by failing to follow FHA Guidelines in several place such as: Effective age, FHA guidelines on page 575-576 states "Any significant difference between the actual and effective ages requires an explanation." Highest and best use, FHA guidelines page 575 states "The appraiser must perform a highest and best use of the property, using all four tests and report the results of that analysis." Comparable sales adjustment support, FHA Guidelines on page 578 state "The Appraiser must present the data, points of comparison, and analysis; provide support for the Appraiser's choice of comparable properties, and the adjustments for dissimilarities to the subject; and include sufficient description and explanation to support the facts, analyses and the Appraiser's conclusion." Verification of comparable sales, FHA Guidelines page 575 states, "The Appraiser must verify the characteristics of the transaction (such as sale price, date, seller concessions, conditions of sale) and the characteristics of the comparable property at the time of sale through reliable data sources." Site value support and analysis, FHA Guidelines page 576 state "If the cost approach is applicable, the Appraiser must estimate the site value. Acceptable methodology used to estimate land value include sales comparison, allocation, and extraction. The Appraiser must include a summary of the supporting documentation and analysis in the appraisal. Use of MLS photos. FHA Guidelines state on page 571-572 that "The Appraiser must provide photographs as required in the table below " "Comparable Sales, Front view of each comparable utilized" and "Multiple Listing Service (MLS) photographs are acceptable to exhibit comparable condition at time of sale. However, Appraisers must include their own photographs as well, to document compliance." The licensee did not correctly employ the recognized the method and technique of the sales comparison approach. Licensee made several large adjustments to the comparable sales without market support or explanation in the report or work file. The sales comparison approach is not credible without the required support for the adjustments. Credible assignment results require support by relevant evidence and logic. Licensee did not document his research and analysis of the data to make credible market adjustments to the comparable sales. Licensee did not document his research and analysis of the data to make credible market adjustments to the comparable sales. Licensee gave no support for opinion of site value and provided no summary of the comparable land sales licensee stated were used. Licensee has the competency to complete the assignment correctly, but through negligence failed to complete the assignment in a competent credible manor. Licensee's reporting of data and opinions and conclusions that were not supported by relevant evidence or logic. Licensee's report failed to contain sufficient information to support by relevant evidence and logic the licensee's opinions and conclusions. Licensee states in the Scope of Work section of the report that Market data was researched and analyzed but there was no documentation of this assertion.

There was no summary of the information analyzed and the reasoning that supports the analyses, opinions and conclusions in the report. **Violations: SCOPE OF WORK ACCEPTABILITY, Standards Rule 1-(a), Standards Rule 1-2(h,) Standards Rule 1-4(a), Standards Rule 1-4(b)(i), Standards Rule 2-1(a), Standards Rule 2-1(b), Standards Rule 2-2(a)(vii), Standards Rule 2-2(a)(viii), USPAP 2018-2019 Ed.**

**AB 20-04:** The Board entered into a Consent Settlement agreement with a Certified General appraiser where the appraiser agreed to an administrative fine of \$1,800 and a private reprimand. The appraiser signed the complex report of multiple subject properties with a state registered appraiser. The violations cited are: Licensee made several adjustments to the comparable sales used in the Sales Comparison Approach to value without market support or explanation in the report or work file. This makes the sales comparison approach non-credible due to lack of support. This indicates that the licensee did not correctly employ the sales comparison approach to value to produce a credible appraisal. Licensee stated the subject was constructed in 1960 or was 48 years old. The licensee goes on to state the subject has an effective age of 1 year but gives no support for this estimate other than his observation. Licensee did not properly research and analyze the data to make credibly market adjustments to the comparable sales utilized in the sales comparison approaches to value in the appraisal. Under Site value the licensee states the site value was "developed through the use of land sales" and although the licensee has a listing of the land sales in his report and work file, the licensee gives no data or analyzes to support the opinion of value. Licensee's reporting of data and opinions and conclusions that were not supported by relevant evidence or logic make this report misleading. Licensee's report failed to have sufficient information to support by relevant evidence and logic the licensee's opinions and conclusions and therefore the intended users could not properly understand the report properly. **This violates: Standards Rule 1-1(a), Standards Rule 1-3(a), Standards Rule 1-4(a), Standards Rule 1-4(b)(i), Standards Rule 2-1(a), Standards Rule 2-1(b), USPAP, 2018-2019 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-19-19:** Licensee made several adjustments to the comparable sales used in the Sales Comparison Approach to value without market support or explanation in the report or work file. **Standards Rule 1-1(a), USPAP, 2018-2019 Ed.** Licensee stated the subject was constructed in 1969 (40 years old). The licensee estimates effective age of 6 year but has no support for this estimate other than his observation of the condition of the house and the updates that had been made. **Standards Rule 1-3(a), USPAP, 2018-2019 Ed.** Under Site value the licensee states the site value

was “developed through the use of the extraction method but gives no data or analyzes to support this value. **Standards Rule 1-4(b)(i), USPAP, 2018-2019 Ed.**