

## **DISCIPLINARY REPORT**

**November 18, 2021**

**AB-18-20** On September 16, 2021, the Board approved a Consent Settlement Order with a Certified General Real Property Appraiser Greg J. Shelley, G00990, on a residential appraisal report. The appraiser agreed to pay an administrative fine of \$600.00. The violations in the report were: Under Site value the licensee states the site value was “developed through a regression model of developed lot values and land sales similar in size to the subject in size to the subject site area within the subjects market area or competing economic areas similar to the subject” but there is no data or analysis to support this technique or the site value. **Violations: Standards Rule 1-4(b)(i), 2-2(a)(viii), SCOPE OF WORK RULE: DISCLOSURE OBLIGATIONS, RECORD KEEPING RULE, USPAP, 2018-2019 Ed.**

**AB-19-16 and AB-19-17** On September 16, 2021, the Board approved a Consent Settlement Order for two cases with Certified Residential Real Property Appraiser Richard Muller, R01232 on two residential appraisals. The appraiser agreed to pay an administrative fine of \$1800.00 and take an appraisal course on Sales Comparison approach technique. The appraisals were of the same property, first for construction purposes and then for permanent loan purposes. In both cases, the violations were: Licensee failed to identify the relevant characteristics of the residence and the Accessory Dwelling Unit (mother-in-law suite) and therefore did not determine the appropriate research for conclusions. Licensee had no support for adjustments in Sales Comparison Approach, no support comparable properties. Licensee did not determine the type and extent of analyses applied to arrive at credible opinions and for site value in the Cost Approach and no support for the depreciation used in the cost approach to value. 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. The licensee did not correctly employ the sales comparison approach to produce a credible appraisal. Including the Accessory Dwelling Unit (mother-in-law suite) in the GLA resulted in the licensee utilizing sales with larger GLA than the subject and not making adjustments for the difference in size, resulted in a value opinion that is not credible. Licensee stated the subject was constructed in 1960 or was 48 years old. The licensee estimates an effective age of 1 year and has no support for this estimate in the report or in the work file. The licensee reported a highest and best use but did not do an analysis to arrive at that opinion. The licensee checked the box stating that the subjects highest and best use was its current use. An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraisers highest and best use conclusion. Licensee did not properly research and analyze the data to make credible market adjustments to the sales utilized in the sales comparison approach 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, there is no data or analysis to support the opinion of site value. The licensee utilized the age/life method to estimate the amount of depreciation used in the licensee’s cost

approach. It was noted that licensee had no support for the licensee's effective age or remaining economic life of the subject property. There was no support for the estimate of depreciation utilized and therefore the value opinion in the cost approach is not credible.

**Standards Rule 1-4(b)(iii), Standards Rule 1-4(b)(i), Standards Rule 1-4(a),  
Standards Rule 2-1(a), Standard Rule 1-3(b), Standards Rule 1-3(a), Standards Rule  
1-1(b), Standards Rule 1-1(a), SCOPE OF WORK RULE, USPAP, 2018-2019 Ed.**