

DISCIPLINARY REPORT

May 18, 2023

AB 20-12 On March 16, 2023, the Board approved a consent settlement with a Certified General Real Property Appraiser where the Licensee agreed to pay a \$600 Administrative Fine, complete an Appraisal Foundation developed education course and receive a private reprimand. The Violations in the report are: After submitting the report to the client, Licensee received a letter with comments from the client asking for some revisions. Licensee revised the report and states in the revised report that the revisions were made with comments. There was no copy of the original report (prior to revisions) included in the work file. In addition, the work file did not contain data to support the opinions and conclusions Under Site value the licensee states the site value was “developed through the use of land sales but does not include sales data or analysis to support this value. **RECORD KEEPING RULE, STANDARDS RULE 1-4(b)(i), USPAP, 2018-2019 Edition.**

AB 21-18 On March 16, 2023, the Board approved a consent settlement with Certified Residential Real Property Appraiser Russell Van Johnson (R00860) where the Licensee agreed to pay a \$2000 Administrative Fine and complete a 15 hour USPAP course with exam. The violations in the report are: The subject is a single family residence and the site is 57 acres of land. There was an additional single family residence (SFR) on the site that was not included in the appraisal. It should be noted that the additional SFR was included in the sale transaction although the appraiser was given verbal instruction from the seller that it was not included. The MLS listing and the county property records report the existence of the additional SFR. The terms of the contract for the sale did not exclude the additional SFR and any acreage assigned to that structure. The appraisal was performed utilizing an inadequate disclosure of a Hypothetical Condition that the additional SFR was not included in the transaction contrary to the appraisal engagement. There is a Scope of Work Rule violation by failing to communicate with the client to determine the appraisal problem to be solved. There is no indication in the engagement that the additional SFR would be excluded in the appraisal. The subject property contains approximately 57 acres of land, 2 SFR units and an additional Accessory Dwelling Unit. No analysis of highest and best use was performed. The appraiser does not appropriately analyze or address the four criteria relative to the highest and best use of the property as though vacant and as improved. Further, the 2nd SFR was not included in this analysis. The highest and best use should contain a more thorough explanation. All of the comparables have large adjustments for site size. The subject contains 57 acres. There is no support for site value in the appraisal or the work file. There is no adjustment for age as licensee considered them the sales equivalent to the subject. The actual age of the improvements of the subject is 44 years and comparables are between 9 and 42 years. The appraisal indicates that the subject has an effective age of 12 years indicating that the subject has been well maintained with no support for this. The appraiser indicates that there have been no updates within the last 15 years. However, there are no adjustments for age. The appraiser indicates in the discussion, that there are differences in the quality

of construction between the subject and the comparables. However, there is no adjustment or support for the lack thereof in the grid. There is an adjustment for conditions on Sale 1 and Sale 4 with no support or explanation. There are adjustments for room count with no support. There is no support for the garage/carport adjustment. There is no support for the barn/shop/fence adjustment. There is no support for the porches/patio/deck adjustments. There is no support in the application of the fireplace adjustment. There is no adjustment for the 1,106 SF Accessory Dwelling Unit. To appropriately analyze the comparables and employ the correct methodology in the Sales Comparison Approach, the appraiser must correctly apply adjustments indicated by the market. The appraiser has made numerous adjustments to the comparable sales without market support or explanation either in the report or work file. In the Cost approach, there is no support for site value in the appraisal or the work file. The appraiser has indicated MSV and local builders as the source of the cost for the improvements. However, there is no support in the appraisal or work file. There is no support or explanation for depreciation. The subject was under contract dated 3/17/19 for \$368,000, which is approximately 16 days prior to the effective date of the appraisal. The sale was not analyzed appropriately taking into consideration, price history or any changes, days on the market, or any history concerning the subject. It should be noted that the appraiser valued the subject at \$420,000 which is 7.97% higher than the contract price but omitted from value the second SFR included in the sale. The appraisal lacks discussion and explanation for adjustments as well as support and reasoning for the reconciled final opinion of value. The appraisal does not contain a sufficient highest and best use analysis with explanation and support. The workfile contained a revised report dated April 24, 2020 although the complaint was submitted with a copy of a report dated April 7, 2019. Additionally, requests for revisions were transmitted to the appraiser from a lender who was not the original client although the client identified in the revised report of April 24, 2020 continued with the client in the original report. **STANDARDS RULE 1-2, 1-3, 1-4, 1-5, 2-2, RECORD KEEPING RULE, USPAP 2018-2019, Edition.**

AB 21-20 On March 16, 2023 the Board approved a consent settlement with Certified Residential Real Property Appraiser Richard C. Allison, R00712, where the Licensee agreed to pay an administrative fine of \$1500 to the Board, take a 15 hour USPAP course with exam and receive a public reprimand. The violations are: In the course of the interior inspection, Licensee's inspection included areas outside the scope of the assignment. Under Site value the licensee states the site value was developed through the use of land sales and allocation, but licensee gives no data or analyzes to support this value. Licensee's stating the site value was developed from land sales and from the allocation method but the licensee not reporting the data or analyzes of the data and opinions and conclusions make the statement not supported by relevant evidence or logic and make this report misleading. **ETHICS RULE, STANDARDS RULE 1-4(b)(i), 2-1(a), USPAP 2020-2021 Edition.**

AB 21-48 On March 16, 2023 the Board approved a consent settlement with a Certified Residential Real Property Appraiser Gregory S. Haggard, R01211 where the Licensee agreed to complete a corrective education course. The violations in the report are: By failing to document and explain the adjustments to sales used in the sales comparison

approach, the licensee did not correctly execute the sales comparison approach. There were large adjustments to the comparable sales and there was no documentation of market support or explanation in the report or work file for the adjustments. The licensee did not summarize his analysis of the four elements of the highest and best use for the subject property. The licensee only checked the box on the form report that subjects highest and best use was its current use. The licensee states in the report that the “method of estimating site value is based on allocation and land sales”, but there is no data or summary of analysis to support the value. Licensee disclosed but did not analyze a prior sale of the subject property that occurred within the three year period. There is no summary of a sales history analysis, only a sales date and sales price. There is no analysis or explanation in the report for the opinions developed by the appraiser in reaching the final value opinion. **STANDARDS RULE 1-1, 1-3, 1-4, 1-5, 2-1, 2-2, USPAP, 2020-2021 Edition.**