



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
REAL ESTATE APPRAISER COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-1166
615-741-1831

December 13, 2010
Second Floor Conference Room, Andrew Johnson Tower

The Tennessee Real Estate Appraiser Commission met December 13, 2010, at 8:30 a.m. in Nashville, Tennessee, at the Andrew Johnson Tower in the second floor conference room. Chairman, Thomas Carter, called the meeting to order and the following business was transacted.

COMMISSION MEMBERS PRESENT

Thomas R. Carter
James E. Wade, Jr.
Herbert Phillips
Marc Headden
Nancy Point

COMMISSION MEMBERS ABSENT

Najanna Coleman
Dr. Edward A. Baryla
William R. Flowers, Jr.
Erik Sanford

STAFF MEMBERS PRESENT

Nikole Avers, Administrative Director
Aminah Saunders, Staff Attorney

ADOPT AGENDA

Mr. Phillips made the motion to accept the agenda and it was seconded by Headden. The motion carried unopposed.

MINUTES

The November 2010 minutes were reviewed. Mr. Headden made the motion to accept the minutes as written. It was seconded by Mr. Phillips. The motion carried unopposed.

GENERAL BUSINESS

Experience Interviews

Laura Lisa Combs made application to upgrade from a licensed real estate appraiser to become a certified residential real estate appraiser. Mr. James Wade was the reviewer and he recommended

approval of her experience request. Mr. Phillips made the motion to accept the recommendation and Mr. Headden seconded the motion. The motion carried unopposed.

Education Committee Report

Dr. Baryla reviewed the education and submitted his recommendations by e-mail to the Real Estate Appraiser Commission, as seen below. Ms. Avers read the recommendations into the record. Mr. Headden made a motion to accept Dr. Baryla’s recommendations. Mr. Phillips seconded the motion. The motion carried unopposed.

December 2010 Education Committee Report

Course Provider	Course #	Course Name	Instructors	Hrs.	Type	Rec. from Dr. Baryla
The Columbia Institute	1448	Fannie Mae Guide Update, No. 146	Bernerd Boarnet Amelia Lovorn-Brown George Harrison Samuel Henderson Diana T Jacob Karen Tracy Martin Bryan Reynolds	8	CE	For
ASFMRA	1449	Understanding Conservation Easement Valuation	Scott Seely	7	CE	For
ASFMRA	1450	Basic Appraisal Procedures (a102)	Scott Seely	28 (2)	Both	For

Individual Course Approval

Name	License #	Provider	Course Name	Hrs	Type	Rec.
William T. Chandler	898	The Counselors of Real Estate	2010 Annual CRE Convention	16	CE	For
William T. Chandler	898	The Counselors of Real Estate	Turning It Around	16.75	CE	For
Robert Walter Meeks, SR	352 1	Property Economics Research Institute	2010-2011 7-Hour National USAP Course	7	CE	For approved by Michigan instructor AQB

Legal Report:

The Chairman is signed in the following matters regarding which prior Commission approval has been obtained:

Bruce E. Dorris (approved 11/10) – signed Consent Order imposing a five hundred dollar (\$500.00) civil penalty and completion of a seven (7) hour course in Appraisal Report Writing. In an appraisal report, the reviewer found that the Respondent violated Standard Rules (SR’s) 2-1 (a) & 2-2 (b) (iii) & (x) of the Uniform Standards of Professional Appraisal Practice.

Kevin M. Furr (approved 11/10) – signed Consent Order imposing a seven hundred and fifty dollar (\$750.00) civil penalty and completion of a fifteen (15) hour Site Valuation and Cost Approach course and a fifteen (15) hour Residential Report Writing course. In an appraisal report, the Respondent violated Standard Rules 1-1(b)(c), 1-2 (e)(i), 1-4 (a), 2-1 (a), 2-2(b) (iii)(vi), Scope of Work Rule: Problem Identification Section and Ethics Rule: Recordkeeping Section.

Raymond Clowers (approved 11/10) – signed Consent Order imposing a five hundred dollar (\$500.00) civil penalty and completion of a seven (7) hour course in Appraisal Report Writing and a fifteen (15) hour course in Market Analysis and Highest and Best Use. In an appraisal report, the Respondent violated Standard Rules 1-1(b), 1-2 (e)(i), 1-4 (a), 2-2(b) (iii) Scope of Work Rule: Scope of Work Acceptability and Problem Identification Section.

1. **2010026611** **There was no reviewer in this matter.**

This complaint was filed by a fellow practitioner and alleged that the Respondent performed an appraisal of a residential property on August 7, 2007. The complainant alleges that the appraisal report including several errors. Specifically, the complainant alleges that the Respondent incorrectly identified the owner of record and indicated that the property was listed in MLS at \$122,850 but was in fact listed at \$54,900.

License History: Licensed Residential RE Appraiser 06/05/2002 to 06/30/2010

Prior Complaint / Disciplinary History: 200801279, 200801873, 200802208, 200802209, 200802236, 200802337, 200802636, 200802518, 200802695 and 20080296. (6 month suspension and \$5,000.00 civil penalty)

Reasoning and Recommendation: Counsel recommends that this complaint be **CLOSED AND FLAGGED** as the Respondent's appraisal license expired June 30, 2010 and there is no indication that the Respondent intends to renew the license.

Vote: Mr. Wade made the motion to accept the recommendation. Mr. Phillips seconded the motion. The motion carried unopposed.

2. **2010027341** **There was no reviewer in this matter.**

This complaint was filed by a consumer and alleged that the Respondent communicated a misleading evaluation report to estimate the market value of a residential property. The residential property at issue had many major issues including – roofing, foundation problems and mold. The complainant further alleges that the lender and the Respondent were paid five hundred dollars (\$500.00) for the evaluation and hid the fact that the respondent was the brother of the home seller.

The Respondent states that the client, the lender was fully aware of his relationship to the seller and that information was disclosed at the time the request for evaluation was made. The Respondent states that the evaluation was rendered as an unbiased opinion.

License History: Certified Residential RE Appraiser 10/03/2000 to Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: T.C.A. 62-36-104 states, "This chapter does not apply to any evaluation of the value of real estate serving as collateral for a loan made by a federally regulated financial institution or to any evaluation of assets of a trust held by the institution; provided that: (a) The applicable federal regulator does not require an appraisal by a state licensed or state certified appraiser for the loan or trust (b) The evaluation is used solely by the financial institution in their records to document the collateral or asset value (c) The evaluation shall be labeled on its face "this is not an appraisal" and (d) individuals performing these evaluations may be compensated for their services."

Counsel recommends that this complaint be **CLOSED** as the Respondent conducted an evaluation of real estate property.

Vote: Mr. Phillips made the motion to accept the recommendation. Mr. Headden seconded the motion. The motion carried unopposed.

3. 2009027221 Danny Wiley was the Reviewer in this matter.

This complaint was presented at the September TREAC meeting. The Commission approved a Consent Order imposing a civil penalty of five hundred dollars (\$500.00) and thirty (30) hours of corrective education. In an appraisal report, the reviewer concluded:

- There is conflicting information about market conditions.
- The Respondent has not retained an acceptable work file for the assignment. There is no documentation of the sales data used in the comparison approach or the data used to develop the opinion of site value.
- The reconciliation indicates that none of the approaches are good value indicators for the subject property.

An informal conference was conducted with the Respondent. The Respondent addressed each of the reviewer findings. As to the allegation regarding the market conditions, the Respondent acknowledged that an error was made on page one (1) of the URAR – a box was checked that indicated stable conditions, however the Respondent did make an appropriate adjustment for the market condition. As to the allegation that the work file was incomplete as to sales data, the Respondent indicates that he believed that he was in compliance with USPAP as the sales data was hand copied from the source and included in the work file. The Respondent indicates the remaining violations are typographical in nature and that he will be more diligent moving forward.

Counsel believes that the discipline in this matter can be mitigated by several factors. The Respondent has been licensed as a Certified Residential appraiser since 1996 and has no prior disciplinary history. Counsel notes the Respondent was forthcoming and acknowledged several errors. Furthermore, there is no evidence that the violations noted are willful or intentional. Counsel believes that the public interest can be protected and the Respondent adequately educated regarding the recordkeeping requirement by issuing a **Letter of Warning**.

Vote: Mr. Wade made an alternate recommendation to **dismiss** the above referenced matter. Mr. Headden seconded the motion. The motion carried unopposed.

4. 201001717/ 2010016811 Danny Wiley was the Reviewer.

201001717 This complaint was filed by a consumer and alleges that the Respondent over-valued a residential acreage property on three (3) different occasions because he misreported the flood zone and included a 15,000 square foot steel frame horse barn as one structure with the house. In reliance on this appraisal, the complainant alleges that the lender did not place enough insurance on the property and a loss of \$300,000 was incurred due to flooding.

The Respondent stated in his response letter that he has only appraised the property once in the last five years. He wrote that it was his opinion based on a 1988 FEMA flood map that the subject was not in the flood zone. He wrote that FEMA updated the map in 2008, but that was not information available to him on the effective date. He indicated the barn and horse arena were considered in the value opinion.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The subject site is composed of three separate legal parcels. The effect of this on the highest and best use was not adequately addressed. FEMA flood maps indicate that a portion of the tract is located in a Zone A flood hazard area. This was not disclosed and the effect, if any, was not addressed.
- The workfile documents appear to be incomplete; there are no field notes or other documents indicating how the appraiser obtained information regarding the relevant characteristics of the improvements.
- The complaint indicates that the home and the barn are integrated as a single structure. This is not addressed in the appraisal report.
- The cost of the auxiliary structures appears to have been grossly understated in the cost approach.

In the SUBJECT section at the top of page 1 of the URAR, the report notes that there are three separate parcels – 14.04, 14.03 and 14.02. However, this is not addressed in the SITE section of the report.

Online assessment records indicate that parcel 14.04 contains 5 acres. Parcel 14.03 is adjacent, and contains 5 acres. Parcel 14.02 is adjacent to 14.03, and it contains 10 acres. The total is 20 acres, as reported in the URAR. Since the tract is already divided into three legal parcels, the highest and best use analysis, and the site valuation, must consider whether the value of the tract if treated as a single 20 acre site differs from the value of the tract is sold as separate parcels. The report does not address this issue.

The workfile documents submitted by the Respondent include three (3) land sales. They involve sales of tracts with 21 acres, 20 acres, and 22.91 acres. No sales of 5 to 10 acre sites were included in the workfile documents. Hence, there is no evidence that the potential value of the three parcels if sold separately was considered. [SR 1-1(a), SR 1-2(e) (i), SR 1-3, SR 2-2(b) (iii), SR 2-2(b)(ix)]

Flood Zone: The appraisal report states that the site is in a Zone X flood hazard area and refers to FEMA Flood Insurance Rate Map 47077C0050C, dated 9/21/1988. The flood maps for the area have been updated since the appraisal was performed. However, the reviewer was able to obtain a copy of the 1988 flood map from the FEMA web site. Online tax maps show that the western boundary for all three parcels is the (omitted) River (a copy of the tax map was included in the workfile documents). This is not addressed in the appraisal report. The flood map referenced in the appraisal report shows that portions of all tracts in the immediate vicinity that adjoin the (omitted) River are in a Zone A flood hazard area. The workfile documents submitted for review contain no indication that the flood zone was correctly identified.

The subject property contains significant equestrian facilities. Those who wish to seek homes with equestrian facilities often specifically look for properties located near creeks and rivers that can provide a water source for animals. There is no evidence to indicate that there was any analysis of the effect, if any, that the proximity to the river might have on the value and marketability of the property. Even if the proximity to the river and the flood zone has no effect on the value of the property, it would affect the underwriting of the loan by the lender. [SR 1-2(e) (i), SR 2-2(b), SR 2-2(b) (iii), SR 2-1(a)]

According to the Complainants, who are the owners of the property, the home is actually attached to a 15,000 sq. ft. steel barn, with the house and barn integrated as a single structure. There is no indication of this in the appraisal. The reviewer was able to find several Internet listings that indicate that the property is used as a working farm. This is not addressed in the appraisal report. It appears that the true nature of the improvements is far more complex than what is conveyed in the appraisal report. [SR 1-2(e) (i), SR 2-2(b) (iii), SR 2-1(a)]

The subject property includes three separate parcels with a total size of 20 acres. The comparable sales are all situated on 4 to 6 acre sites, and site adjustments were applied to all of the comparables. There is no support for these adjustments in the report or in the workfile. [SR 1-1(a), SR 1-4(a)]

The cost of the arena, vet room, etc. appears to have been grossly understated. The replacement cost of these items is reported to be only \$20,000. This is less than \$2 per square foot. The workfile documents contain no support for these cost projections. The contributory value of such items may be far less than their cost. However, if that is the case the cost approach should still reflect the actual cost of these items, with functional depreciation applied if necessary. Alternatively, the contributory value of such items could be shown in the section labeled "As Is" Value of Site Improvements. [ETHICS RULE: Record Keeping section, SR 1-1(a)]

2010016811 This complaint was filed anonymously and alleged that the Respondent failed to inspect the interior of the subject property, omitted an in ground swimming pool, failed to recognize the scope of work requirements in a USDA appraisal, copied photos from MLS without disclosing the source, failed to measure the subject property and failed to attempt to obtain a copy of the sales agreement.

The Respondent states that the assignment was for an FHA loan and that he had used the property as a comparable sale in the past. The Respondent states that he had some difficulty accessing the property as the owner worked odd hours however, the Respondent states that he was able to conduct an exterior inspection. The Respondent states that he "wrote up the report and called the AMC to indicate the extent of the inspection and that he would follow up in two (2) days to re inspect." The Respondent states that the AMC told him to forward the report so they could get it into the system. The Respondent states that he was contacted the following day by the lender regarding the value given to the swimming pool. The lender advised that the underwriter would not allow value for the pool and that the lender wanted the Respondent to go back out to see if there was any room to add value. Respondent states that the value range was broad and that there was some room to add value. The Respondent indicated that 160K was the best he could do and advised that he still had not inspected the interior. The Respondent states that the lender cancelled the order and cancelled the appointment with the property owner. Respondent states that the lender advised that they were not going to pay the Respondent and they were going to try and find another appraiser. Respondent states that he used poor judgment in sending a preliminary report without having inspected the interior and without having noted it in the report. The Respondent states that he

used MLS photos for the interior and his own exterior photos. Respondent states that he measured the exterior of the property and the lender did not provide a copy of the sales agreement. Respondents state that the cost approach data was from local contractors and this approach to value was not required in an FHA appraisal but included for the benefit of the client.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The complaint alleges that the Respondent did not inspect the interior of the home. The Respondent acknowledged that a complete visual inspection of subject property was not performed. Hence, the scope of work is not acceptable, and the report is misleading.
- The report does not address a prior listing of the home within the past year.
- The Respondent did not obtain a copy of the sales contract as required for FHA appraisals

The complaint alleges that the Respondent appraiser did not inspect the interior of the home. The appraisal was done for an FHA loan. Hence, inspection of the home in accordance with the HUD 4150.2 was required. The appraisal report included interior photographs of the subject property. Those photographs were from a prior MLS listing of the home. [SCOPE OF WORK RULE: Scope of Work Acceptability section, SR 1-1(a), SR 1-1(b), SR 1-2(e) (i), SR 2-1(a)]

The report notes that as of the effective date of the appraisal the home was listed for sale by the owner. However, the report does not address the fact that the home had also been listed for sale in the MLS within the prior year. A copy of a prior MLS listing was provided with the complaint. [SCOPE OF WORK RULE: Problem Identification section, SR 2-1(a)]

The appraisal report indicates that the sales contract was not reviewed. The report does not address the efforts made by the Respondent to obtain a copy of the contract. [SR 2-2(b) (viii)]

For an FHA loan it is a requirement that the appraiser be provided a copy of the sale contract, and it is a requirement for the appraiser to analyze the contract and report the findings of that analysis. [SCOPE OF WORK RULE: Problem Identification section]

The appraisal report indicates that the sale price is \$150,000, the date of the contract of April 2010 and no financial assistance was being paid by the seller. A copy of the sale contract was included with the complaint. That contract indicates a sale price of \$150,000, a contract date of 3/18/2010. The contract also states that the seller is providing financial assistance ("Seller to pay up to \$3,000.00 of the purchasers closing costs.") [SR 1-5(a), SR 2-2(b) (viii)]

The information presented is contradictory and inconsistent with the requirements for forms 1004 and 1004MC. Information at the top of page 2 of the URAR indicates that there have been 3 sales of similar homes in the neighborhood in the past year. The grid in the 1004MC indicates 16 sales of similar homes in the neighborhood over the past year. [SCOPE OF WORK RULE: Problem Identification section, SR 2-1(a)]

The report includes a diagram that shows the dimensions of the first level and second level of the home. However, the subject is a 1.5 story home. The main level measurements could be obtained from an exterior inspection, but measurement of the second level would require interior access. [SR 1-2(e) (i), SR 2-1(a)]

The appraisal report states that the cost approach was based on data from Marshall & Swift. In a response to TREAC dated 06/01/2010 the Respondent stated that the cost was derived from local contractors. No supporting data was included in the workfile documents. [ETHICS RULE: Record Keeping section, SR 2-1(a)]

License History: Certified Residential 11/9/1994 to Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: Counsel recommends the approval of a consent order to resolve both complaint matters imposing a one thousand five hundred dollar (\$1,500) civil penalty and the completion of a fifteen (15) hour Site Valuation and Cost Approach course, a fifteen (15) hour Residential Report Writing Course, and a fifteen (15) hour Residential Market Analysis and Highest and Best Use course. Counsel believes the education recommended may assist the Respondent in becoming a more competent appraiser thereby protecting the interests of the public.

Vote: Mr. Phillips made the motion to accept the recommendation and Ms. Point seconded the motion. The motion carried unanimously.

5. 2010017061 Danny Wiley was the Reviewer.

This complaint was filed by a mortgage lender and included allegations that the Respondent appraised a vacant land property on February 15, 2007 for \$75,000 and misreported the ownership information. The complainant further alleges that on the day the loan closed for \$71,250, the property owner sold the property to the persons named on the appraisal report completed by the Respondent for \$30,000.

The Respondent stated in his response letter that he did list the sellers of the property as the owners/occupant in error. He wrote that he was told to contact a Mr. (G) who "owned the property" for entry and he would provide a plat showing (Company S) was the owner. He indicated this Mr. G told him he was the owner. He indicated the plat was sent to him as a jpeg file and he couldn't read it so he assumed that the Mortgage Lender had verified the ownership or would halt any proceedings and have him make any corrections needed to the appraisal report. He indicated that the sale information reports a non-arm's length transfer. He indicated that he feels the Mortgage Lender is trying to make him the scapegoat in this, but he admitted that he omitted facts that may have stopped "crooks" having "manipulated the system".

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The report does not contain identifications of the intended use, the intended users, or the report option being used.
- The owner of the property was not correctly reported. The report contains no analysis of the contract. As a result, the client was unaware that the sale was a "flip" of the property.
- The reviewer was only able to verify two of the three sales.
- The workfile documents provided for review were incomplete. Data sheets were not provided in support of the information presented regarding the comparable sales.
- The copy of the report provided by the Respondent is not a true copy; it is not signed.

The report was done on an older form that does not address many issues required by USPAP. Many who use this form provide a "USPAP Addendum" to address these issues. The report contains no such addendum.

The intended use of the appraisal report is not stated. [SR 2-2(b) (ii)]

The intended users of the report are not stated. [SR 2-2(b) (i)]

There is no prominent disclosure of the report option being used. [SR 2-2]

Property History - Ownership

The report indicates that the owner/occupant of the property was (omitted) Trustees. Public records indicate that at the time of the appraisal the property was owned by M.G. The property was acquired by (omitted) Trustees on 2/26/2007 for \$30,000. (CRS indicates a price of \$50,000, but the deed states that the price was \$30,000). On the next day, 2/27/2010, the property was sold to M.M. for \$75,000. Failure to adequately analyze the contract and the ownership history of the subject resulted in the client being unaware that the sale of the property for \$75,000 was a "flip sale." Failure to analyze the history of the property also resulted in the Respondent being unaware of another sale agreement that apparently existed as of the appraisal date. The report does not address whether or not the property was listed for sale as of the effective date. [SR 1-2(e) (i), SR 1-5, SR 2-2(b) (iii), SR 2-2(b)(viii)]

The workfile documents submitted by the Respondent include an MLS listing showing that the subject property was listed for sale from 2/10/2006 until 5/19/2006 with an asking price of \$33,500. Hence, in the year prior to the appraisal the property had been offered on the open market for less than half of the appraised value. [SR 1-1(b)]

The workfile documents submitted by the Respondent do not include any data sheets for the comparable sales. [ETHICS RULE: Record Keeping section]

The comparison approach reports three (3) sales of lots that vary in size from 4.3 acres to 6 acres. There are no size adjustments; there are no explanations for the lack of adjustments. The only adjustment applied to any of the comparables is a VIEW adjustment to sale three (3). The indicated values from the comparables are \$46,000, \$75,000 and \$112,500. This wide range is a strong indication that the appraiser has not accounted and adjusted for differences in relevant characteristics.

There is no explanation or reconciliation of how the value of \$75,000 was derived from the wide value range indicated by the comps. [SR 1-1(a), SR 1-4(a), SR 1-6, SR 2-2(b) (viii)]

The information provided for Sale one (1) is consistent with the information found by the reviewer.

Sale two (2): The reviewer was unable to locate this sale Online assessment records indicate that there is no Lot 4B in (omitted) at (omitted). Furthermore, tax records show no lot in (omitted) with 4.3 acres. It appears that the data provided is inaccurate. [SR 2-1(a)]

The copy of the report provided by the Respondent is not true copy of the report of the report sent to the client because it is not signed. [ETHICS RULE: Record Keeping section]

License History: Registered Trainee 3/29/1999 to 9/24/2001

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: Counsel recommends the approval of a consent order imposing a five hundred dollar (\$500.00) civil penalty and the completion of a fifteen (15) hour Residential Report Writing Course. The violations noted in the appraisal report indicate areas where competency may be an issue. The recommended education should assist the Respondent in becoming a more competent and effective appraiser thereby protecting the interest of the public.

Vote: Mr. Phillips made the motion to accept the recommendation but to add the requirement that the Respondent also complete a fifteen (15) hour USPAP course. Mr. Wade seconded the motion. The motion carried unanimously.

7. 2010017131 Danny Wiley was the Reviewer.

This complaint was filed by a consumer and included allegations that the Respondent misrepresented the square footage of a residential dwelling by including non-livable space and therefore over-valued the dwelling.

The Respondent stated in his response letter that he has reviewed his building sketch and he doesn't understand where the Complainant thinks he included non-livable area. He wrote there was a screened porch, but it wasn't included in the Gross Living Area (GLA). He concluded that the sales from that time show that he did not over-value the property.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The workfile documents submitted for review do not include a copy of the sale contract.
- The report does not note sales concessions that were reported in the MLS.
- The listing history is not adequately addressed.

Information about the subject's listing is incomplete; the list date and list price are not reported. [SR 2-2(b) (viii)]

The appraisal report states that the home was under contract at the time of the appraisal. The workfile documents submitted for review by the Respondent do not include a copy of the sales contract. [ETHICS RULE: Record Keeping section]

The appraisal report states that no sales concessions were paid by the seller. The MLS reports sales concessions of \$5,000. If the contract was not available for review, that fact must be noted in the appraisal report along with the steps taken to obtain a copy of the contract. [SR 1-5(a), SR 2-2(b) (viii)]

The MLS listing for the subject property indicates that there is a screened porch. The rear photo in the appraisal report appears to show a porch that is screened and/or enclosed. This is not mentioned in the property description or the adjustment grid. [SR 1-2(e) (i), SR 2-2(b)(iii)]

The appraisal report states that the data sources used for the comparables were Chandler Reports and MLS. The workfile documents submitted for review included no MLS data sheets. If MLS was used as a data source, then supporting workfile documents must be retained. If MLS was not used as a data source, then the report is misleading. [ETHICS RULE, Record Keeping section, SR 2-1(a)]

The report states, "The site value was from assessor's records." Use of assessment records alone is not a recognized method for deriving the market value of a site. [SR 1-1(a)]

The appraisal report notes that the subject property has sold in the past three years. The price and sale date are noted, however, the report contains no analysis of that prior sale. [SR 1-5(b), SR 2-2(b) (viii)]

License History: State Licensed Appraiser 03/08/2006 to 5/15/2009
Certified Residential 5/15/2009 to Present

Prior Complaint / Disciplinary History: 200902113 (Consent Order - \$1,000 and 30 hours of education)

Reasoning and Recommendation: The Respondent resolved another complaint matter earlier this year and pursuant to that agreement completed a fifteen (15) hour course on Residential Report Writing and a fifteen (15) hour course on Site Valuation. That course work was completed in 2010 and should address the competency issues that may have been a factor in this 2007 matter. Counsel notes as to mitigation that at the time of this 2007 appraisal the Respondent had been licensed less than a year. Counsel recommends the approval of a consent order imposing a five hundred dollar (\$500.00) civil penalty.

Vote: Mr. Headden made the motion to accept the recommendation. Mr. Phillips seconded the motion. The motion carried unopposed.

8. 2010027961 Reviewed by TREAC staff.

This complaint was filed by a consumer and alleges that the Respondent under-valued a residential property by described the subject as a spilt foyer with a basement instead of a split foyer, two (2) story without a basement, which made diminished the value forty thousand dollars (\$40,000.00) when compared to a 2007 appraisal.

The Respondent stated that the subject is a split foyer home with a basement as the lower level is partially below grade. Respondent states that it is inappropriate to include the below grade square footage in the above grade gross living area and the Complainant failed to understand that the property could not be valued as a two story home. Respondent states that there were many foreclosure sales and short sales in the neighborhood and he used foreclosure/distressed sales as comparables as these sales were prevalent in the market. Respondent wrote that comparable sale two (2) was not a foreclosure sale. Respondent concluded by stating that the value opinion was well supported.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- There does not appear to be merit to the Complainants allegation that subject property was under valued.
- The analysis, opinions and conclusions appear to be appropriate and reasonable.

License History: Registered Trainee 5/5/2006 to 7/18/2008

Prior Complaint / Disciplinary History: None

Reasoning and Recommendation: Counsel recommends that this complaint be **DISMISSED** as the reviewer did not identify any violations of USPAP.

Vote: Mr. Wade made the motion to accept the recommendation and Ms. Point seconded the motion. The motion carried unopposed.

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Being no further business, the meeting was adjourned at 9:00 a.m.

Chairman, Thomas Carter

Nikole Avers, Administrative Director