



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

August 15, 2011

Second Floor Conference Room, Andrew Johnson Tower

The Tennessee Real Estate Appraiser Commission met August 15, 2011 9:40 a.m. in Nashville, Tennessee, at the Andrew Johnson Tower in the second floor conference room. Chairperson, Nancy Point, called the meeting to order and the following business was transacted.

COMMISSION MEMBERS PRESENT

Nancy Point
James E. Wade, Jr.
Herbert Phillips
Marc Headden
Dr. Edward A. Baryla
Rosemarie Johnson
Thomas R. Carter
Erik Sanford

COMMISSION MEMBERS ABSENT

William R. Flowers, Jr.

STAFF MEMBERS PRESENT

Nikole Avers
Aminah Saunders
Joshua Case

ADOPT AGENDA

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

MINUTES

The July 11, 2011 minutes were reviewed. Mr. Phillips made the motion to accept the minutes as written. It was seconded by Mr. Carter. The motion carried unopposed.

Experience Interviews

Cindy Ann Conaway made application to upgrade from a registered trainee real estate appraiser to become a certified residential real estate appraiser. Ms. Point was the reviewer and 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.

Rachel Elizabeth Underhill made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Phillips was the reviewer and recommended approval of her experience request. Mr. Wade made the motion to accept the recommendation and Mr. Carter seconded the motion. The motion carried unopposed.

Adam Bradley Thomas made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Carter was the reviewer and he recommended approval of his experience request. Mr. Headden made the motion to accept the recommendation and Mr. Wade seconded the motion. The motion carried unopposed.

Ryan J Lett made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Headden was the reviewer and he recommended approval of his experience request. Mr. Phillips made the motion to accept the recommendation and Mr. Wade seconded the motion. The motion carried unopposed.

Beverly J Gouge made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Wade was the reviewer and recommended approval of her experience request. Mr. Headden made the motion to accept the recommendation and Mr. Phillips seconded the motion. The motion carried unopposed.

Education Committee Report

Dr. Baryla reviewed the education and submitted his recommendations to the Real Estate Appraiser Commission, as seen below. Mr. Phillips made a motion to accept Dr. Baryla’s recommendations. Mr. Wade seconded the motion. The motion carried unopposed.

August, 2011 Education Committee Report

Provider	#	Course name	Instructors	Hr.	Type	Rec.
ASFRMA	1510	ASFMRA 82 nd Annual Convention - Day 1	Larry D. Stenberg, David Kruse, Jerry Davis, Jim McCandless, Richard Brockmeyer, Fred Hepler, Joe Vella, Joel Lorenzen, Jonathan Logan, Jim Pisani, Dennis Reyman	7	CE	for
ASFRMA	1511	ASMFRA 82 nd Annual Convention – Day 2	Gary Thein, Thomas V. Boyer, Dr. Jennifer L. Shaw, Dr. Robert T Fraley	3	CE	For
ASFRMA	1512	Rapid Fire Case Studies 2011	Mark Sonderby, Dave Peterson, Paul Herrington, Mike Gibbons, Don Fisher, Dick Edmunds	5	CE	for
ASFMRA	1513	Uniform Agricultural Appraisal Report	Mark Elder	6	CE	for

ASFMRA	1514	Best Practices for Rural Property Appraisals	Eric Roget, Mark Peterson, John Voris	8	CE	for
The Real Estate Academy, Inc	1519	State of the Real Estate Market: Myths + Reality	John Henry Saunders	5	CE	for
The Real Estate Academy, Inc	1518	The Bundle of Rights: Origins, Limitations, + Market Value	John Henry Saunders	5	CE	for
The Real Estate Academy, Inc	1517	Principles of Real Property Valuation	John Henry Saunders	5	CE	for
The Real Estate Academy, Inc	1516	The Dynamics of Supply + Demand	John Henry Saunders	5	CE	for
The Real Estate Academy, Inc	1515	7- Hour National USPAP Update	John Henry Saunders	7	CE	for
Greater TN-Appraisal Institute	1520	Using Spreadsheet Programs in Real Estate Appraisals	S. Warren Klutz	7	CE	for

Individual Course Approval

Name	File #	Provider	Course Name	Hrs	Type	Rec.
Pamela S. Williams	565	TN Comptroller of the Treasury, Division of Property Assessments	Appraisal Fundamentals Workshop	14	CE	for
Pamela S. Williams	565	TN Comptroller of the Treasury, Division of Property Assessments (DPA)	TN Assessment Law & Legal Issues for Assessors of Property	10	CE	for
Douglas Philip Russell	4167	TN Comptroller of the Treasury, Division of Property Assessments (DPA)	DPA Basic Mapping Course	21	CE	for
Doyle R. Monday	393	Institute for Professionals in Taxation	Annual Conference	16.5	CE	for
Michael T. Orman	192	NAIFA – Central Oklahoma Chapter	Forensic Field Review	4	CE	for

Michael T. Orman	192	NAIFA – Central Oklahoma Chapter	Uniform Appraisal Data	4	CE	for
Michael T. Orman	192	NAIFA – Central Oklahoma Chapter	Dodd-Frank	2	CE	for

AMC APPLICATION REVIEWS – CHARACTER QUESTION

Vesta Valuation, LLC, application # 66, submitted an application to become a registered appraisal management company on June 24, 2011. **Michael Kleber-Diggs** was identified as owning ten percent (10%) or more of this company and checked “Yes” to Character Information question 1 which reads, “Have you ever been denied an appraiser license or certificate or had an appraiser license or certificate or professional license of any type disciplined in Tennessee or elsewhere? This would include a consent order, agreed order, final order, suspension, revocation, or voluntary surrender or a license or certificate pursuant to a disciplinary proceeding.” His supplemental information indicated on **October 23, 1998**, his license to practice law in the State of Minnesota was suspended for four months as a result of two complaints filed by former clients in **April and May of 1996**. The primary basis for the suspension of his license was misrepresentations made by him during the investigation of the complaints by the Minnesota Office of Lawyers Professional Responsibility. After him denying the charges in his formal answer, he voluntarily admitted to the misrepresentation before a hearing on the complaints was convened. His letter further indicated that he had no other disciplinary complaints before or after this suspension and he has not practiced law since 1998. Information requested by the board has been received. Mr. Wade made the motion to approve the application. Mr. Headden seconded the motion. The motion carried unopposed.

PROPOSED RULE CHANGE LANGUAGE

1255-01-.04 APPLICATION FOR APPRAISER LICENSE OR CERTIFICATE.

- (1) A person who wishes to file an application for a real estate appraiser license or certificate may obtain the required form upon request to the Commission.

- (2) At the time of filing an application for licensure or certification, each applicant shall sign a pledge to comply with the standards set forth in the Act and the Commission’s rules and state that the applicant understands the types of misconduct for which disciplinary proceedings may be initiated against a state licensed or certified appraiser, as set forth in the Act.

- (3) Each applicant shall complete all application and examination requirements within one (1) year of the date the Commission grants approval for the applicant to take the required examination. An applicant may not take the required examination more than four (4) times within the one (1) year period following approval; thereafter, an applicant wishing to take the required examination shall reapply and submit a new application fee. The Commission may grant exceptions to the requirements set forth in this paragraph upon appropriate individual request.

(4) Any person may apply for upgrade ~~or downgrade~~ of an unexpired license or certificate by filing an application for the same on a form which may be obtained from the Commission. The appropriate application fee must be filed with the application.

(5) Filing and Fees. Properly completed applications must be accompanied by the appropriate fees. Once the application has been filed and processed, the application fee may not be refunded. The following fees shall be charged:

- (a) Application for initial real estate appraiser license \$125.00
- (b) Application for initial real estate appraiser certificate \$125.00
- (c) License or certificate issuance fee \$350.00
- (d) Application for upgrade/~~downgrade~~ \$125.00
- (e) Letter of good standing \$ 25.00

(6) Payment of application fees shall be made by certified check, bank check or money order made payable to the State of Tennessee.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-206, 62-39-307, 62-39-312, 62-39-315 and 62-39-333. Administrative History: Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993; effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Amendment filed January 19, 2001; effective April 5, 2001.

1255-01-.11 LICENSE AND CERTIFICATE RENEWAL.

(1) To obtain renewal of a license or certificate, the holder of a current, valid license or certificate must make application on a form available from the Commission not earlier than one hundred twenty (120) days nor later than thirty (30) days prior to the expiration of the license or certificate then held.

(2) An application for renewal must be accompanied by the following renewal fee, plus the applicable federal registry fee:

- (a) Renewal of real estate appraiser license \$350.00
- (b) Renewal of real estate appraiser certificate \$350.00

(3) Each application for renewal of a license or certificate shall be accompanied by sufficient evidence of having completed the continuing education requirement for renewal specified in the Act and the rules and presented in the form prescribed in Chapter 1255-4 Continuing Education.

(4) If a license or certificate holder fails to renew his or her license or certificate before thirty (30) days prior to the expiration thereof, the license or certificate holder may, upon payment of a one hundred dollar (\$100.00) penalty, apply for renewal.

(5) No late renewal will be granted if over ~~six (6) months~~ twelve (12) months have passed since the expiration of the license or certificate.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-206 62-39-301, 62-39-307, 62-39-315 and 62-39-333. Administrative History: Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993, effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Amendment filed January 19, 2001; effective April 5, 2001. Amendment filed December 6, 2007; effective February 19, 2008.

1255-01-.12 REGISTERED TRAINEE.

(1) Application. An applicant for registration as a real estate appraiser trainee shall successfully complete the following requirements prior to obtaining registration:

- (a) Obtain and complete the required application form from the Commission.
- (b) Provide proof on the application form showing that he or she has obtained a high school diploma or its equivalent.
- (c) Provide on the application form the name and certificate number of the certified real estate appraiser under whose direct supervision the applicant will serve.
- (d) Provide the business address of his or her supervising appraiser and use that address as his or her business address. If an applicant has more than one (1) supervising appraiser, then the applicant shall use the business address of at least one (1) of his or her supervising appraisers.
- (e) Complete an approved thirty (30)-hour course in Appraisal Principles, an approved thirty (30)-hour course in Practices and Procedures, and the fifteen (15)-hour National Uniform Standards of Professional Appraisal Practice Course.
- (f) Submit with the application a nonrefundable application and registration fee of one hundred twenty-five dollars (\$125.00).

(2) Upon receipt of a properly completed application form with the required aforementioned documentation and the required fee, the Commission shall review the application to determine whether to issue the applicant a real estate appraiser trainee registration certificate and number.

(3) Education. Before registration, an applicant for trainee registration shall complete seventy-five (75) hours of courses in subjects related to real estate appraisal, which shall include, but shall not be limited to coverage of the Uniform Standards of Professional Appraisal Practice (hereinafter, "course credit"). An applicant shall complete the required course credit as a prerequisite to applying for registration as a registered trainee. All applicants shall submit evidence of completion of a minimum of an approved thirty (30)-hour course in Appraisal Principles, an approved thirty (30)-hour course in Practices and Procedures, and the fifteen (15)-hour National Uniform Standards of Professional Appraisal Practice Course. An applicant shall also ensure that his or her course credit complies with the following:

- (a) A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
- (b) An applicant may obtain course credit only where the minimum length of the education offering is fifteen (15) hours and the individual successfully completes the examination pertinent to that educational offering.

(c) An applicant may obtain course credit from the following:

1. colleges or universities
2. community or junior colleges
3. real estate appraisal or real estate related organizations
4. proprietary schools
5. other providers approved by the Commission

(d) An applicant shall obtain course credit within the five (5)-year period immediately preceding an applicant's submission of his or her application for registration as a registered trainee.

(e) The content for courses shall include, but is not limited to, coverage of the following real estate appraisal related topics:

1. influences on real estate value,
2. legal considerations in appraisals,
3. types of value,
4. economic principles,
5. real estate markets and analysis,
6. valuation process,
7. property description,
8. highest and best use analysis,
9. appraisal statistical concepts,
10. sales comparison approach,
11. site value,
12. cost approach,
13. income approach,
14. valuation of partial interests, and
15. appraisal standards and ethics.

(4) Experience.

(a) There is no experience prerequisite for an applicant to become a registered trainee.

(b) A registered trainee may have more than one (1) supervising appraiser.

(c) A registered trainee shall be subject to direct supervision by a supervising appraiser who shall be a state certified residential real estate appraiser or a state certified general real estate appraiser in good standing.

(d) A registered trainee shall only appraise those properties which the supervising appraiser is permitted to appraise.

(e) If a trainee's registration has expired or the trainee is no longer under the supervision of a state certified residential or state certified general real estate appraiser, then the registered trainee shall not perform the duties as a registered trainee until he or she submits an affidavit on a form provided by the Commission which states that he or she has a supervising appraiser. The registered trainee's supervising appraiser shall sign the affidavit stating that he or she is the supervising appraiser responsible for the registered trainee.

(f) A registered trainee shall maintain an appraisal log of his or her experience, shall maintain a separate appraisal log for each supervising appraiser, and shall, at a minimum, include the following in the appraisal log:

1. type of property,
2. date of report,
3. address of appraised property,
4. description of work performed by the trainee/applicant and scope of the review and supervision of the supervising appraiser,
5. number of actual work hours by the trainee/applicant on the assignment, up to the maximum allotted by property type,
6. client name and address, and
7. signature and State certification number of the supervising appraiser.

(g) A registered trainee may conduct property inspections alone (without being accompanied by the supervising appraiser) only after completing five hundred (500) hours of acceptable experience. In order to conduct property inspections pursuant to this paragraph, the registered trainee shall submit a form to the Commission on which both the registered trainee and the supervising appraiser shall certify the experience.

(h) A registered trainee shall comply with the Uniform Standards of Professional Appraisal Practice.

(5) Examination.

(a) There is no examination prerequisite for an applicant to become a registered trainee.

(b) A registered trainee or applicant for registration as a registered trainee may apply to take the examination for a state licensed real estate appraiser license or a state certified residential appraiser; provided, that the applicant and/or registered trainee has completed all appropriate education requirements. An applicant for registration as a trainee and/or registered trainee may not apply to take the examination for a state certified general real estate appraiser until the trainee has completed all other requirements for general certification.

(c) If a registered trainee applies to take the examination prior to application for licensure and completion of the experience interview they shall remit a nonrefundable fee of fifty dollars (\$50.00) with his or her application to take the examination for a state licensed real estate appraiser or a state certified residential real estate appraiser. A registered trainee must obtain licensure or certification within twenty four (24) months of the examination date.

(d) A license or residential certificate will be issued to a registered trainee or applicant for registration as a registered trainee who passes the examination, only upon the registered trainee or applicant for registration as a registered trainee completing all requirements for licensure or residential certification. If all other requirements are not met prior to the expiration of a trainee's registration and the registered trainee fails to renew, then he or she loses credit for passing the examination.

(e) Once the registered trainee has completed all of the required qualifying education and experience, then the trainee may submit his or her application for registration. The Commission office shall not process an applicant's application if the required qualifying education and experience has not been satisfied or if the application is incomplete. The Commission office shall keep an incomplete application active for six (6) months, unless the applicant requests an extension in writing to the Commission.

(6) Renewal.

- (a) A registered trainee's registration shall expire two (2) years after the date of issuance.
- (b) A registered trainee must renew his or her registration, at least thirty (30) days prior to its expiration, by filing the prescribed form with the Commission and paying a renewal fee of one hundred twenty-five dollars (\$125.00).
- (c) If a registered trainee fails to file the prescribed form and pay the renewal fee within thirty (30) days prior to its expiration, the registered trainee may, upon payment of a one hundred dollar (\$100.00) late renewal penalty in addition to the renewal fee, apply for renewal. No late renewal will be granted if more than six (6) months has passed since the expiration of the registered trainee's registration. The registered trainee may then reapply to be a registered trainee.

(7) Continuing Education.

- (a) A registered trainee who remains in the classification of registered trainee in excess of two (2) years shall be required to obtain a minimum of twenty-eight (28) classroom hours of instruction in courses, seminars, workshops or conferences approved by the Commission, prior to the next renewal period (hereinafter, "continuing education").
- (b) As part of a registered trainee's continuing education, a registered trainee shall complete the seven (7) hour National Uniform Standards of Professional Appraisal Practice Course at least once every two (2) years as defined and required by rule 1255-04-.01(2).
- (c) A classroom hour is defined as fifty (50) minutes of actual instruction for each sixty (60) minute segment.
- (d) The Commission may grant continuing education credit only where the length of the educational offering is at least two (2) hours.
- (e) An applicant may obtain continuing education credit from the following:
 - 1. colleges or universities
 - 2. community or junior colleges
 - 3. real estate appraisal or real estate related organizations
 - 4. state or federal agencies or commissions
 - 5. proprietary schools
 - 6. other providers approved by the Commission
- (f) The Commission may grant continuing education credit for educational offerings which are consistent with the purpose of continuing education stated in paragraph (h) below and cover real estate appraisal topics such as the following:
 - 1. ad valorem taxation
 - 2. arbitration
 - 3. business courses related to practice of real estate appraisal
 - 4. construction estimating
 - 5. ethics and standards of professional practice
 - 6. land use planning, zoning and taxation
 - 7. management, leasing, brokerage and timesharing
 - 8. property development
 - 9. real estate appraisal (valuations/evaluations)

10. real estate law
11. real estate litigation
12. real estate financing and investment
13. real estate appraisal related computer applications
14. real estate securities and syndication
15. real property exchange

~~(g) The Commission may grant up to one half (1/2) of an individual's continuing education credit for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which the Commission determines are equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.~~

(h) The purpose of continuing education is to ensure that a registered trainee participates in a program that maintains and increases his or her skill, knowledge and competency in real estate appraisal.

1255-2-.01 EDUCATIONAL LOGGING.

Each applicant for a license or certificate will be required to prepare an educational log.

- (1) The educational log shall provide the following information:
 - (a) Date of course
 - (b) Name of course
 - (c) Content of course
 - (d) Provider
 - (e) Total classroom hours
 - (f) Location of course
- (2) ~~The log shall be certified by the applicant and authenticated by signature.~~ An applicant may be required to provide additional information on education if deemed necessary by the Commission.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-303, 62-39-312 and 62-39-333. **Administrative History:** Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993; effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Amendment filed December 6, 2007; effective February 19, 2008.

1255-2-.03 COURSE PROVIDER APPLICATIONS

- (1) All applicants shall obtain qualifying education credit by successfully completing courses that are approved by the Commission from course providers who are approved by the Commission. The Commission ~~shall~~ **may** approve qualifying education courses and course providers based on the qualifications of the providers and the content of the courses. The Commission shall consider the following providers for approval:
 - (a) colleges or universities
 - (b) community or junior colleges

- (c) real estate appraisal or real estate related organizations
 - (d) state or federal agencies or commissions
 - (e) proprietary schools
 - (f) other providers approved by the Commission.
- (2) The Commission ~~shall~~ **may** approve all qualifying education courses on an individual basis.
- (3) Anyone seeking approval as a real estate appraisal course provider, and any real estate appraisal course provider seeking approval of a course or courses, shall submit the following with an application provided by the Commission:
- (a) a resume outlining the education and experience of the instructor(s) of such course(s),
 - (b) a detailed description of the content of each course and the appropriate module(s) for education credit,
 - (c) the projected schedule for the teaching of such course(s),
 - (d) notwithstanding approval prior to July 1, 1991, all providers seeking approval of courses shall submit course outlines to the Commission for approval of each course, and
 - (e) such other information as the Commission may reasonably request.

Authority: T.C.A. §§62-39-203, 62-39-204, and 62-39-333. **Administrative History:** Original rule filed October 26, 1993; effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Amendment filed January 19, 2001; effective April 5, 2001. Repeal and new rule filed December 13, 2004; effective February 26, 2005. Amendment filed December 6, 2007; effective February 19, 2008.

1255-2-.13 FEES.

- (1) The required fee from a course provider for approval of courses fifteen (15) hours or longer shall be two hundred dollars (\$200.00) for each course. Once the application has been filed and processed, the application fee may not be refunded.
- (2) The required fee from a course provider for approval of courses less than fifteen (15) hours shall be one hundred dollars (\$100.00) for each course. Once the application has been filed and processed, the application fee may not be refunded.
- (3) Course approval shall be valid for a two year (2)-year period from the date of approval and shall be renewed biennially thereafter.
- (a) The provider of an approved course who wishes to renew such approval shall submit an application, on a form approved by the Commission, along with a renewal fee of two hundred dollars (\$200.00) for each course fifteen (15) hours and over or one hundred dollars (\$100.00) for each course less than fifteen (15) hours, within thirty (30) days prior to the approval's expiration.
 - (b) In order to renew course approval and in addition to the payment of the appropriate fee, the provider shall also submit with the application a notarized statement certifying that the provider has not significantly changed the content of the course since its original approval.

- (c) If a provider fails to renew course approval within thirty (30) days or the approval's expiration date, the provider may, upon payment of a fifty dollar (\$50.00) penalty, apply for a late renewal. No late renewals or course approval will be granted if over ~~three (3)~~ **six (6)** months have passed since expiration.
- (4) The Commission will not require a fee from state supported universities, colleges and junior colleges which provide courses for qualifying or continuing education.

1255-3-.01 HOURLY CREDIT GUIDELINES.

~~(1) The Commission shall grant a maximum credit for experience as follows:~~

Hours

~~(a) Residential:~~

- ~~1. single family (one (1) unit dwelling) 8~~
- ~~2. multi family (two (2) to four (4) units) 15~~
- ~~3. vacant land (less than ten (10) acres) 5~~
- ~~4. vacant land from ten (10) acres to two hundred fifty (250) acres 15~~
- ~~5. vacant land over two hundred fifty (250) acres 30~~
- ~~6. subdivision sites (per site) (not to exceed fifty (50) hours) 5~~

~~(b) Land: undeveloped non residential tracts, residential multi family sites, commercial sites, industrial sites, land in transition, etc. 20~~

~~(c) Rural/Agricultural:~~

- ~~1. Ten (10) to two hundred fifty (250) acres 20~~
- ~~2. Two hundred fifty (250) to one thousand (1,000) acres with improvements. 30~~
- ~~3. Two hundred fifty (250) acres or more without improvements. 30~~
- ~~4. Over one thousand (1,000) acres with improvements. 40~~
- ~~5. An additional twenty (20) hours credit will be awarded for specialty property. "Specialty" means agricultural income producing operations such as orchards, dairies, minerals, granary, livestock, hog barns, etc.~~

~~(d) Residential Multi-Family (five (5) to twelve (12) Units): Apartments, condominiums, townhouses, and manufactured homes. 35~~

~~(e) Residential Multi-Family (thirteen or more (13+) Units): Apartments, condominiums, townhouses, and mobile home parks (add ten (10) hours for proposed project projections). 50~~

~~(f) Commercial Single Tenant: Office building, retail store, restaurant, service station, bank, day care center, etc. 35~~

~~(g) Commercial Multi-Tenant: Office building, shopping center, hotel, etc. (add ten (10) hours for proposed project projections). 60~~

~~(h) Industrial: Warehouse, manufacturing plant, etc. 50~~

~~(i) Institutional: Nursing home, hospital, school, church, government building, etc. 50~~

~~(2) The Commission shall grant thirty percent (30%) of the maximum experience hours allotted for the specified property type for exterior only inspection appraisals or appraisal assignments requiring no inspection of the subject property. No experience credit shall be given for evaluations.~~

~~(3) The Commission may award credit for hours of appraisal experience for the appraisal of other types of real property not listed. The Commission shall, on an individual basis, determine the amount of credit to be awarded for such appraisals based on information provided.~~

~~(4) The Commission may award credit on an individual basis for real estate counseling, highest and best use analysis and feasibility analysis, based upon a written request by the applicant.~~

~~(5) In appropriate circumstances, the Commission may grant partial or whole credit for demonstration reports. No more than twenty-five percent (25%) of the experience requirement may be obtained through demonstration reports from AQB-approved case study courses or practicum courses or demonstration reports approved by the Commission.~~

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-313, 62-39-329, 62-39-333, and 62-39-337.

Administrative History: Original rule filed August 1, 1991; effective September 15, 1991. Repeal and new rule filed December 13, 2004; effective February 26, 2005. Repeal and new rule filed December 6, 2007; effective February 19, 2008.

1255-3-.02 CRITERIA FOR STANDARD AND REVIEW APPRAISAL EXPERIENCE.

(1) Acceptable Experience.

~~(a) The Commission may award varying amounts of credit depending upon whether a Standard Appraisal, Condemnation, Review Appraisal or Mass Appraisal was performed.~~

1. ~~Standard Appraisal:~~ If the applicant performed at least fifty percent (50%) of the work associated with an appraisal (including preparation and development of the appraisal report), then the Commission shall grant full credit for that appraisal, even if this work was reviewed by a supervising appraiser who signed the appraisal report. Except as provided below for “review appraisals,” credit will not be granted for appraisals where an applicant performed less than fifty percent (50%) of the work.

~~(i) Experience credit for limited reports will be given one-half (1/2) of the credit normally allotted for the property type. No more than twenty-five percent (25%) of the total experience awarded can be derived from limited reports.~~

~~(ii) Except as provided below for “review appraisals,” credit will not be granted for appraisals where an applicant performed less than fifty percent (50%) of the work.~~

~~2. Condemnation Appraisals:~~

~~(i) If a partial acquisition appraisal is performed and an valuation of both the before and after values are given then an additional twenty-five percent (25%) credit will be awarded. This credit shall be rounded to the nearest hour.~~

~~3. 2. Review Appraisals:~~

~~(i) If the applicant performed a “technical review” of an appraisal performed by another person and the applicant prepared a separate written review appraisal report, in conformance with Standard 3 of the Uniform Standards of Appraisal Practice, the applicant will receive credit for the actual work hours performed on the assignment. fifty percent (50%) of the hours normally allotted for that appraisal.~~

~~(ii) A “technical review” includes inspecting the property appraised, verifying the data, and checking calculations. No more than seventy-five percent (75%) of the total experience awarded can be derived from technical review.~~

~~4.~~ 3. Mass Appraisals.

(i) The Commission shall grant experience credit to appraisers who perform mass appraisals in compliance with Standard Six of Uniform Standards of Professional Appraisal Practice and who demonstrate that they:

- (I) use techniques to value properties similar to those used by appraisers practicing under Uniform Standards of Professional Appraisal Practice Standard One; and
- (II) effectively use the appraisal process as referenced in the Guidelines of Standard Six of the Uniform Standards of Professional Appraisal Practice.

(ii) Properties which conform to the preceding definitions should be credited **for the actual work hours performed on the assignment.** ~~for fifty percent (50%) of the hours normally allotted for the appraisal.~~ Mass appraisals shall comprise no more than twenty-five percent (25%) of the total experience hours required to become licensed or certified.

~~5.~~ 4. Requests for Reconsideration:

If an applicant wishes to appeal the evaluation of his experience he may file a written request for individual review by the Commission. Nothing in this rule shall create the right to a formal contested proceeding (as defined by the Tennessee Administrative Procedures Act).

~~6.~~ 5. An applicant should also refer to Chapter 1255-1 GENERAL PROVISIONS for further delineation of experience requirements.

6. No experience credit shall be given for evaluations.

7. In appropriate circumstances, the Commission may grant partial or whole credit for demonstration reports. No more than twenty-five percent (25%) of the experience requirement may be obtained through demonstration reports from AQB approved case study courses or practicum courses or demonstration reports approved by the Commission.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-303, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337, as amended by 1991 Public Acts, Chapter 366. Administrative History: Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993; effective February, 2008 (Revised) January 11, 1994. Amendment filed January 19, 2001; effective April 5, 2001. Amendments filed December 13, 2004; effective February 26, 2005. Amendments filed December 6, 2007; effective February 19, 2008.

1255-4-.01 CONTINUING EDUCATION REQUIREMENTS.

(1) As a prerequisite to renewal of a real estate appraiser license or certificate, the licensee or certificate holder shall complete at least twenty-eight (28) hours of continuing education instruction approved by the Commission during each renewal period, which is every two (2) years (hereinafter "continuing education").

- (a) A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
- (b) The Commission will grant credit toward the continuing education requirement only where the length of the educational offering is at least two (2) hours.
- (c) A state licensed, state certified residential or a state certified general real estate appraiser may obtain credit for the continuing education requirement from the following:
 - 1. colleges or universities
 - 2. community or junior colleges
 - 3. real estate appraisal or real estate related organizations

4. state or federal agencies or commissions
 5. proprietary schools
 6. other providers approved by the Commission
- (d) The Commission may grant credit for educational offerings which cover real estate appraisal related topics, such as the following, which are consistent with the purpose of continuing education:
1. ad valorem taxation
 2. arbitration, dispute resolution
 3. courses related to practice of real estate appraisal or consulting
 4. development cost estimating
 5. ethics and standards of professional practice, USPAP
 6. land use planning, zoning, taxation
 7. management, leasing, timesharing
 8. property development, partial interests
 9. real estate law, easements, and legal interests
 10. real estate litigation, damages, condemnation
 11. real estate financing and investment
 12. real estate appraisal related computer applications
 13. real estate securities and syndication
- (2) All licensees and certificate holders shall successfully complete the seven (7)-hour National Uniform Standards of Professional Appraisal Practice Update Course, or its equivalent, a minimum of once every two (2) years. Equivalency shall be determined through the Appraisal Qualifications Board Course Approval Program. The seven (7)-hour National Instructor Recertification Course for Uniform Standards of Professional Appraisal Practice shall fulfill the seven (7) hour continuing education requirement for AQB approved instructors of the National Uniform Standards of Professional Appraisal Practice.
- (3) The Commission shall grant continuing education credit for the National Uniform Standards of Professional Appraisal Practice Update Course only when at least one of the instructors is an Appraiser Qualifications Board Certified Instructor and a state certified general or residential real estate appraiser.
- (4) The Commission shall grant continuing education credit for any course that a licensee has taken more than once if the course has undergone a significant update or if the licensee has not taken the course in the last five (5) years.
- (5) Seminars.
- (a) The Commission may offer seminars to the licensees for which fees, as appropriate, may be collected to cover costs.
 - (b) These seminars may be used by the licensees for continuing education credit.
 - (c) These seminars may include, but are not limited to the following subjects: laws and rules, policies and Uniform Standards of Professional Appraisal Practice.
- (6) The purpose of continuing education is to ensure that the appraiser participates in a program that maintains and increases his or her skill, knowledge and competency in real estate appraisal.
- (7) The Commission may grant up to one half (1/2) of an individual's continuing education credit for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which the Commission determines are equivalent to obtaining

continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-206, 62-39-306, 62-39-325 and 62-39-333.
Administrative History: Original rule filed August 1, 1991; effective September 15, 1991. Amendment filed October 26, 1993; effective January 11, 1994. Amendment filed December 16, 1997; effective March 1, 1998. Repeal and new rule filed December 13, 2004; effective February 26, 2005. Repeal and new rule filed December 6, 2007; effective February 19, 2008.

Mr. Carter made the motion to accept the rule change language. Mr. Sanford seconded the motion. The motion carried unopposed.

POLICY REVISIONS

1. The Tennessee Real Estate Appraiser Commission strictly construes Rule 1255-2-.2 and 1255-2-.12 to mean that a course “taken more than once” shall mean a course of the same name and subject matter taken more than once, and a “repeated course” shall mean a course including substantially similar subject matter, whether or not the course has the same name.

~~2. In the event that there is a pending complaint against a licensee, a new application made by that licensee or in connection with that licensee shall not be processed until such time as the complaint has been reviewed by the Commission.~~

3. As a prerequisite to renewal of a reciprocal real estate appraiser license or certificate, the nonresident license or certificate holder shall submit a notarized statement, signed by the appraiser, indicating that he or she is in good standing in the jurisdiction of resident or reciprocal licensure or certification. The nonresident appraiser should also submit to the Commission a copy of his or her renewed and/or current license issued by the resident or reciprocal licensure or certification.

4. Prior to approval of appraisal experience, all applicants for initial or upgraded licensure or certification ~~must~~ shall, unless the commission determines otherwise, attend an informal experience review with one or more members of the Commission to ensure compliance with the Uniform Standards of Professional Appraisal Practice and obtain any other necessary information not apparent from the application. Any trainee, after completing 500 hours of experience, may request an additional preliminary interview to discuss his or her experience.

~~5. Generally, all complaints considered by the Commission shall be made in writing and shall be signed by the Complainant. However,~~ The Commission may consider anonymous complaints provided that they are accompanied by information which the Commission may rely upon as a factual basis of the complaint. Such information may include a copy of the subject appraisal report and/or comments indicating the alleged violations.

6. In cases where an applicant may be required to appear before the Commission because they have answered “yes” to question number three (3) on the character information page of their application, and the offense is five (5) years old or older, and the offense does not fall under T.C.A. 62-39-326(3) or (4), the Administrative Director of the Tennessee Real Estate Appraiser Commission is authorized

to approve any appraiser application in house without presentation to the Commission. The Administrative Director in his/her discretion may present applications and/or applicants to the Commission for approval.

7. When measuring the beginning and ending of the experience period under AQB criteria (currently 24 months for licensed and certified residential and 30 months and for certified general), TREAC will review each appraiser's experience log and note the dates of the first and last acceptable appraisal activities performed by the applicant. Then, TREAC will calculate the time period spanned between those appraisal activities.

8. Applicants, which are current credential holders in good standing within another jurisdiction, may obtain reciprocal credentials, temporary practice permits, renewals of existing credentials, and an equivalent credential in Tennessee on or after January 1, 2008 without having to meet the 2008 AQB criteria. If an appraiser holds a valid appraiser credential supported by an AQB approved examination, the appraiser will be deemed to be in full compliance with the 2008 criteria. Evidence of AQB compliance must be verified either through the National Registry, maintained by the Appraisal Subcommittee of Congress, or by a "Letter of Good Standing" from the credentialing jurisdiction.

9. Licensees that gained licensure or certification by reciprocity, but have subsequently moved to Tennessee and establish residency shall meet all Tennessee required education, experience and examination requirements if they apply for upgrade of licensure/certification.

10. The Commission's Director may automatically approve courses approved by the Appraiser Qualifications Board (AQB) Course Approval Program (CAP). For approval of a CAP approved course the school shall attach the instructor information and IDECC approval (if required) to the course approval application.

NOTE: Policy Statements are adopted to enhance or clarify laws and rules. Any changes to laws or rules contradictory to the above supersede policies.

Mr. Carter made the motion to accept the policy revisions. Mr. Sanford seconded the motion. The motion carried unopposed.

LEGAL REPORT

1. 2010025791 Commission member Headden was the reviewer.

A consent order was authorized at the March 14, 2011 meeting imposing a civil penalty of four thousand dollars (\$4,000.00) and successful completion of a fifteen (15) hour USPAP course and thirty (30) hours of Residential Case Study coursework with no credit given for continuing education.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report is misleading and there are at least fourteen (14) violations of USPAP. It appears that the Respondent lacks adequate knowledge or data to competently perform the assignment. The errors noted all tend towards over valuing the subject property and suggest possible intentional misconduct.

License History: Certified Residential 06/18/2002 – present

Prior Complaint / Disciplinary History: 200312444 closed w/ LOW, 200501672 closed, 200706851 dismissed.

Revised Recommendation: On July 1, 2011 the Respondent SURRENDERED the appraiser credential. Counsel recommends that the complaint matter be CLOSED and FLAGGED.

Vote: Mr. Phillips made the motion to accept the recommendation and Dr. Baryla seconded the motion. The motion carried unopposed. Mr. Headden recused from vote.

2. 2011004111 Mr. Pipkin was the reviewer in this matter.

This complaint was filed by a lender and alleged that the Respondent over valued a residential property in a January 2006 appraisal report by using sales that were not exposed to MLS and which represented the high side of the market.

In a lengthy and detailed statement the Respondent indicates that the value conclusion was supported by the information that was available at the time of the appraisal.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The subject sold in October 2006 for \$200,000.00 as part of a package sale of eighteen (18) parcels. The Respondent failed to analyze or discuss the sale. On the date of the appraisal, the subject was under contract for sale for \$59,000.00 however there was no analysis of the pending contract. [SR 1-5 (a)]
- At the time of the appraisal the subject was eighty seven (87) years old and is described as in 'average' condition. The Respondent does not indicate whether remodeling, repairs or updates have been made to the subject. The Respondent made no adjustment for age or condition between the eighty seven (87) year old subject and comparable one (1) which was fifty four (54) years old. The Respondent describes both properties as 'average'. In general an adjustment for the thirty three (33) year age difference is appropriate. In the cost approach the Respondent reports depreciation of \$21K for the eighty seven (87) year old subject in average condition. This appears to be substantially less than what would normally be expected. The remaining economic life is reported as fifty two (52) years, however given the age of the subject this appears to be unreasonable. [SR 1-4 (a)]

License History: Registered Trainee 05/03/1999 – 06/18/2001
Certified Residential 01/23/2002 - present

Prior Complaint / Disciplinary History: 200900153, 200900155, 200900156, 200900157, 200900158, 2000900229 and 200900313 (all closed by Agreed Order imposing a three thousand dollar (\$3000.00) civil penalty, five thousand dollars (\$5,000.00) in investigatory and other costs and forty five (45) hours of corrective education and a twelve (12) month probation.

Reasoning and Recommendation: On March 14, 2011 a consent order was executed which resolved the above noted complaint matters. As indicated the Respondent is required to complete forty five

(45) hours of corrective education and eight thousand dollars (\$8000.00) in penalties and costs. The appraisal matter at issue is from 2006 - the previously resolved matters are from 2007 and 2008. The conduct alleged in those matters is similar to the conduct alleged in the 2006 complaint matter. Counsel recommends a consent order which would impose a twelve (12) month probation and would require the Respondent to deliver the experience log and any requested appraisal to the Administrative Director for possible review.

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

3. 2011007301 Mr. Pipkin was the reviewer in this matter.

This complaint was presented at the July 2011 TREAC meeting and a Consent Order was approved imposing a five hundred dollar (\$500.00) civil penalty and a fifteen (15) hour Sales Comparison Approach course. The reviewer found that the three (3) comparables used by the Respondent are all located in superior locations and are all properties that are about one (1) year old. The subject property is sixty one years old with an estimated age by the Respondent of twenty (20) years. [SR 1-1(a) (c), SR1-4, SR 2-1(a)]

License History: Licensed RE Appraiser 02/07/1992 - present

Prior Complaint / Disciplinary History: 943969 dismissed and 200004159(1450) closed with a consent order imposed \$100.00 civil penalty and USPAP course.

Updated Recommendation and Reasoning: The Respondent indicates that he respectfully disagrees with the conclusions made by the reviewer however due to his advanced age and financial constraints the Respondent is simply unable to fight the allegations and will accept discipline imposed by the Commission. The Respondent states he was born in the subject area and has practiced his entire career in its vicinity. The Respondents states that the reviewer's conclusions that the location of the comparable sales is superior is debatable. The Respondent indicates that the subject's location is rich in historical value and that certain socio economic factors have unfairly led to the undervaluing of the subject area. The Respondent indicates that he has worked as an appraiser for many years and that he recalls being one of the first minority appraisers working in the state and through that experience and many years of appraising believes that he has made a lasting and meaningful contribution to the profession. The Respondent states that at eighty one (81) years of age he does not anticipate working in the profession past the next renewal cycle. Counsel respectfully recommends a revised Consent Order to impose a two hundred and fifty dollar (\$250.00) civil penalty and a fifteen (15) hour Sales Comparison Approach course to be completed within in one hundred and eighty (180) days allowing continuing education credit to the extent allowed by rules.

Vote: Mr. Wade made the motion to remove the civil penalty of \$250.00 and accept a recommendation of fifteen (15) hour Sales Comparison Approach course to be completed within in one hundred and eighty (180) days allowing continuing education credit to the extent allowed by rules. Mr. Carter seconded the motion. The motion carried unopposed.

4. 2011006921 Mr. Pipkin was the reviewer in this matter.

This complaint was filed by a relative of a client and alleged that the Respondent undervalued a twenty three (23) acre property which includes a residential dwelling, four (4) tenant homes, eight (8) barns and a working fruit farm. The complainant further alleges that the Respondent used an inappropriate form and did not provide an adequate site description.

The Respondent states that the complaint involves a family dispute involving a revocable trust and that the complainant is not the client but one of the client's eight (8) children. The Respondents states that the appraisal was to be used for estate planning purposes.

The Respondent's client indicates that the appraisal was performed as part of a revocable trust, that the client is the sole trustee and sole beneficiary of the trust which may be revoked at any time. The client indicates that the complainant is upset about a family issue and has chosen to take her frustration out on the Respondent with no regard for the consequences to the Respondent's professional career. The complainant states that they have worked with Respondent in the past and finds Respondents work to be excellent and professional. The client states that they are hopeful that the matter will be resolved quickly and in Respondent's favor and are of the opinion that the complainant does not have standing to complain about the appraisal. A second family member states that the complainant has a personal issue with the Respondent and the complaint was actually initiated by a competitor.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The twenty three (23) acre site is inadequately described in the report. The appraisal does not address the type of land, soil type, amount of cleared land, row crops or other aspects of the subject. Characteristics of the property that is relevant to the type and definition of value and the intended use of the appraisal. [SR 1-1 (e)]
- There is no description of the barns located on the property, however there is a fifteen thousand dollar plus (\$15000.00) adjustment for comparable one (1), a plus twenty five thousand dollar (\$25000) adjustment for sale two (2) and plus fifteen thousand dollar (\$15000.00) adjustment to sale three (3). The Respondent plus adjusted all three sales ninety seven thousand dollars (\$97000.00) for the rental houses on the property. There is no support for the contributory value of the additional dwellings and barns in the report. [SR 2-1, SR 1-6]

License History: Registered Trainee 08/18/1998 - 11/21/2000
Certified Residential 11/22/2000 – 11/01/2007
Certified General 11/02/2007 - PRESENT

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: Counsel recommends the disposition of this matter by consent order which would impose a five hundred dollar (\$500.00) civil penalty and require the Respondent to successfully complete a thirty (30) hour General Appraiser Report course. Counsel believes that the course work could serve to assist the Respondent in becoming a more effective appraiser thereby protecting the interests of the public.

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

5. 2011008641 Mr. Wilson was the reviewer in this matter.

This complaint was filed by a lender and alleged that the Respondent overvalued a residential property in a 2008 appraisal report. The complainant alleges that the subject is a detached condominium unit and the appraisal was completed utilizing the wrong form and with no discussion of home owner fees or special assessments. The complainant alleges that the most recent sale of the property was not an arms length transaction and whether that had any effect on the sales price was not discussed. The above grade square footage and room count are incorrect, omitted sales of more comparable properties and improperly selected comparables. The complainant also alleges significant issues with the Cost Approach and Income Approach.

The Respondent states that the subject market has experienced a substantial decline in the past twenty four (24) months. At the time of the appraisal the Respondent states that the market was fairly competitive. The Respondent stated that the value is supported by the comparable sales available at the time of the appraisal. The Respondent states that the deed identifies the subject as a planned unit development. The Respondents states that if the subject is a condominium then an incorrect form was utilized. The Respondent states that there was no information regarding fees available at the time of the appraisal. The Respondents states that the previous sale that complainant states was not an arms length sale – was not provided to the appraiser and this prior transfer had no effect on the value conclusion. As to the income approach, the Respondent states that privacy laws prohibit the distribution of rental rates to unauthorized individuals but the rental history of the first sale was included on the MLS. The Respondent states that the estimated income approach was considered although it was not processed. The Respondent concedes that there were errors and insufficient commentary contained in the report. The Respondent states that since this 2008 appraisal the Respondent has gained significantly more knowledge and that this report does not represent the quality of work the Respondent is currently producing.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Dimensions were stated as "see attached comments" but on the page titled "Additional Comments" is headed Zoning Compliance, under which is stated "area dimensions were not included on current tax records", but on the Site Plan page, in the report, the subject lot has listed site dimensions. Under Highest and Best Use (HBU) was a statement that the HBU is as a "single family residence", this statement is not consistent with the typical use of similar properties in this subdivision and neighborhood. No comments on site view or topography. [SR 1-1 (b) & (c), SR 2-2 (b) (iii), SR 2-2 (b)(ix)]
- Sales Comparison Approach: The dollar amount of the adjustments for bedrooms appears to be inconsistent and inaccurate. The GLA SF were adjusted at a negative \$25 per SF, all were larger in GLA than the subject, the four (4) comparable sales averaged a Sale Price/GLA of \$164. The bedrooms were adjusted for \$10K per bedroom. All bedroom adjustments were plus as the subject had more bedrooms than 3 of the sales. No explanation in the report as to how the adjustments were derived. In the Neighborhood section the marketing time is marked 3 to 6 months, but the information at the top of the Sales Comparison section indicated over a year's supply of active listings. There were no comments which discussed any reconciliation that derived the indicated Sales comparison Approach or why that value was indicated or chosen. [SR1-1 (b) & (c), SR 1-6; SR2-2(b) (viii) Comment]

- CRS reports, dated April 26, 2011, submitted by the respondent show prior sales in the last year, of Comparable Sales 1 and 3. These prior sales were not listed in the report, just N/A. Even if these were Quit Claim sales they should be disclosed, listed and analyzed. [SCOPE OF WORK RULE: Problem Identification section, SR1-1(b) & (c)]
- Cost Approach: The appraisal reports indicate a site value of \$75K and the report states "Recent salesranged from \$30,000 to \$90,000 for single family residential sites. Thus it is the opinion of the appraiser that the value of the lot, as vacant is \$75,000." No summary or list of sales was included in the report. The documents submitted by the respondents did include a yellow note with 4 sales listed ranging from \$59,000 to \$88,000 and MLS sold listings as support for the 4 reported site values sales. These sales do not correspond with the range report in the report. If other data was used but not retained, then the record keeping requirements have not been met. If no land sales were analyzed, the report could be inaccurate and misleading. [SR2-1(a) & (b), ETHICS RULE: Record Keeping section]
- Cost source data is listed as "Marshall & Swift Residential Cost Srv" but no cost sheets were included in the submitted workfile. The per SF dollar amount suggests that the property would be classified as "Excellent Quality". [ETHICS RULE: Record Keeping section]
- Income Approach: The Income Approach was not developed. The report stated "Rental history was not provided thus income approach was not processed" The subject property appears to be a rental. It could be used as an owner occupied primary residence however that is not the typical use. Rental data is available and to not develop the income approach does not reflect actions of buyers in the market place. [COMPETENCY RULE, SR 1-1 (a), SR 1-4(c)]
- The PUD Information was blank with no explanation, yet the report refers to the subject as a PUD. The appraisal submitted by the complainant stated that the HOA was not active. The status of the HOA and the entire PUD project could be very pertinent to the subjects market value. [COMPETENCY RULE, SR 1-1 (b) & (c)]

License History: Registered Trainee 07/13/2005 – 01/06/2008
 Certified Residential 01/07/2008 - PRESENT

Prior Complaint / Disciplinary History: None.

Recommendation and Reasoning: Counsel recommends the resolution of this matter by Consent Order imposing a five hundred dollar (\$500.00) civil penalty and the successful completion of a fifteen (15) hour Residential Report Writing Course. Counsel notes that at the time of the appraisal the Respondent had been Certified Residential for six (6) months. Counsel further notes the Respondent's acknowledgment of error and believes that the corrective education should serve to assist the Respondent in becoming a more competent appraiser thereby protecting the interests of the public.

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

6. 2011003561/ 2011007451/2011000241/2010029871 Mr. Orman was the reviewer.

All four (4) complaint matters have been previously presented at the June and July 2011 Commission meeting. At the June meeting a consent order was approved to resolve two (2) complaint matters involving a 2006 and a 2007 appraisal. At the July meeting a second consent order was approved to resolve a 2006 appraisal matter and a 2010 appraisal matter by SURRENDER of the credential.

License History: Certified Residential 08/31/2001 - PRESENT

Prior Complaint / Disciplinary History: 200800016, 200800874, 200800863 (Closed with Consent Order imposing a 1k civil penalty, 75 hours of corrective education, six (6) month suspension and probation). 200800963, 200801113 and 200801742 (60 day suspension)

Recommendation and Reasoning: Counsel requests the consolidation of the three older complaint matters into a single consent order with the disposition remaining as previously approved – a one thousand dollar (\$1000.00) civil penalty and twelve (12) month probation. The proposed disposition of the 2009 appraisal matter would remain unchanged with a Consent Order approving SURRENDER of the appraiser credential. Counsel is of the opinion that resolving the three older matters in a manner that immediately brings the Respondent under the supervision would effectively serve the Commission's interest in protecting the public. In the alternative should the Respondent agree to the SURRENDER of the appraiser credential all four (4) of the complaint matters would be CLOSED. 7

Vote: Mr. Carter made the motion to accept the recommendation and Mr. Phillips seconded the motion. Mr. Wade voted "no", all others votes "yes". The motion carried.

7. 2010034981/ 2010033921 Commission member Phillips was the reviewer.

The above captioned complaint matters were presented at the March and May Commission meetings. In the review of the first appraisal matters Commissioner Phillips found that the sales contract and improved sales were not completely analyzed, no explanation for the exclusion of the cost or income approach., no support for the lot value of twenty thousand dollars (\$20,000) and an inadequate description of the present condition and needed repairs for the subject.

As to the second matter, Commissioner Phillips found that the market Value of subject property appears inaccurate, the selection of improved sales appears inappropriate, the condition of subject appears to be inaccurate and the history of the subject and some sales is not reported.

At the May Commission meeting a consent order to resolve both matters by consent order imposing a five hundred dollar (\$500.00) civil penalty and a fifteen (15) hour Residential Report Writing course was approved.

License History: Certified Residential 12/31/1991- present

Prior Complaint / Disciplinary History: None.

Revised Recommendation and Reasoning: Counsel, Nikole Avers and Commissioner Phillips met with the Respondent for an informal conference on May 23, 2011. After further review and in consideration of the Respondent's twenty (20) year licensing history with no prior discipline Counsel respectfully recommends resolution of the complaint matter 2010034981 and 2010033921 (which involve the same appraisal) by Letter of Warning and the imposition of a consent order regarding the second matter (2010036861) with discipline as previously approved. Counsel believes that Commissioner Phillips concurs with this recommended disposition.

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

8. 201100300 Mr. Orman was the reviewer in this matter.

This complaint was filed by a lender and alleged that the Respondent communicated a misleading field review report by making several unsupported and unwarranted adjustments including an adjustment for a three (3) car garage and by making a 10K adjustment for superior location without further explanation. The complainant alleges that the field reviewer omitted the partial basement without explanation.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The respondent utilized the sale of (comparable) from the original report and made a location adjustment without providing any support. Adjustments for square footage, baths, and other units of comparisons were changed, added or omitted in the sales analysis in the review report without including supporting documentation and providing reasons for disagreement. There is insufficient reasoning provided for the adjustments, analysis, opinions and conclusions, indicating that recognized methods and techniques have not been correctly employed. [SR 1-4 (a); SR 3-1 (a)(b)(c); SR 3-3 (a)(i)(ii)(iii)] In response to the specific allegation the Respondent states that the comparable enjoys a superior location due to extensive rehabilitation and new construction in the area. The property is in close proximity to a commercial district offering restaurants, coffee shops and other commercial venues. The Respondent concedes that this analysis should have been included in the field review. The Respondent also concedes that there was an error with regards to the garage in comparable two (2).

License History: Registered Trainee 08/29/2005 – 04/03/2006
Certified Residential 04/03/2006 – PRESENT

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: Counsel recommends a Letter of Warning regarding the USPAP violations noted above. The Respondent provided a prompt and thorough response to the allegations while acknowledging that the analysis should have been more thoroughly presented in the field review. Counsel believes the interest of the public can be adequately protected with a Letter of Warning.

Vote: Mr. Wade made the motion to dismiss the complaint. Mr. Carter seconded the motion. A roll call vote was held Mr. Sanford voted “no” on the motion, all others voted “yes”. The motion to dismiss the complaint carried.

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Being no further business, the meeting was adjourned at 11:15 am.

Chairperson, Nancy Point

Nikole Avers, Executive Director