



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

March 11-12, 2013 - Minutes
First Floor Conference Room (1-A), Davy Crockett Tower

The Tennessee Real Estate Appraiser Commission meeting began March 11, 2013 at 9:00 a.m. in Nashville, Tennessee, at the Davy Crockett Tower in the first floor conference room. Chairperson, Norman Hall, called the meeting to order and the following business was transacted.

COMMISSION MEMBERS PRESENT

Norman Hall
Michael Green
Dr. Edward A. Barylak
Rosemarie Johnson
Nancy Point
Herbert Phillips

COMMISSION MEMBERS ABSENT

Jason Covington (resigned 2/26/13)
Timothy Walton
Mark Johnstone

STAFF MEMBERS PRESENT

Nikole Avers, Keeling Baird, Laura Betty, Jesse Joseph, Dennis O'Brien, Donna Moulder

ADOPT AGENDA

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

Chairman Hall read the public meeting statement into the record which indicated the agenda was posted to the TREAC website on February 28, 2013.

MINUTES

The January 14, 2013 minutes were reviewed. Ms. Point made the motion to accept the minutes as written. It was seconded by Mr. Phillips. The motion carried unopposed.

EXPERIENCE INTERVIEWS

Timothy S. Rohling made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Green was the reviewer recommended approval of his experience request. Ms. Johnson made a motion to accept the recommendation. Ms. Point seconded the motion. The motion carried unopposed.

William N. Burton made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Green was the reviewer and made a motion to approve of his experience request. Ms. Point seconded the motion. The motion carried unopposed.

Vance W. Patton made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Phillips was the reviewer made a motion to approve of his experience request. Ms. Johnson seconded the motion. The motion carried unopposed.

Jerrod L. Gaertner made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Phillips was the reviewer made a motion to approve of his experience request. Mr. Green seconded the motion. The motion carried unopposed.

Judy B. Mainord made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Hall was the reviewer and recommended that she send in one additional appraisal report that demonstrated proper development of the income approach. No second experience interview would be necessary if the report was found to be acceptable. (See April meeting minutes)

Cody Daniel Powell made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Hall was the reviewer and made a motion for approval of his experience request. Ms. Johnson seconded the motion. The motion carried unopposed.

Richard K. Hinkle made application to upgrade from a registered trainee to become a licensed real estate appraiser. Ms. Point was the reviewer and made a motion for approval of his experience request. Mr. Phillips seconded the motion. The motion carried unopposed.

Stephen J. Hutchison made application to upgrade from a registered trainee to become a certified general real estate appraiser. Ms. Point was the reviewer and made a motion for approval of his experience request. Mr. Green seconded the motion. The motion carried unopposed.

Jesse A. Felker made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Ms. Point conducted the experience interview and recommended he sent in three more appraisal reports that showed a proper

development of the cost approach to value. No second interview would be necessary if the reports were found to be acceptable.

Rebecca A. Williamson made application to upgrade from a certified residential appraiser to become a certified general real estate appraiser. Mr. Green was the reviewer and made a motion for approval of her experience request. Mr. Phillips seconded the motion. The motion carried unopposed.

Jonathan H. Stone made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Green was the reviewer and made a motion for approval of his experience request. Ms. Johnson seconded the motion. The motion carried unopposed.

Paul Busdiecker made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Hall made a motion to deny the experience request as he felt the applicant needed more experience before becoming certified. Mr. Phillips seconded the motion. The motion carried unopposed.

Jeffrey T. Neblett made application to upgrade from a licensed real estate appraiser to become a certified residential real estate appraiser. Ms. Point was the reviewer and made a motion for approval of his experience request. Mr. Green seconded the motion. The motion carried unopposed.

Education Committee Report

Dr. Baryla reviewed the education and presented his recommendations to the Real Estate Appraiser Commission, as seen below. In January, Ms. Avers noted an issue with the computer licensing system being unable to record ½ hour courses request; however, subsequent to that time she was able to get the computer system to accept half hour course approvals. Those courses were being represented just to make clear the three and a half (3.5) hour credit has been accepted by the Commission retroactively. The IRWA approval was subject to a bio from the instructor, Susan Curtis, which was received Friday afternoon. Dr. Baryla made a recommendation to approve the courses, along with the two individual courses below. Dr. Baryla made a motion for approval of the requests as written. Mr. Phillips seconded the motion. The motion carried unopposed.

March 2013 Education Committee Report

Individual Course Approval Requests

| Licensee | Course Provider | Course Name | Hours | Type | Rec. |
|--------------------|-----------------|--|-------|------|------|
| Pamela S. Williams | IAAO | Course 300 – Fundamentals of Mass Appraisal | 30 | CE | For |
| J. Lee Butler | TDOT | Local Government Guidelines and Right of Way | 7 | CE | For |

| Course Provider | Course Number | Course Name | Instructors | Hours | Type | Rec. |
|----------------------------|----------------|--|---|-------|------|---------|
| Middle TN Chapter of NAIFA | 1630 | Testifying as an Expert Witness | Terry Evans | 7 | CE | For |
| ASFMRA | 1631 | Cost Approach Applications | LeeAnn Moss | 8 | CE | For |
| ASFMRA | 1632 | Timber Property Valuation | Mark Lewis | 8 | CE | For |
| Columbia Institute | 1633 | Residential Sales Comparison – The Adjustment Process, No. 151 | Bryan Reynolds Amelia Brown Diana Jacob Bernerd Boarnet George Harrison | 8 | CE | For |
| IRWA | 1634 | The New Age of Energy | Susan Curtis, Marc Headden, Will Dodson, Gary Harris, Nikole Avers | 4 | CE | For |
| NAIFA | 1038 (reapply) | 6.7 The Cost Approach to residential Properties | Terry Evans | 7 | CE | For |
| Appraisal Institute | 1635 | Appraising Condos, Co-Ops, & PUDs | Maureen Sweeney | 7 | CE | For |
| Melissa Bond | 1636 | Report Writing – One and Done | Melissa Bond | 7 | CE | For |
| Melissa Bond | 1637 | Repairs Identify/Report | Melissa Bond | 4 | CE | For |
| Melissa Bond | 1638 | The Workfile | Melissa Bond | 4 | CE | For |
| Dennis Badger & Associates | 1625 | Estimating Value By Extraction | Michael E. Deweese Dennis Badger Thomas P. Veit John B Hoover | 3.5 | CE | 3.5 For |
| Dennis Badger & Associates | 1626 | Appraising Residential Properties in a Declining Market | Michael E. Deweese Dennis Badger Thomas P. Veit John B Hoover | 3.5 | CE | 3.5 For |
| Dennis Badger & Associates | 1627 | Is the Comparable Comparable? | Michael E. Deweese Dennis Badger Thomas P. Veit John B Hoover | 3.5 | CE | 3.5 For |
| Dennis Badger & Associates | 1628 | Adjusting for Seller Concessions | Michael E. Deweese Dennis Badger Thomas P. Veit John B Hoover | 3.5 | CE | 3.5 For |

Legal Report

1. 2012020921 There was no reviewer in this matter.

This complaint was filed by an Appraisal Management Company and alleged that Respondent, a Certified Residential appraiser, failed to disclose conflict of interest. The complaint alleged that Respondent rents office space in the same building and same office as a mortgage company and completes appraisal reports for lending purposes for this broker. The Complainant alleged that this is a conflict of interest per USPAP because this has not been disclosed within Respondent's reports and would be a violation of the Ethics Rule. In addition, the complaint alleged that Respondent is the sponsor for a trainee, who is the son of the mortgage company's owner.

Respondent stated in his response that he does not rent office space in the building where the mortgage company is located. However, he does meet his trainee for various times at the location. Respondent stated that his trainee is the son of the owner of the mortgage company and that his trainee completes a couple of reports a week and provides other assistance as needed. Respondent states that his trainee's name would only appear in the reports if he provided significant assistance. Respondent does not believe that there is any conflict of interest. He explained that there have been no attempts of collusion from the mortgage company or any other company. Respondent did state that he will no longer visit or go by the building where the mortgage company is housed, and any contact with the owner will be limited to after business hours. Respondent stated his trainee will not visit or go by the building where the mortgage company is housed, and any meetings with his father will be at an alternative site. In addition, Respondent stated he has asked the owner of the mortgage company to contact the lenders he utilizes and have Respondent's name taken off the approved list for the mortgage company, in order to remedy any additional perception of conflict.

It should be noted that this office sent correspondence to the trainee in this matter, requesting a complete experience log, detailing all appraisals in which the trainee contributed significant appraisal assistance since January 10, 2011, which is the date of the trainee's registration. This was requested to determine if Respondent and his trainee were doing appraisals for the trainee's father. After review of the log that was sent in by the trainee, there was no evidence proving that any appraisal services had been performed for the trainee's father.

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| License History: | Registered Trainee | 8/6/1993-10/14/1996 |
| | Certified Residential | 10/15/1996-Present |

Prior Complaint/ Disciplinary History: None

Reasoning and Recommendation: Investigation into this matter contributed insufficient evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **Closed with no further action.**

Vote: Ms. Johnson made a motion to accept the recommendation. Mr. Phillips seconded the motion. The motion carried unopposed.

2. 2012025321 There was no reviewer in this matter.

This complaint was filed by the administrative staff of the Tennessee Real Estate Appraiser Commission for failure to submit biannual certification as required by the laws and rules of the Commission. A certified letter was sent to Respondent Appraisal Management Company, informing Respondent that it needed to submit the certification to this office in conformance with Tennessee law. This office has evidence that the certified letter was received by Respondent, in that the file contains a certified mail return receipt dated September and November 2012; however, no response was received by Respondent on the matter.

As of this date, this office has received no response from Respondent.

Licensing History: Registered AMC 10/20/2011-Present

Disciplinary History: None

Reasoning and Recommendation: Respondent failed to submit biannual certification as required by T.C.A. 62-39-414, even after Respondent was contacted by this office. This office has evidence that the certified letter was received by Respondent, in that the file contains a certified mail return receipt dated September and November 2012, however, no response was received by Respondent on the matter. As such, Counsel seeks the authorization from the Commission of a Consent Order, requiring Respondent to submit its biannual certification to Commission, immediately upon execution of the Order. Failure to do so will result in further disciplinary action by the Commission. Upon discussion it was recommended that Ms. Baird offer a settlement by May 1st or set for a formal hearing thereafter.

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

3. 2012015211, 2012018651 RE-PRESENTATION

******This matter is being re-presented from the January 2013 Commission meeting.**

These complaints were filed by consumers and alleged multiple violations of USPAP in their respective appraisal reports that were completed by the same Respondent. These complaints were filed on two separate reports that were conducted on two separate properties on two separate dates.

The Respondent stated that the complaints were without merit and should be dismissed, accordingly.

Licensing History: Registered Trainee 1/31/1995 - 9/16/1996
Registered Trainee 5/8/2000 – 9/27/2004
Licensed RE Appraiser 9/27/2004 – 12/17/2007
Certified Residential 12/17/2007 - Present

Disciplinary History: None

Reasoning and Recommendation: The Commission had previously authorized a Consent Order with a One Thousand Dollar (\$1,000.00) civil penalty and a fifteen (15) hour Residential Report Writing and Case Studies course, along with a fifteen (15) hour Advanced Residential Applications and Case Studies Course. After the Consent Order was sent to Respondent, Respondent requested an informal conference to meet with Executive Director Avers and myself to discuss the Order. After meeting with Respondent on February 4, 2013, Director Avers and I discussed the Order and the matters surrounding the Order and determined that there were inconsistencies in the report that warrant the standing of the previous civil penalty. However, with regard to the continuing education courses suggested in the Order, Respondent informed us that he would have to travel out of state, in order to comply with these courses, as they were not being offered in Tennessee within the 180-day requisite time period. Thus, in an effort to allow Respondent to take continuing education courses in Tennessee, rather than traveling out of state, Counsel recommends that the Consent Order be modified to reflect the previous One Thousand Dollar (\$1,000.00) civil penalty, along with a fifteen (15) hour Residential Report Writing Course and a fifteen (15) hour Site Valuation and Cost Approach Course, as it became apparent that these were the areas of inconsistency within Respondent's appraisal reports. These newly suggested courses would be in lieu of those courses previously authorized by the Commission.

Vote: Mr. Phillips made a motion to accept the recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

4. 2012017491 RE-PRESENTATION

******This matter is being re-presented from the January 2013 Commission meeting.**

This complaint was filed by a consumer and alleged that the Respondent performed an appraisal report containing multiple inaccuracies, including items such as incorrect square footage and incorrect number of full and half-baths. Complainant also alleged that Respondent used comparable sales that were not comparable to the subject property.

The Respondent sent a response stating that the subject property had unfinished area on the second level and the basement level, which were not included in the GLA of property, and the first floor has two-story ceiling area, which is noted in the report. This was the only response provided by Respondent.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report fails to provide adequate reconciliation for the sales comparison approach and the site value opinion. [SR 1-6(a)]
- The appraisal report fails to summarize and support the following opinions and conclusions: opinion of site value, opinion of value in the sales comparison approach, opinion of value in the cost approach relating to external obsolescence. [SR 2-2(b)(viii)]

- The appraisal report fails to summarize the opinion of highest and best use, both as-improved and as-vacant. [SR 2-2(b)(ix)]
- The appraisal incorrectly describes the physical characteristics of the subject by providing an inaccurate site description. [SR 2-2(b)(iii)]
- The appraisal report has sufficient cumulative violations to support a lack of sufficient care to avoid errors that may affect the assignment results. [SR 1-1(b)]
- The appraisal report has sufficient violations so as to result in insufficient information for intended users to understand. [SR 2-1(b)]
- Failure to understand and apply proper appraisal techniques with regard to economic obsolescence in the cost approach represents a lack of competence in applying depreciation in the cost approach. [Competency Rule (lines 330-337)]

Licensing History: Certified Residential 12/23/1991 - Present

Disciplinary History: None

Reasoning and Recommendation: The Commission had previously authorized a Consent Order requiring a fifteen (15) hour Residential Appraiser Site Valuation and Cost Approach Course and a fifteen (15) hour Residential Report Writing and Case Studies Course to be satisfied within 180 days of execution of the Consent Order. No civil penalty was authorized. After the Consent Order was sent to the Respondent, this office received a phone call and written correspondence from Respondent requesting that her appraisal license, which is already on inactive status due to family health issues, be voluntarily surrendered to avoid any and all civil penalties and continuing education requirements. Such phone correspondence was made on January 17, 2013, and written correspondence requesting the surrender was received January 25, 2013. As such, Counsel recommends the authorization of a Consent Order requesting voluntary surrender of Respondent's license, as Respondent has surrendered her license.

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

5. 2012009281

This complaint was filed by an outside agency (bank) and alleged that Respondent communicated a misleading residential appraisal report by misreporting the gross living area, which resulted in over-valuing the property.

The Respondent stated in his response that on page 2 of the URAR in the sales grid, the square footage of the subject is shown as eight hundred thirty-two (832) square feet. All calculations in the sales grid are based on this figure. The subject property is a split foyer home having eight hundred thirty-two (832) square feet on the first floor and eight hundred thirty-two (832) square feet on the lower level. The lower level is heated and cooled and 100% finished in the same manner as the upper level. The square footage does exist, even though it is on the lower level. All comparable sales have finished basements as the subject is considered to have. It is acknowledged that page 1 of the

URAR shows the subject to have One Thousand Seven Hundred Sixteen (1,716) square feet of living space but no calculations are based on this figure. Respondent takes responsibility for not “locking” his appraisal software program to prevent the transfer of this square footage figure from the sketch addendum. Respondent admits this was an error on his part. However, he emphasizes the fact that all calculations are based on the GLA of the first floor of the dwelling and not on the erroneously transferred figure. Respondent stated there was no intent to overstate the gross living area and that the property was not overvalued. Respondent states that this is a rural market and the number of comparable sales available is very limited. Respondent stated he formed an “opinion of value” based on the comparable sales available.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- Relevant characteristics of subject improvements are not correctly reported. The property is described as having a finished area above grade containing 1716 square feet with a room count of 8 rooms, 4 bedrooms, and 2 baths, when actually it is a one-story detached split foyer residence with only 832 square feet, 2 bedrooms, and 1 bath above grade. [SR 1-2(e)(i); SR 2-2(b)(iii)]
- The sales comparison approach was not supported. Sales used were not properly reported and analyzed. There was no clear analysis or conclusion presented in the report. The lack of analysis and/or explanation of the sales and how their physical characteristics compare with the subject does not enable the reader to understand or follow the reasoning being presented. There were inconsistencies in the reporting of square footage in each of the comparable sales, as well as the number of bedrooms and bathrooms in the above grade square footage count. [Scope of Work Rule, SR 1-1(a)(b)(c), SR 2-2 (b)(viii)]
- The appraisal report submitted by the Respondent with the workfile was not signed. [Ethics Rule – Record Keeping]

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| Licensing History: | Registered Trainee | 10/28/1998-10/6/2002 |
| | Certified Residential | 10/7/2002-Present |

Disciplinary History: None

Reasoning and Recommendation: The reviewer found that the results conveyed in the appraisal report are based on the sales comparison approach which has some inconsistencies that reduce the reliability of this approach. Since this is the only approach to value utilized in this assignment, this lack of reliability does reduce the credibility of the appraisal report and the final value conclusion. Due to the lack of credibility, the report does not contain sufficient information to enable the client and/or intended user(s) to understand and rely on the conclusions presented. As such, Counsel recommends the authorization of a civil penalty in the amount of Five Hundred Dollars (\$500.00) to be satisfied within thirty (30) days of execution of the Consent Order and a fifteen (15) hour USPAP Course to be satisfied within one hundred eighty (180) days of execution of this Order. These terms are to be settled by Consent Order or Formal Hearing. The civil penalty should serve as a sufficient economic deterrent

while the corrective education should assist the Respondent in becoming a more effective appraiser thereby protecting the interest of the public.

Vote: Mr. Green made a motion to close this complaint with a **Letter of Warning**. Mr. Philips seconded the motion. The motion carried unopposed.

6. 2012016121

This complaint was filed anonymously and alleged violations of professional appraisal standards, specifically, a violation of license limits, a violation of Standard Rule 1 and 2, and unsupported adjustments within the appraisal report.

The Respondent stated in his response that he should not have accepted the assignment in January 2007 and that he was not sure at that time if he understood his limits for this type of real estate appraisal, but he has been approached on two other occasions to do an appraisal of this same property. Respondent stated he declined those requests. Respondent stated in his response that he has destroyed the workfile in this matter, as it is over five (5) years old. Respondent admits that he violated the license limits for the type of real estate he was authorized to appraise and violated professional appraisal standards and will accept any disciplinary action imposed.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal reporting option was not prominently stated in the report. [Scope of Work Rule, SR 2-1(a) & (b), SR 2-2, SR 2-2(c)(i)(ii), & (vii)].
- The report contains an improper use of the Restricted Use Appraisal Report reporting option. [Scope of Work Rule, SR 2-1(a) & (b), SR 2-2, SR 2-2(c)(i)(ii), & (vii)].
- The scope of work was not stated in the report.
- The neighborhood section contained insufficient information. The “Change in Present Land Use” was marked as “Taking Place,” but this change was not discussed in the report. The comments section had very little real information about the marketability or a description of the neighborhood. [SR 1-2(e)(i), SR 202(b)(iii)]
- The highest and best use information was confusing, in that it was marked as “present use,” but in the neighborhood section the “change in present land use” was marked as “taking place.” [SR 2-1(a) & (b), SR 2-2(c)(iii) & (ix)]
- The improvements information was inadequate. The comparable sale information lacked sufficient explanations about such things as property adjoining the subject, a large adjustment for the “good horse barn” or about its “dwelling.” [SR 1-1(a) (b) & (c), SR 2-1(a) (b), SR 2-2(c)(viii)]
- The comparable sales data was inaccurate, with unexplained inconsistent adjustments. [SR 1-1(a) (b) & (c), SR 1-5(b), SR 1-6, SR 2-1(a)(b), SR 2-2(c)(viii)]
- There was no explanation provided for the exclusion of the cost approach.
- There was no reconciliation that derived the indicated market value or reasoning as to why that value was indicated or chose. There was just a statement stating,

“The Market Approach is the best appraisal process in evaluating this type of property.” [SR 1-1(c), SR 1-6 (a)(b), SR 2-2(c)(viii)]

Licensing History: Certified Residential 12/23/1991-Present

Disciplinary History: None

Reasoning and Recommendation: The reviewer found that the report was lacking in completeness and credibility. The many areas of inconsistency within the report and the lack of appropriate analyses contributed to the lack of report credibility. Thus, Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000.00) to be satisfied within thirty (30) days of execution of the Consent Order and a fifteen (15) hour USPAP course to be satisfied within one hundred eighty (180) days of execution of this Order. These terms are to be settled by Consent Order or Formal Hearing. The civil penalty should serve as a sufficient economic deterrent while the corrective education should assist the Respondent in becoming a more effective appraiser thereby protecting the interest of the public. (The civil penalty includes violation of license limits, in addition to the numerous USPAP violations.)

Vote: Mr. Green made a motion to accept the recommendation. Dr. Baryla seconded the motion. The motion carried unopposed.

7. 2012018351

This complaint was filed by a consumer and alleged the under-valuing of a residential property by using sales that were not similar in size or location to the subject.

The Respondent stated in his response the Complainant in this matter was not the client but was the borrower involved in this transaction. Respondent stated that the Complainant did send additional comparable sales via Respondent’s client for consideration and that Respondent did review these properties and was already aware of them during the original development of the appraisal. Respondent also stated that the Complainant claims he “turned down” an offer to purchase by a buyer for his property with a price of \$140,000. Respondent claimed this document was not provided to him, was not executed, and was not a verifiable piece of market information as of the effective date of the appraisal. Respondent stated that the Complainant never produced the written offer for Respondent’s review. Respondent claimed Complainant’s property had been listed for well over a year with an original price of \$149,000 and was reduced to \$144,900.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report fails to summarize and support the following opinions and conclusions: opinion of site value, opinion of adjustments in the sales comparison approach for site adjustment. [SR 2-2(b)(viii)]
- The appraisal report fails to summarize the opinion of highest and best use, both as-improved and as-vacant. [SR 2-2(b)(ix)]

- The appraisal report fails to state whether prior services have been performed on the subject property within the previous 3 years in the report certification. [SR 2-3(line 877)]
- The workfile submitted to the review appraiser did not contain any data to support the site adjustments in the sales comparison approach. [Record Keeping Rule (line 299)]

Licensing History: Certified Residential 3/29/1994-Present

Disciplinary History: (199900813-Dismissed)

Reasoning and Recommendation: The reviewer found that the report contains multiple violations of USPAP. Respondent has been licensed as a Certified Residential appraiser for about nineteen (19) years with no past disciplinary action against him. As such, Counsel recommends that this matter be **Closed with a Letter of Warning**.

Vote: Ms. Point made a motion to accept the recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

8. 2012018931

This complaint was filed anonymously and alleged that Respondent communicated a misleading appraisal report, which indicated no sales through MLS in the past twelve (12) months in the subject neighborhood. In addition, the complaint alleged that Respondent misreported the comparable sales data in the appraisal report.

Respondent sent a response stating that when he was doing his research for this assignment, he found that no MLS information was available. However, he did have access to tax records. Respondent stated that the report was done using only court house records, with permission from the client. Respondent also stated that the comparable sales used were proper, with the exception of possibly an incorrect picture being used, but that it did not have an effect on the estimation of value.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report failed to summarize the rationale and support for site value. An opinion of site value is provided in the cost approach, yet the report has no statement or summary indicating the highest and best use of the site as-vacant and no information whatsoever to support the site value conclusion. [SR 2-2(b)(viii) & (ix)]
- Respondent failed to disclose and correct a lack of geographical competence in performing the assignment. [Competency Rule]

Licensing History Registered Trainee 2/11/2004-8/23/2006
 Certified Residential 8/24/2006-Present

Disciplinary History: (201102316 – Closed, Respondent fully complied with terms of the Consent Order)

Reasoning and Recommendation: The reviewer found the appraiser's office is approximately seventy-five (75) miles from the subject property. It is not typical, though not unheard of, for appraisers outside the subject market area to perform appraisals in the subject city area. The appraisal report states that there are no MLS closings in this neighborhood in the past twelve (12) months. No closings are found in Respondent's MLS market area, but the subject city area has its own, separate MLS system, and it appears that the appraiser did not know this. There are several sales found in the subject city area MLS system. In addition, the reviewer found multiple inconsistencies with the comparable sales used by Respondent, including possible misrepresentation of the data and failure on the part of the Respondent to have access to data sources that are typically available to appraisers who normally conduct business in the subject city area. Failure to have proper data sources led to the misrepresentation of the data. The reviewer concluded that Respondent did not have geographical competence to perform appraisals in this market area, and is, thus, in violation of USPAP. Respondent has been a certified residential appraiser for about six (6) years with one prior disciplinary action involving a Consent Order requiring twenty-seven (27) hours of continuing education classes. Respondent complied with all terms, and the matter has since been closed. As such, Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000.00) to be satisfied within thirty (30) days of execution of the Consent Order. No additional classes are recommended because this appraisal was completed prior to the twenty-seven (27) hours of education taken in a prior complaint matter, which was closed in 2012. These terms are to be settled by Consent Order or Formal Hearing. The civil penalty should serve as a sufficient economic deterrent.

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

9. 2012018911

This complaint was filed by a consumer/homeowner and included allegations that Respondent communicated an unreliable appraisal report for a residential property and included mistakes, which created a financial hardship for the Complainant.

The Respondent stated in a very lengthy response stating that the Complainant had contact with two other appraisers, who both pulled comparable sales. Neither of these appraisers could find any better comparable sales to support Complainant's value, and many of the comparable sales found were considered or included in Respondent's report. Respondent stated that brand new houses are barely selling for the contract price of the subject. Respondent stated that it is not his job to appraise the house for the contracted price, and the Complainant is not his client. Respondent also stated that all improvements listed by the Complainant are in the report in the addendum. The marketing history of the subject is a good indicator that is supportive of Respondent's value, according to Respondent. Respondent stated that he was aware of the Complainant's concerns and viewed potential comparable sales from several people, but in the end Respondent put his value on the report.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- Respondent rendered appraisal services in a careless manner regarding the property condition. The report inconsistently describes the condition as updated and not upgraded. No analysis or adjustment applied for condition updates summarized in the addendum of the report. [SR 1-1(c)]
- The appraisal report failed to summarize information sufficient to properly identify the condition of the property. [SR 2-2(b)(iii)]
- The appraisal report failed to summarize the rationale and support for site value. [SR 2-2(b)(viii)]
- The adjustments for site value are inconsistently applied and the reasoning is not explained. [SR 2-2(b)(viii)]
- The appraisal report failed to develop a highest and best use opinion for the market value of the subject site as-vacant. [SR 2-1(b)]
- The appraisal report failed to summarize the rationale and support for the highest and best use of the property as-improved. [SR 2-2(b)(ix)]
- The appraisal report failed to reconcile the quality and quantity of data for the development of the site value. [SR 1-6(a)]
- The appraisal report failed to clearly and conspicuously state all extraordinary assumptions and hypothetical conditions. The report contains a statement that the appraisal “may contain hypothetical conditions and/or extraordinary assumptions and that the use of these conditions may affect the assignment results”. This is not clear as to if the appraiser relied on either of these conditions in this appraisal assignment or not and could be misleading to the intended user(s). [SR 2-2(b)(x)]
- Respondent failed to submit a report that contained sufficient information to enable the intended users to understand the report properly. [SR 2-1(b)]
- The appraisal report failed to include a statement in the certification regarding previous services rendered on the subject within the past 3 years. [SR 2-3, line 877].
- Respondent failed to maintain information and documentation to support his opinions and conclusions in the workfile. [Record Keeping Rule, line 299-301]

Licensing History: Registered Trainee 8/30/1999-1/8/2004
Certified Residential 1/9/2004-Present

Disciplinary History: (201102344-Dismissed)

Reasoning and Recommendation: The reviewer found multiple inconsistencies and inadequacies within the appraisal report that would not allow its intended users to understand the report properly and would warrant disciplinary action. Respondent has been a Certified Residential appraiser for about nine (9) years with no prior disciplinary action against him. As such, Counsel recommends the authorization of a civil penalty in the amount of Five Hundred Dollars (\$500.00) to be satisfied within thirty (30) days of execution of the Consent Order and a fifteen (15) hour Report Writing Course to be satisfied within one hundred eighty (180) days of execution of this Order. These terms

11. 2012016131

This complaint was filed by a consumer/homeowner and alleged that Respondent misreported subject information by using inappropriate comparable sales, and this resulted in an undervaluation of a residential property.

Respondent stated in his response that he completed his appraisal report using comparable sales that appeared to be very similar to the subject property in proximity, size, design, and condition. Respondent stated that the client requested certain clarifications and that Respondent added this information and re-submitted the report using the same comparable data. In addition, Respondent stated that he viewed comparable sales used by a different appraiser for an appraisal that was conducted prior to Respondent's appraisal and found that these sales were not accurately reported in the MLS listings. As a result, Respondent stated that he re-analyzed the existing sales data and replaced his original comparable sales with new ones that were more similar to the subject in condition. Respondent stated that he came to a different, higher value conclusion after the re-consideration but thought that since the Complainants did not refer to this final report (Appraisal #2) in their complaint, Respondent assumed the Complainants were unaware of its existence. Respondent stated that his client's final decision was not based on the original value, but on the re-adjusted higher value. In summary, Respondent believes that the available MLS listing information originally relied upon was misleading and impacted his original value opinion. However, Respondent claims that he exercised willingness and due diligence in re-considering the available information and making the appropriate changes as new information was discovered.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report failed to summarize and support the following opinions and conclusions: opinion of site value, opinion of adjustments in the sales comparison approach for effective age. The original appraisal report has no statement or summary indicating the highest and best use of the site as-vacant and no information whatsoever to support the site value conclusion. The revised appraisal report included four land sales but did not include any additional comments or reconciliation to support the final value conclusion. [SR 2-2(b)(viii)]
- The appraisal report failed to summarize the opinion of highest and best use, both as-improved and as-vacant. The appraisal report states that the highest and best use is the current use of the property, but there is no summary of the support and rationale for this opinion. [SR 2-2(b)(ix)]
- The appraisal report failed to state whether prior services have been performed on the subject property within the previous three years in the report certification. [SR 2-3 (line 877)]
- The appraisal report has sufficient cumulative violations to support a lack of sufficient care, resulting in a substantial error in developing the final value opinion. The Respondent communicated three (3) appraisal reports to the client. Two had a value of \$680,000 and one had a value of \$900,000; an increase of over 32%. The comparable sales in the original two appraisal reports were significantly inferior in condition to the subject property. [SR 1-1(b) (line 481)]

- The appraisal report has sufficient violations so as to result in insufficient information for intended users to understand, resulting in conclusions that are potentially misleading. There is no support in the three (3) appraisal reports for the condition adjustments that are inconsistently applied (i.e. Sale #1 had a \$30,000 adjustment for condition in the first 2 appraisals and \$75,000 in the third appraisal.) [SR 2-1(a)(b)]
- The appraiser must provide sufficient information to enable the client to understand the reconciliation of the data. The third communicated report had an adjust sale range from \$829,000 to \$1,112,000. The reconciliation summary indicates more weight given to Sale #1 and #3 and considerable weight given to Sales #4, #5, and #6. This summary does not support the final opinion of \$900,000. [SR 2-2(b)(viii)(line 789-791)]

License History: Registered Trainee 5/24/1999-9/13/2001
 Certified Residential 9/13/2001-Present

Disciplinary History: None

Reasoning and Recommendation: The reviewer found multiple inconsistencies and inadequacies within the appraisal report that would not allow its intended users to understand the report properly and would warrant disciplinary action. Respondent has been licensed as a certified residential for over twelve (12) years with no prior disciplinary action. As such, Counsel recommends the authorization of a civil penalty in the amount of Five Hundred Dollars (\$500.00) to be satisfied within thirty (30) days of execution of the Consent Order and a fifteen (15) hour Advanced Residential Applications and Case Studies Course to be satisfied within one hundred eighty (180) days of execution of this Order. These terms are to be satisfied by Consent Order or Formal Hearing. The civil penalty should serve as a sufficient economic deterrent while the corrective education should assist the Respondent in becoming a more effective appraiser thereby protecting the interest of the public.

Vote: Mr. Green made a motion to accept the recommendation. Dr. Baryla seconded the motion. The motion carried unopposed.

12. 2012022581

This complaint was filed by a consumer and alleged that Respondent under-valued a residential property and is incapable of doing her job.

Respondent stated in her response that the appraisal was performed considering the most recent, similar sales data within close proximity of the subject, in order to achieve the most credible result. Respondent also stated that she was very thorough in going over the details of the appraisal with the Complainant. Respondent stated that this appraisal was performed with no bias or prejudice.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report failed to summarize the rationale and support for site value. No land sales are provided in the appraisal report, no analysis, no summary of the analysis, and no reconciliation of the various indicators into a single opinion of value. [SR 2-2(b)(viii)]
- The appraisal report failed to reconcile the quality and quantity of data for the development of the site value. [SR 1-6(a)]
- An appraiser must not render appraisal services in a careless and negligent manner. Site value adjustments are not supported and are inconsistent; location, design, and sale to list price adjustments are unsupported; the adjustments for GLA and basement are reported to be specific figures, but those figures are not applied. [SR 1-1(c)]
- The appraisal report failed to summarize the reconciliation of data in the appraisal report with regard to site value. [SR 2-2(b)(viii)]
- The appraisal report failed to submit a report that contained sufficient information to enable the intended users to understand the report properly. [SR 2-1(b)]

License History: Registered Trainee 5/30/2006-8/23/2009
Certified Residential 8/24/2009-Present

Disciplinary History: None.

Reasoning and Recommendation: The reviewer found that the appraiser submitted a revised report to the client with a report date of October 18, 2012; the effective date of the appraisal remained the same. In the revised report the appraiser replaced comparable sales #1 and #3 with different properties and did not make a design adjustment for ranch vs. traditional home styles. Also, the math was corrected to be consistent with addenda. The remaining USPAP violations listed above were not corrected. The appraisal value remained the same. Respondent has been a certified residential appraiser for over three (3) years with no prior discipline. As such, Counsel recommends that this matter be **Closed with a Letter of Warning**.

Vote: Mr. Phillips made a motion to accept the recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

13. 2012021011

This complaint was filed by an Appraisal Management Company and alleged that Respondent over-valued a residential property in a revised report, by removing the previous comparable and replaced it with a comparable that was double the size of the subject in GLA. When Respondent submitted the revised report, it contained a message stating, "Owner requested revision after providing costs estimate for renovation. We actually found another sale in the area which was appropriate." Complainant alleged that due to the borrower's direct contact with the Respondent, the appraiser uploaded a report removing the previous comparable #1 and replaced it with a comparable that was more than double the size of the subject in GLS and in basement GLA. The opinion of value changed from \$400,000 to \$450,000.

Complainant alleged that pursuant to Dodd Frank, this is a material error in the submitted report.

Respondent stated in his response that the complaint is without merit due to the following issues.

- 1) The complaint indicates that Respondent removed a comparable and replaced it with a higher comparable, which is not the case. Instead, Respondent states he added the comparable and moved comparable #1 to comparable #4 within the report.
- 2) The AMC did not respond to their client (the homeowner) in a reasonable time frame, which caused delays in the mortgage loan process and frustrated the owner. The owner was not getting any responses from the AMC and had no other choice but to contact Respondent directly.

Respondent claimed that during a subsequent search of the area, he found a comparable within the subject market area that provided evidence that the subject improvements added additional value to the home. Respondent proceeded to revise the report adding the cost estimates provided by the owner and place comparable #1 as the new sale and moved the other comparable to #4. Respondent claimed he notified Complainant of the situation, and that once the AMC received the revised report, they never requested any changes to the report.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report failed to summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment. The appraisal report failed to contain sufficient information to enable the intended users to understand the report properly. The appraisal report failed to clearly and accurately disclose all assumptions used in the assignment. A few photos are provided in the report that show some work taking place in the basement and yard; however, there is no mention of these conditions anywhere else in the report and no analysis as to their impact on the property value. The legal description indicates that there are two separate lots involved in this appraisal, however, there is no further description of the two separate parcels in the report or whether they are being appraised together as-if they are one lot. The report failed to state that the subject property was located on a lake. [SR 2-2(b)(iii); SR 2-1(b); SR 2-1(c)]
- The appraisal report does not have an opinion of exposure time. [SR 1-2(c), line 506; SR 2-2(b), line 766-767]
- The report failed to summarize the reasoning that supports the opinion of site value stated in the report. [SR 2-2(b)(viii)]
- The adjustments for site size of the comparable sales are inconsistently applied and, there is no summary of the support for these adjustments. [SR 2-2(b)(viii)]
- The appraiser failed to collect, verify, and analyze all information necessary for credible assignment results. [SR 1-4, line 560-561]

- The appraisal report failed to reconcile the quality and quantity of data available and analyzed within the approaches used. The range of value was a 36% variance. The reconciliation indicates all sales were given equal weight, but the final value indication does not support this statement. [SR 1-6(a); SR 2-2(b)(viii)]
- The appraiser made several unsupported assumptions about market trends, and the Respondent's data appears to conflict this supply and demand being in balance. [SR 1-3(a)]
- The appraiser failed to know and understand the proper procedures and techniques for site valuation. [Competency Rule]
- The appraiser failed to maintain in the workfile, all data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP. [Record Keeping Rule, line 299-301]
- The appraisal report failed to summarize the support and rationale for the appraiser's opinion of highest and best use. [SR 2-2(b)(ix)]
- The appraisal report failed to clearly and conspicuously state all extraordinary assumptions and hypothetical conditions and state the effect their use might have on the assignment results. The subject property consists of two lots, but the analysis applied indicates the property was appraised as if the lots were assembled. [SR 2-2(b)(x), line 862-864]
- The appraisal report contained no statement, in the certification, that the appraiser has or has not performed any services on the subject property within the past 3-year period. [SR 2-3, line 877-879]
- The appraisal report was changed 3 days subsequent to the original communication of the report, but the appraiser failed to accurately report the date and analysis on the second appraisal. [SR 2-2(b)(vi)]
- The cumulative violations of this report have failed to promote and maintain the public trust. [Ethics Rule, line 197]
- Changing the value to favor the borrower, after having direct contact with the borrower after the original report was submitted, gives the strong appearance that the appraiser did not perform this assignment with impartiality and independence. The additional sale added to the second appraisal was over twice as large in GLA to the subject, and the site size was over five times as large. There is no reconciliation in the report to support the inclusion of this sale or the \$150,000 change in value opinion. [Ethics Rule, line 209]
- The cumulative violations of this report constitute a grossly negligent performance on the part of the appraiser. [Ethics Rule, line 229]
- The appraiser did not correctly complete research and analysis necessary to produce a credible appraisal. [SR 1, line 456-458]
- The appraiser does not understand and did not correctly employ recognized methods and techniques necessary to produce a credible appraisal. [SR 1-1(a)]
- The appraiser did render appraisal services in a careless and negligent manner that affected the credibility of the results. [SR 1-1(c)]

License History: Certified General 12/31/1991-Present

Disciplinary History: None

Reasoning and Recommendation: The reviewer found that multiple violations of USPAP within Respondent's appraisal report, including Ethics violations. Based on the reviewer's analysis of the original appraisal report and the revised appraisal report, the reviewer concluded that the quality of the appraiser's work under review is deficient in its compliance with USPAP, and, therefore, the credibility of the assignment results is significantly impaired due to the type and extent of non-compliance as specified in this report and summarized above. The extent of non-compliance constitutes an appraisal report that is incomplete in its disclosure and analysis, careless and negligent in its due diligence, and lacking sufficient information for intended users to understand. As such, Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000.00) to be satisfied within thirty (30) days of execution of this Order and a thirty (30) day suspension of the appraiser's certification upon execution of the Order. These terms are to be satisfied by Consent Order or Formal Hearing. The civil penalty should serve as a sufficient economic deterrent, thereby protecting the interest of the public.

Note: After some discussion Mr. Green made an alternate recommendation to authorize a civil penalty in the amount of One Thousand Dollars (\$1,000.00) to be satisfied within thirty (30) days of execution of this Order and a fifteen (15) hour USPAP course and a thirty (30) hour Sales Comparison and Income Approach course and none of this corrective education will be counted towards continuing education. Mr. Phillips made a motion to accept the recommendation. Mr. Green seconded the motion. The motion carried unopposed.

14. 2012025851 There is no reviewer in this matter.

This complaint was filed by a bank and alleged that Respondent over-valued a residential property by using inappropriate comparable sales data.

This office has not received a response from Respondent as of this date. Respondent's license was suspended on September 24, 2012 by the terms of a Final Order, which also imposed a civil penalty, as well as court costs on the Respondent. Respondent's license is still suspended as of this date. Per the Final Order, Respondent's certificate as a certified residential real estate appraiser in Tennessee was suspended for sixty (60) days based on the violations set forth. Respondent was also assessed a civil penalty for more than ten (10) serious violations of USPAP and the Commission's statutes and rules. Respondent was also assessed all investigatory and hearing costs incurred in the matter. The Final Order indicated that if Respondent failed to pay the penalty and all of the costs assessed by the end of the sixty (60) day suspension period, the suspension of his certificate would continue indefinitely, until such time as Respondent does pay said civil penalty and costs in full. The suspension was effective September 24, 2012, so Respondent is well over the sixty (60) day period. Respondent was also required to complete forty-five (45) hours of continuing education per the Final Order.

License History: Registered Trainee 11/3/1998-8/29/01

Disciplinary History: (200107313-Dismissed; 200708985-Closed with Consent Order for corrective education; 201102902-Closed with a Final Order with a \$5,000 civil penalty and suspension of certification until complies with the Final Order terms and pays costs.)

Reasoning and Recommendation: Respondent has not shown any intentions of complying with the Final Order as of this date, and is, thus, still suspended from the practice of real estate appraising. As such, Counsel recommends that this matter be **Closed and Flagged** pending re-activation of Respondent's license. If, at such time, a review needs to be completed, the Commission will request a review at that time.

Vote: Mr. Phillips made a motion to accept the recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

15. 2012017651 RE-PRESENTATION

This matter is being re-presented from the December 2012 Commission meeting. This complaint was filed by a consumer and alleged unlicensed conduct on the part of Respondent, in his appraisal of an airport property without valid licensure to do so.

Respondent, who holds certified general appraisal licenses in New Jersey and Texas, admits in his response that he did not have a Non-Resident Temporary Practice Permit at the time the appraisal was conducted in the state of Tennessee, as required by T.C.A. 62-39-338.

This matter was presented at the December 2012 Commission meeting, and the Board opted to defer the matter for action until a subsequent board meeting so that the appraisal report can be reviewed for time period between date of inspection to date of report, so that the time frame for unlicensed activity can be properly determined. After the December 2012 Commission meeting, I attempted to contact the Respondent to request as to the information requested by the Commission, and Respondent agreed to send me exact inspection dates via email by 1/9/13. Respondent never sent this information to counsel. I contacted Respondent a second time, at which time Respondent informed Counsel that his attorney would be contacting me. I never heard from Respondent's attorney. In addition, I contacted the Complainant in the matter to try and obtain the additional information requested, and Complainant never returned my phone call.

Licensing History: None/Unlicensed

Disciplinary History: None

Reasoning and Recommendation: Respondent submitted an appraisal report for a non-residential property/airport. Respondent is not licensed as a Real Estate Appraiser

in the state of Tennessee at this time, nor was he licensed as a Real Estate Appraiser in Tennessee at the time of the appraisal. Respondent also admitted that he did not have a Non-Resident Temporary Practice Permit with the state of Tennessee at the time the appraisal work was done. Respondent submit an application for a Temporary Practice Permit with this office about 3 months after the appraisal was done, and such Permit was granted. Our file contains the appraisal report submitted by Respondent, including a letter from Respondent to Complainant stating that Respondent was submitting its valuation report, containing information considered relevant to both the value of the property and the method by which Respondent analyzed collected data to arrive at the value conclusion. The report contained an estimate of the market value of such property at the time and appears to be intended to be used as an official appraisal report by Complainant. The report submitted by Respondent is very lengthy and detailed. As such, Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000.00) for unlicensed activity on the part of Respondent, to be settled by Consent Order or Formal Hearing. The civil penalty should serve as a sufficient economic deterrent while also protecting the interest of the public.

Vote: After discussion Mr. Green made a motion that the civil penalty be one thousand dollars (\$1,000) per month for the period the respondent did not have a temporary license, that being January 2012 to September 2012 – making the total fine eight thousand dollars (\$8,000) for the eight months between the date of appraisal and the actual date the license for temporary practice was granted, in September 2012. Mr. Phillips seconded the motion. The motion carried unopposed.

16. 2012008261

This complaint was filed by a consumer and alleged that Respondent under-valued two (2) residential properties (duplex) by using inappropriate comparable sales data.

Respondent responded to the complaint by submitting a copy of the workfile for the subject appraisal.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report did not properly report the physical characteristics of the subject property, specifically the square footage. The improvement section of the report gives a different square footage number than the sales comparison section of the report. These inconsistencies have an effect on the reader's ability to properly understand which number is the appropriate unit of comparison and should be included in the overall analysis. [SR 1-2(e)(i); SR 2-2(b)(iii)]
- The physical information on rental comparable #3 was not correctly reported and/or analyzed, with regard to amenities. The appraisal report did not present nor analyze the detached carport, pools, tennis courts, and workout facility. [SR 1-1(b); SR 2-2(b)(viii)]
- The appraisal report contained a lack of analysis of income approach data and exclusion of the approach not supported. The subject property is an income producing property and while there may not be an abundance of data to arrive at

a GRM, discussing the data that is present within the report would indicate that the income approach to value was appropriately considered. [SR 1-4(c)(iii); SR 2-2(b)(viii)]

- The physical information on sales #1, #2, and #3 were not adequately verified and reported. The condition of sales #1 and #3 as compared to the subject property was not addressed. Also, there was no explanation or analysis on the relationship of the list price to sales price of sales #1 and #2. [SR 1-4(a); SR 2-2(b)(viii)]
- The certification page reflects the wrong licensing state.

| | | |
|---------------------------|-----------------------|---------------------|
| Licensing History: | Registered Trainee | 8/20/2002-8/14/2003 |
| | License RE Appraiser | 8/15/2003-9/16/2007 |
| | Certified Residential | 1/23/2008-Present |

Disciplinary History: None

Reasoning and Recommendation: The reviewer found multiple violations of USPAP within the appraisal report that would warrant disciplinary action. Respondent has been a certified residential appraiser for over five (5) years with no prior disciplinary history. As such, Counsel recommends the authorization of a civil penalty in the amount of Five Hundred Dollars (\$500.00) to be satisfied within thirty (30) days of execution of the Consent Order and a fifteen (15) hour Report Writing Course to be satisfied within one hundred eighty (180) days of execution of this Order. These terms are to be satisfied by Consent Order or Formal Hearing. The civil penalty should serve as a sufficient economic deterrent while the corrective education should assist the Respondent in becoming a more effective appraiser thereby protecting the interest of the public.

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

17. 2012017111

This complaint was filed by a consumer/current homeowner and alleged that Respondent performed an appraisal with bias and that the appraisal contained errors and unsupported opinions. Complainant alleged that Respondent's comments to him and his realtor, even before Respondent examined the house, were taken as preconceived, as Respondent was looking for a reason to downgrade the subject property. Complainant alleged there were errors regarding the front porch, crawlspace, defect in the roof, bathroom, and walls of the property.

The Respondent stated in his response that he is unaware of any USPAP violations within the appraisal report. Respondent also stated that he had discussed the complaint with the lender/client and that the lender found the analysis of the property to be complete, well-documented, and supported by the data provided.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal report failed to summarize the rationale and support for site value. An opinion of site value is provided in the cost approach, yet the report has no statement or summary indicating the highest and best use of the site as-vacant. The report indicates that the site value was extracted from the market, but no explanation is provided for the intended users to understand what this means. [SR 2-2(b)(viii)]
- The appraisal report failed to develop a highest and best use opinion for the market value of the subject site. [SR 1-3(b)]
- The appraisal report failed to summarize the rationale and support for highest and best use. [SR 2-2(b)(ix)]
- The appraisal report failed to reconcile the quality and quantity of data for the development of the site value or for the opinion of value for the improved property in the sales comparison approach. The following statement is the only sentence found in the sales comparison approach regarding reconciliation: "All comparable sales were given consideration in the final estimate of value." [SR 1-6(a)]
- The appraisal report failed to summarize the reconciliation of data in the appraisal report. [SR 202(b)(viii), lines 789-791]
- Respondent failed to submit a report that contained sufficient information to enable the intended users to understand the report properly. [SR 2-1(b)]
- The appraisal report failed to include a statement, when using an extraordinary assumption, that its use may affect the assignment results. According to the report, the appraised value is subject to the extraordinary assumption that required inspections do not require additional alterations or repair to the property. [SR 2-2(b)(x), line 803]
- The appraisal report failed to maintain information and documentation to support the Respondent's opinions and conclusions in the workfile. [Record Keeping Rule, line 299-301]

Licensing History: Licensed RE Appraiser 3/22/1994-9/7/1995
Certified Residential 9/8/1995-Present

Disciplinary History: (199901510-Closed; 200002679-Closed; 200312513-Dismissed)

Reasoning and Recommendation: The reviewer found the concerns raised by the Complainant to be without merit. The reviewer did not find any USPAP violations regarding the subject property description or any impropriety regarding the appraiser's methods for obtaining information regarding the subject property. The reviewer did, however, find other violations of USPAP that would warrant a Letter of Warning.. Respondent has been a certified residential appraiser for over seventeen (17) years with no prior disciplinary action against him. As such, Counsel recommends that this matter be **Closed with a Letter of Warning.**

Vote: Ms. Johnson made a motion to accept the recommendation. Mr. Green seconded the motion. The motion carried unopposed.

18. 2012015561

RE-PRESENTATION

This matter is being re-presented from the January 2013 Commission meeting.

This complaint was filed by a consumer and alleged that the Respondent understated the square footage, which caused an under-valuing of the subject property by using the unfinished square footage instead of the finished square footage. Complainant alleged this cost him more than \$31,000.

The Respondent stated in his response letter that the complaint is without merit. Respondent noted that the appraisal report submitted had the correct square footage on the sketch page; the numbers for finished and unfinished square footages were transposed. The result of the transposition of the numbers would not qualify as gross negligence as stated in the complaint. The resulting error would only have had a 0.8% difference in the adjusted sales price of the comparable sales. In addition, Respondent stated that the appraised value is further supported by the sales price of the comparable sales. The value opinion within the report would not have been changed had the numbers not been transposed. Respondent stated that the client was aware of the transposed figures within the report, as well. The appraiser's opinion of value remained the same, and the client did not request that the transposition be corrected. Respondent stated that throughout the appraisal process, he conducted business in a manner consistent with the scope of work, requirements of the lender, and intended use of the appraisal.

REVEIWER CONCLUSIONS [alleged violations included within brackets]:

- The neighborhood section information is inconsistent with the rest of the report, and the boundaries are inaccurate. [SR 1-1(b) & (c); SR 2-1(a) & (b)]
- The description of improvements section contained an inaccurate statement. The section for describing the condition of the property contained the statement, "Typical floor plans in this area either have two large bedrooms on the main level or three smaller ones. This floor plan would be considered typical." This statement is not accurate as two bedrooms on the main level are not typical in this subdivision or neighborhood. [Competency Rule: Comment; SR 2-1(a) & (b); SR 2-2(b)(iii)]
- The appraisal report is missing comparable sale information or does not agree with MLS records. [SR 1-1(b) & (c); SR 2-1(a) & (b)]
- The appraisal report contained no lot sales or site value development or reconciliation for the site value. [SR 1-4(b)(i); SR 2-1(a) & (b); SR 2-2(b)(viii) Comment, Record Keeping Rule]

Licensing History: Registered Trainee 11/18/1998 – 6/25/2001
Certified Residential 6/26/2001 - Present

Disciplinary History: (2010003685 – Dismissed; 201102497 – Dismissed)

Reasoning and Recommendation: The Commission previously authorized a civil penalty in the amount of Five Hundred Dollars (\$500.00) and a fifteen (15) hour Residential Report Writing and Case Studies Course. After the Consent Order was sent out to Respondent, referencing the above-cited violations, Respondent requested an informal conference with Executive Director Avers and I, which was held on February 25, 2013. At the informal conference, Respondent submitted a very organized and detailed response to the allegations made in the Consent Order. Executive Director Avers and I reviewed his response and discussed the allegations with Respondent. Respondent admitted that there were mistakes within the appraisal report, namely certain figures being transposed unintentionally, and explained that none of the mistakes were intentional. Respondent was able to show that the information listed as violations in the Consent Order was actually contained in the appraisal report. After discussing the matter, Executive Director Avers and I concluded that none of the violations that were previously addressed rose to the level of disciplinary action taken in the Consent Order. For example, Respondent should have described the neighborhood in a little more detail, but Respondent did describe the neighborhood. In addition, Respondent should have summarized how he determined the site value in more detail, however, he did show that he summarized the neighborhood and not the market. Respondent has been a Certified Residential appraiser for almost twelve (12) years with no prior disciplinary action against him. As such, Counsel recommends that this matter be **Closed with a Letter of Caution** in lieu of the previously authorized Consent Order.

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

19. 2012026591 There was no reviewer in this matter.

This complaint was filed anonymously and alleged that Respondent was arrested more than four (4) times in 2012 and pleaded guilty to DUI.

Respondent sent a response to the complaint on January 1, 2013, admitting that he pled guilty to DUI charges on November 12, 2012. Respondent also admitted that he was incarcerated for several weeks. Respondent stated that he has completed intensive outpatient programs and sessions with a professional therapist, as well as AA meetings. Respondent admits that he has made mistakes but states that he is not a threat to public safety. Respondent stated that he must keep his certified real estate appraiser certification active, as he has no other way to support himself. Respondent stated he would have no means to obtain any position that requires physical or manual labor, due to his heart condition. Respondent asks that his certification not be suspended or revoked by the Commission.

Counsel spoke with the court clerk's office via telephone regarding this Respondent on February 26, 2013, in order to clarify the court documents that were part of Respondent's file. The clerk's office informed Counsel that Respondent pled guilty to two (2) DUI 1sts on November 15, 2012 and was sentenced to approximately one year

in jail at approximately 75%, all suspended except 48 hours. It should be noted that Respondent's appraisal license was recently renewed by this office.

License History: Registered Trainee 2/21/2003-4/21/2005
Certified Residential 4/22/2005-Present

Disciplinary History: (201003417-Closed with a Consent Order requiring a civil penalty of \$1,000.00 and continuing education)

Reasoning and Recommendation: Respondent has been a certified residential appraiser for almost eight (8) years and has had one instance of disciplinary action taken by this Commission. **Note that T.C.A. 62-39-326 states in pertinent part as follows: "The rights of any applicant or holder under a certificate as a state licensed or certified real estate appraiser may be revoked, suspended, or restricted, or the owner of the certificate may be assessed a civil penalty of up to one thousand dollars (\$1,000) per violation, or otherwise disciplined in accordance with this chapter, upon any of the following grounds: (3) Conviction, including conviction based upon a plea of guilty or nolo contendere, of a crime that is substantially related to the qualifications, functions and duties of a person developing appraisals and communicating appraisals to other or conviction of a felony."**

As such, Counsel recommends a one-year probation, in which Respondent shall report by affidavit to the Executive Director every 90 days from the execution of the Order if the Respondent has had any subsequent arrests or convictions. If Respondent fails to do so, then the Respondent's certification shall be suspended for the remainder of the probationary period. Any convictions or grounds enumerated in T.C.A. 62-39-326 may result in additional complaints being processed by the State for revocation or suspension of the Respondent's credential.

Vote: Mr. Green made a motion the complaint be **closed and flagged** if additional convictions are discovered this matter can be reopened. Dr. Barylka seconded the motion. The motion carried unopposed.

20. 2013001951 There was no reviewer in this matter.

This complaint was filed by a consumer/homeowner and alleged unprofessional conduct on the part of Respondent. Complainant alleged that he and his sister hired Respondent to do an appraisal of a property for them, and that Respondent listed the Complainant as one of his clients on Respondent's website without Complainant's written or verbal consent. Complainant stated he was only one of two private individuals listed. Complainant alleged that Respondent is revealing his private financial information on the internet, as well as using Complainant's name for advertising, promotional, and marketing purposes without Complainant's permission. Complainant alleged that he requested that his name be removed from the website, but Respondent did not comply with this request.

Respondent stated in his response that during the inspection, he and his associate conversed with Complainant's sister and at some point in the conversation verbally asked her to reference the estate on Respondent's list of clientele. Respondent stated that she responded, "Sure, no problem." Respondent stated that he contacted his webmaster to have the reference removed, and it was done. Respondent did state that he attempted to oblige Complainant's request, but that it took contacting his webmaster twice for the reference to actually be removed. Respondent is apologetic that the request did not occur in the timely manner that Complainant wished it to be. Respondent admits he is at fault for not following up with the webmaster within days of requesting that the family reference be removed. However, the reference has been removed.

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|---------------------------|-----------------------|---------------------|
| Licensing History: | Registered Trainee | 10/4/2002-1/29/2006 |
| | Certified Residential | 1/30/2006-Present |

Disciplinary History: None

Reasoning and Recommendation: This complaint does not fall under the jurisdiction of the Tennessee Real Estate Appraiser Commission. Respondent claims that he was given permission to use the name on his website by Complainant's sister, and we have no proof to suggest otherwise. Respondent complied with the request of Complainant and had the family reference removed from his website after being asked by Complainant to do so. As such, Counsel recommends that this matter be **Closed with no further action.**

Vote: Ms. Johnson made a motion to accept the recommendation. Ms. Point seconded the motion. The motion carried unopposed.

21. 2012012021

This complaint was filed by a consumer/homeowner and alleged that Respondent misreported the gross living area and omitted property improvements, which resulted in undervaluing a residential property. Complainant alleged the Respondent appraiser communicated two appraisal reports for the same address with different gross living areas.

Respondent stated in her response that she did do a second visit to the property, in order to re-measure the square footage and sent a corrected, second appraisal to the Complainant. Respondent stated that Complainant was still not satisfied with the square footage, in that Complainant stated that this number still would not allow her to get "her value". Respondent stated that an expert review team was sent to look over the appraisal, and it was passed. Respondent stated that the only thing she was guilty of was not letting a broker or a home owner bully her to give them the value they wanted. Respondent stated that action has been taken against the broker in this matter.

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| Licensing History: | Registered Trainee | 1/13/1999-2/5/2003 |
|---------------------------|--------------------|--------------------|

accurate supporting documents to support the appraisal and did not violate any USPAP rules. As such, Counsel recommends that this matter be **Closed with no further action.**

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

23. 2013001461 There was no reviewer in this matter.

This complaint was filed by an appraiser and alleged that Respondent removed his name from the AMC panel. Complainant alleged that for the months of June, July, and August of 2012, he averaged thirty (30) assignments per month from the Respondent. Complainant alleged that he received his last appraisal assignment on August 31, 2012 and received the removal notice on September 18, 2012, which was eighteen (18) days after appraisals were no longer assigned. The September 18, 2012 memo was the only notice or response Complainant alleged to have received. Complainant alleged this removal was highly vague and insufficient.

The notice of removal from Respondent to Complainant stated that Respondent had become aware that in the past, Complainant was involved in actions that violate Respondent's standards of professionalism.

Respondent sent a response stating that it received unsolicited information regarding the Complainant and until it could verify and analyze such information, it suspended providing Complainant further assignments. Upon verifying the information and making the determination that the activity did not meet Respondent's standards of professionalism, Respondent notified Complainant.

Licensing History: Registered AMC 7/1/2011-7/31/2013

Disciplinary History: None

Reasoning and Recommendation: The statutory language that governs this type of matter is found in T.C.A. 62-39-424, which states as follows:

62-39-424. Removal of an appraiser from appraiser panel.

(a) Except within the first thirty (30) days after an appraiser is first added to the appraiser panel of an appraisal management company, an appraisal management company may not remove an appraiser from its appraiser panel, or otherwise refuse to assign requests for real estate appraisal services to an appraiser without:

(1) Notifying the appraiser in writing of the reasons why the appraiser is being removed from the appraiser panel of the appraisal management company;

(2) If the appraiser is being removed from the panel for illegal conduct, violation of the USPAP, or a violation of state licensing standards, describing the nature of the alleged conduct or violation; and

(3) Providing an opportunity for the appraiser to respond to the notification of the appraisal management company.

(b) An appraiser who is removed from the appraiser panel of an appraisal management company for alleged illegal conduct, violation of the USPAP, or violation of state licensing standards, may file a complaint with the commission for a review of the decision of the appraisal management company, except that in no case shall the commission make any determination regarding the nature of the business relationship between the appraiser and the appraisal management company which is unrelated to the actions specified in subsection (a).

(c) If after notice and an opportunity for hearing and review, the commission determines that an appraiser did not commit a violation of law, a violation of the USPAP, or a violation of state licensing standards, the commission shall order that such appraiser be added to the appraiser panel of the appraisal management company.

(d) If the commission has found that the appraisal management company acted improperly in removing the appraiser from the appraiser panel, an appraisal management company may not refuse to make assignments for real estate appraisal services to an appraiser, or reduce the number of assignments, or otherwise penalize the appraiser.

There does not appear to be sufficient information to prove that the Respondent AMC acted improperly in removing the appraiser from the panel. As such, Counsel recommends that this matter be **Closed and Flagged**, and if further information/evidence surrounding the conduct becomes available that warrants the matter to be re-opened, then this office may do so at that time.

Vote: Dr. Baryla made a motion to accept the recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

24. 2012025211 RE-PRESENTATION

This matter is being re-presented from the January 2013 Commission meeting.

This complaint was filed by an appraiser and alleged that the Respondent did not pay appraisal fees and was guilty of removing an appraiser from its appraiser panel or otherwise refusing to assign requests to an appraiser. In addition, according to the office records of the Tennessee Real Estate Appraiser Commission, Respondent is not registered as an Appraisal Management Company in Tennessee, nor was it registered as an AMC at the time of the activity that is the subject of this complaint. This complaint file includes copies of several invoices from Complainant showing unpaid appraisal fees for services rendered, with the most recently dated invoice showing June 25, 2012.

To date, this office has not received a response to the complaint from Respondent.

The Commission previously authorized a Consent Order in the amount of Eight Thousand Dollars (\$8,000) for seven counts of (7) unpaid invoices and unlicensed activity. After the Commission meeting in January, Counsel was re-reviewing the file, in order to draft the proper Consent Order on the matter and noticed a discrepancy in the

facts that were originally presented. There were only five (5) separate counts of failure to pay appraisal fees in a timely fashion, as the file contains five separate invoices that are unpaid. Two of the original invoices were for services performed in another state, thus, those would not be counted. Counsel spoke with Complainant via telephone in January 2013 after the Commission made its authorization, in order to request that Complainant send copies of all invoices, both paid and unpaid to determine the extent of the unlicensed activity by Respondent. However, Complainant neglected to send any more invoices in the matter.

Licensing History: Not registered/licensed

Disciplinary History: None.

Reasoning and Recommendation: The Complainant did not provide proof of the Respondent removing an appraiser from its panel nor refusing to assign requests to an appraiser. Thus, there is insufficient evidence to prove that allegation. However, Complainant did provide proof of unpaid invoices for services rendered between April 2012 and June 2012, at a time when Respondent was not registered/licensed as an AMC. This failure to pay for services rendered constitutes a violation of Tennessee Real Estate Appraiser laws, as well as constitutes unlicensed activity on the part of Respondent for acting as an AMC without registration to do so. As such, Counsel recommends the authorization of a Consent Order authorizing a civil penalty in the amount of Six Thousand Dollars (\$6,000) to be settled by Consent Order or Formal Hearing. This civil penalty amount constitutes five (5) separate counts of failure to pay appraisal fees in a timely fashion, as the file contains five separate invoices that are unpaid. In addition, this civil penalty constitutes a One Thousand Dollar (\$1,000) penalty for unlicensed activity on the part of Respondent.

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

25. 2012025511, 2012026941, 2012026951, 2013001371

Three of the four complaints were filed by separate appraisers and alleged that Respondent did not pay appraisal fees for services rendered within sixty (60) days. In addition, one of these complaints was filed by the administrative staff of the Tennessee Real Estate Appraiser Commission, after receiving notice of a cancellation of Respondent's surety bond.

Respondent has not submitted a response to this complaint; however, this office has received correspondence/documentation from outside counsel indicating that Respondent has had to close down operations, due to bankruptcy proceedings. On February 28, 2013, Counsel communicated with the attorney for Respondent via telephone and was informed that Respondent has, in fact, filed for Chapter 7 bankruptcy. According to the attorney, Respondent lost its major client and was forced to shut down operations. The attorney for Respondent informed me that a trustee will be appointed to handle the claims administration process and that all appraisers who

are seeking payment for services rendered will have an opportunity to be involved in the proceedings, thus, some will be paid but likely not all will be paid. The proceedings could last as long as a year. Respondent's attorney informed Counsel that Respondent has no intention of ever coming back/practicing as an appraisal management company in the future. Note that Respondent is currently licensed, and this license expires in March 2014.

Licensing History: Registered Appraisal Management Co. 3/9/2012-4/8/2014

Disciplinary History: None

Reasoning and Recommendation: Since Respondent is currently involved in bankruptcy proceedings, in which the appraisers seeking payment may be involved, and Respondent has declared that it has no intention of ever operating as an AMC again and no longer has a valid surety bond as required by the laws and rules of the Tennessee Real Estate Appraiser Commission, Counsel recommends the authorization of a voluntary revocation of Respondent's certification to be settled by Consent Order or Formal Hearing.

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

26. 2011030681 RE-PRESENTATION

This matter is being re-presented from the January 2013 Commission meeting.

Ms. Baird made a request that this item be moved to the April meeting. No discussion was held on this complaint matter.

Director's Report

Ms. Avers gave a director's report to the Commission, which included discussion of the needed legislative changes, and two bills pending in legislature. Ms. Avers updated the members on the budget information and an overview of number of complaints received in the previous calendar year. Finally, she updated the members on the numbers of licensees, courses and active temporary practice permits.

Formal Hearing – Glenn Keith Trotter

Commission Policies Review

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. 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 and twenty-eight (28) hours of continuing education which must include a seven (7) hour USPAP update course.~~

3. Prior to approval of appraisal experience, all applicants for initial or upgraded licensure or certification shall unless the Commission determines otherwise attend an informal experience review with a member 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.
4. 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.
5. 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 Executive** Director of the Tennessee Real Estate Appraiser Commission is authorized to approve any appraiser application in house without presentation to the Commission. The **Administrative Executive** Director in his/her discretion may present applications and/or applicants to the Commission for approval.
6. 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.
7. 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.

8. 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.
9. In cases where an AMC applicant answered "yes" to a question 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. 62-39-409 (2) (a) or Rule 1255-08-.01 (1) (f), the Executive Director of the Tennessee Real Estate Appraiser Commission may approve the AMC application without presentation to the Commission. The Executive Director in his/her discretion may present any application to the Commission for approval.
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.
11. A supervising appraiser shall be responsible for the training, guidance, and direct supervision of the Appraiser Trainee by:
 1. Accepting responsibility for the appraisal report by signing and certifying the report complies with USPAP;
 2. Reviewing and signing the Appraiser Trainee appraisal report(s); and
 3. Personally inspecting each appraised property with the Appraiser Trainee until the supervising appraiser determines the Appraiser Trainee is competent, in accordance with the COMPETENCY RULE of USPAP for the property type and has completed and submitted to the TREAC office the minimum five hundred (500) hour experience affidavit.
12. A supervising certified appraiser shall be in good standing and not subject to any disciplinary action within the last two years that affects the supervisor's legal eligibility to engage in appraisal practice (such as suspension, revocation, or probation which restricts appraisal practice).

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

Ms. Avers recommended to the Commission members the above changes in Red to the current TREAC policies which are publish to the website. Mr. Phillips made a motion to accept the recommendation. Mr. Green seconded the motion. The motion carried unopposed.

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Being no further business, the meeting was adjourned at 5:20 p.m. on March 12, 2013.