



REAL ESTATE APPRAISER COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243
615-741-1831

**Meeting Minutes for July 16th, 2018
Conference Room 1B
Davy Crockett Tower**

The Tennessee Real Estate Appraiser Commission met on July 16th, 2018, in the first floor conference room 1-B of the Davy Crockett Tower in Nashville, Tennessee. Randall Thomas called the meeting to order at 9:00 a.m. and the following business was transacted:

BOARD MEMBERS PRESENT: Randall Thomas, Rex Garrison, Warren Mackara, Jim Atwood, Jason R. Bennett

STAFF MEMBERS PRESENT: Roxana Gumucio, Sarah Mathews, Robyn Ryan, Erica Smith, Jamye Carney

CALL TO ORDER / ROLL CALL

Chairman Thomas called the meeting to order at 9:00am. Director Gumucio took roll call and determined that quorum necessary to conduct business was established.

MINUTES

Mr. Garrison made a motion to adopt the minutes from the April 16th meeting. This was seconded by Mr. Bennett. The motion carried by unanimous vote.

EXPERIENCE REVIEWS

Chairman Thomas conducted the experience interview of **Anna Stone** and recommended that her experience be accepted towards the Certified Residential upgrade.

Chairman Thomas conducted the experience interview of Trainee **Sarah Redding** and recommended that the Commission approve her 500 hours.

Mr. Garrison conducted the experience interview of **Timothy Goodwin** and recommended that his experience be accepted towards the Certified Residential upgrade.

Mr. Garrison conducted the experience interview of **Jason DeBusk** and recommended that his experience be accepted towards the Certified General upgrade.

Mr. Atwood conducted the experience interview of **Ian McKenzie** and recommended that his experience be accepted towards the Certified Residential upgrade.

Mr. Atwood conducted the experience interview of **Clarence Martin** and recommended that his experience be accepted towards the Certified Residential upgrade.

Mr. Atwood conducted the experience interview of **Denise Smallwood** and recommended she needs more experience.

Mr. Thomas conducted the experience interview of **Patrick Gallagher** and recommended that he needs to turn in a more recent appraisal in 2018.

Dr. Mackara made a motion to accept the reviewers' recommendations. This was seconded by Mr. Garrison. The motion carried by unanimous vote.

LEGAL REPORT

1. 2018013751

Licensing History: Certified General Real Estate Appraiser, 10/4/91-10/4/19

Disciplinary History: 2008 Consent Order w/\$500 civil penalty; Respondent to complete 15 hour USPAP course

Complainant is property owner who states that Respondent's appraisal was 18K lower than listing price and that the comps chosen were not physically comparable to the property. Complainant states that in the market conditions addendum there was a statement that appraisal was based on non- dated 150-155k to updated 175k split price ranges and states that Respondent should not be allowed to opine on definition of non-updated and updated conditions given Respondent is not a professional remodeling expert. Complainant states Complainant renovated property as part of the buyer's contingency request.

Respondent states that this was a VA loan appraisal and parties involved in the transaction were given opportunity to submit sales parties consider supportive of the contract sale price. Respondent states that response to the sales submitted by one party is part of the general text addendum of appraisal report. Respondent states report was reviewed by the VA and accepted for subsequent submission of the VA notice of valuation to the VA borrower.

REVIEWER CONCLUSIONS:

Reviewer found that there was minimal reasoning of analysis provided on how adjustments were derived and states that furnishing more detailed support and documentation would be helpful in order to better understand the report and analysis. Reviewer found that appraisal report overall was conveyed in an appropriate manner supporting the credibility of the final value opinion and that there was sufficient analysis provided to supported the value provided. Reviewer did find that in the Sales Comparison approach, there was not adequate reasoning provided for the adjustments utilized although there was sufficient analysis provided to support value and that this is a violation of **SR 2-2(a)(viii)**.

Recommendation: Letter of warning concerning reasoning regarding adjustments as required by SR 2-2(a)(viii).

Decision: The Commission voted to accept Counsel's recommendation.

RE-PRESENTS:

Matters below were presented at the April 2018 meeting.

2. 2017072451

Licensing History: Certified Residential Real Estate Appraiser 9/27/02 – 6/30/19

Disciplinary History: None

Complainant, a licensee, states that appraisal report on property in question had a comparable sale used over 18 months on and an adjustment down of 25K of the property being of better quality than the subject property. The subject property had been completely renovated. Complainant states that there was a sale less than .25 miles from the subject property, similar but not used in value where the only major difference was price. Complainant states that a previous appraisal done less than six months prior had a value \$30K higher.

Respondents replied with documents of the appraisal.

REVIEWER CONCLUSIONS

Reviewer states that the report met some of the minimum requirements of USPAP with exceptions.

Improvements Section

Property was noted as completely remodeled including roof, paint, flooring, baths, etc. Reviewer states that condition described should be noted as something other than average.

Sales Comparison

Reviewer found that one sale included had no evidence to show sale was in similar condition to subject property. No MLS data on the sale and none of data or verification sources listed gave appraiser information to make that assumption. The photos appeared to show property that was dated and need of some repair, show a one car garage and metal carport not a 3 car garage as noted. Listing also states property has apartment with two bedrooms and a second kitchen and this was not noted in report.

In another comparable, the MLS notes the sales concessions to be zero and another source Maardata states concessions to be \$6800 and this was verified through selling agent. Selling agent also noted property was slightly dated in condition and agent sold property to friend. MLS states property to be completely renovated interior and exterior but photos reflect dated condition as confirmed by selling agent. Third comparable data appeared to be true and correct but there is no commentary in explanation concerning minimal condition adjustment to this one when subject property had numerous renovations.

Cost Approach

Appears to be true and correct but reviewer found little data to sufficiently enable intended users to understand how site value was determined and no data concerning the land sales or allocation method utilized to determine the site value.

SR2-1 Reviewer states that in the improvements section, some items are noted as average in condition when in fact items were new. Appraiser must not mislead and appraisal must set forth in a manner not misleading.

SR1-4, SR1-1(b)(c), SR 2-2(viii) In the sales comparison section, some data of the comparables is incorrect. Appraiser must verify all information and must not commit substantial error or omission that significantly affects appraisal and appraiser should not render appraisal services in a careless manner.

SR2-1(b), SR 2-2(a)(viii) Cost approach did not have information to support appraiser's opinions and conclusions. Cost approach must have enough information to enable user to understand how the site value was determined and that information or reasoning should be summarized.

Recommendation: \$1,000 civil penalty for violations of Standard Rules 2-1, 1-4, 1-1, 2-2.

Decision: The Commission voted for a consent order to require a 7 hour sales comparison course and a 7 hour cost course.

UPDATE: Respondent, through attorney, provided a sworn affidavit contesting the findings above. Respondent states that Respondent has no complaint history except for this pending matter. Respondent further states Respondent is licensed in a neighboring state and has no discipline history in that state either. Respondent addressed several of the issues in the complaint itself addressing each allegation with a response. Respondent further disagrees with the reviewer who found that the report did not have sufficient information to support Respondent's opinions and conclusions. Respondent states Respondent prepared the report with the skill and competence of licensees in the county and surrounding areas. Respondent states Respondent will not sign any consent order finding violations and asks that this matter be reconsidered.

New Recommendation: This was approved for a consent order with continuing education. It cannot be predicted on a hearing result but it is likely there will be conflicting experts offering conflicting conclusions. This is not a reason to make a change but as this Commission has determined that a conditional dismissal is now a plan for certain matters where the recommendation is for a continuing education course, this may be appropriate in this matter to resolve the pending matter.

New Decision: The Commission voted to issue a conditional dismissal requiring a 7 hour sales comparison course and a 7 hour cost course.

3. 2017076501

Licensing History: Certified General Real Estate Appraiser, 6/8/93 – 3/10/19

Disciplinary History: None

Complainant states that in requesting Respondent do an appraisal, Complainant gave Respondent a complete scope of work Complainant expected Respondent to comply with as the parties had discussed. Complainant states the appraisal was incomplete, inaccurate, and unsuitable for use. Complainant states that Complainant was not able to view the appraisal until paying the fee and that repeated attempts to contact Respondent were unsuccessful. Some of the issues with appraisal state the photograph is not part of the scope, the acreage was not correct, the owner is not correct, sales history incorrect, and no definitive address for two comparables.

Respondent states the original appraisal was revised to correct acreage. Respondent states owner was obtained from tax records and did not show that property now owned by estate. Respondent states other typographical errors and other changes were made in revised appraisal as well. Concerning the address used on the comparables, Respondent states the addresses were what were reported in the tax records.

REVIEWER CONCLUSIONS

Reviewer states that Respondent submitted two appraisals with the second appraisal dated the same date as first. Reviewer states that second or edited report should be treated as a new appraisal and should have a more recent date.

Site Data

Reviewer states second appraisal notes site area is irregular in shape with level to sloping to topography, and is being served by electricity, gas, sewer, telephone water. Reviewer states that a check of utilities show that

location is not served by sewer and that a forced main line was provided solely for nearby school but not accessible to any other users. Engineer states no plans for extending sewer to area.

Building/Improvement Design

Report states property is appraised as vacant land. Reviewer states there is no allowance for demolition of several structures to include an older residence, agricultural buildings, etc.

Sales Comparison Approach

Information included to develop opinion included 7 transactions which ranged in unit value from \$3,000 to \$20,000 per acre. Reviewer states Respondent relied in large part on adjacent parcel that was formerly part of parent parcel which sold for \$9,319 per acre and a significant portion was within floodway. Purchaser of that property applied for a Greenbelt application and while it abuts subject property, it is not zoned commercial. Adjustment grid sets out 7 transactions, unit prices, etc., but makes no direct adjustments for property characteristics.

Reconciliation and Conclusion

Reviewer states the value opinion does not seem to have merit based on the property characteristic existing or reported in appraisal.

SR1-1(b) requires appraiser not commit substantial error of omission or commission that significantly affects appraisal. Appraisal report identifies site to be served by sewer but incorrect assumption and this affects credibility. Ownership and sales history would be more appropriately reported to show that estate was placed by final order of conservatorship by a final order with names of that conservatorship. Sale consisted of transfer of easement for placement of a water line but conveyances were not reported or analyzed. Two appraisals submitted with the second correcting land area but had same date as original appraisal. This report indicated that Respondent had prepared or provided no services in prior three year period. Second report would have been better to state that the Respondent had previously appraised property and new appraisal was prepared to correct acreage.

SR1-2(e) requires appraiser identify characteristics of property relevant to the type and definition of value and intended use of appraisal. Respondent identified property as being served by sewer or having sewer available and this was not true. Availability of sewer tends to impact highest and best use.

SR1-2(h) requires appraiser determine scope of work necessary to produce a credible assignment results in accordance with scope of work rule. Client ordered a market value appraisal and included other requirements that were not addressed in appraisal.

SR 1-4(f) requires that when analyzing anticipated public or private improvements, located on or off site, appraiser must analyze effect on value of such anticipated improvements to extent they are reflected in market actions. Tennessee Department of Transportation proposed to acquire a strip along frontage for roadway improvement and this was not discussed or analyzed in report.

SR 2-1(a) requires appraiser summarize information sufficient to identify real estate involved including physical, legal and economic property characteristics relative to assignment. Report states property had sewer which it does not.

SR 2-2(iii) requires appraiser summarize information sufficient to identify real estate involved including physical, legal and economic property characteristics. Property was reported to have sewer and it did not.

Recommendation: \$2,000 civil penalty for violations of Standard Rules 1-1(b),1-2(e), 1-2(h), 1-4(f), 2-1(a) and 2-2(iii).

Decision: The Commission voted to have the complaint reviewed by another expert and to be re-presented at the July Board Meeting. The Commission specifically requested that the new reviewer include in the report: the scope of the assignment; a comparison of the scope to the engagement letter and the instructions from the client; if the scope was communicated to the respondent; how the appraiser did or did not meet the scope; how did sewer relate to the highest and best use; did it have an impact on value; and if the appraisal was in compliance with TDOT.

Update: This matter was reviewed by another expert who found that the reports had several errors and missing information, minimal neighborhood description with a lack of significant geographical and market information, sales comparison approach had missing or confusing information, and that the final value reconciliation was lacking in a logical discussion of final value. Reviewer also found the report to be in violation of Standard Rules 1-1(b), (c), 2-1(a), 1-2(e) (i), 2-2(a)(viii), 1-2(h), 2-2(a)(vi). Concerning the specific issues listed above, the Reviewer determined the following:

1. Scope of assignment: USPAP has no term “scope of assignment” but a definition of assignment in USPAP is an agreement between appraiser and client to provide a valuation service. Reviewer states that this appraiser and client did not have a “meeting of the minds” concerning the assignment. Reviewer states that Respondent could not open the “provide appraisal” document and therefore never saw the requested different assignment requests.
2. Comparison of the scope of engagement letter and instructions of client: Reviewer states there was not an engagement letter in provided documentation and it was not clear as to how the assignment and engagement were done by phone or by email request.
3. If scope was communication to respondent: Reviewer states that there was nothing provided that complainant ever confirmed that paper work was received to and agreed to by Respondent.
4. How appraiser did or did not meet scope: Reviewer states the report had a “scope of work” section in which it appears Respondent followed except for the hypothetical condition which was reported to have been included in error and was typographical error.
5. How did sewer relate to highest and best use and did sewer have impact on value: Reviewer states that Respondent stated sewer was available at street so that Reviewer states sewer sill relates to reports of highest and best use conclusion. Reviewer states Reviewer cannot opine on sewers value to site but states that typically in developing commercial sites, a developer must start with planning and development from what is available at the site or at the street.
6. Was appraisal in compliance with TDOT: Reviewer states TDOT was not listed as an intended user or use. Reviewer states Reviewer is not competent in TDOT requirements and cannot offer opinion on TDOT compliance but does state report is lacking in some of the requirements of a Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book) appraisal report.

New Recommendation: \$2,000 civil penalty for violations of Standard Rules 1-1(b),1-2(e), 1-2(h), 1-4(f), 2-1(a) and 2-2(iii).

New Decision: The Commission voted to issue a Consent Order requiring a 15 hour USPAP course and a 14 hour writing course.

4. 2018022761

Licensing History: CREA 1/24/1995 – 1/24/2019

Disciplinary History: 1996 – Informal Conference with Consent Order for Remedial Coursework (15 hr. USPAP)

Complaint was filed by a consumer and alleges the following:

- Respondent prepared an appraisal report in December 2017.

- Complainant was not provided a copy of the appraisal until after closing.
- The appraisal incorrectly listed the size of the lot.
 - The appraisal report listed the lot size as 9,750 square feet, but Complainant alleges that the plat recorded with the county (on 3/3/17) list the lot size as 5,750 square feet.
 - Complainant contacted the Respondent and discussed the error and alleges that the Respondent stated that the lot size would not make a significant change to the value of the property.
 - Complainant requested the appraisal be revised to correct the lot size, to date a corrected appraisal has not been provided to the Complainant.

Respondent stated the following in response:

- Complainant contacted Respondent around March 12, 2018 and advised Respondent of the reported incorrect lot size. According to Respondent a portion of the lot had been divided off.
- Respondent included a copy of the tax card pulled at the time of the appraisal, dated December 11, 2017, which indicates the lot size to be 50x195 (9,750 sf). Respondent states this lot size was also confirmed with a previous information sheet entered by another appraiser.
 - *Counsel received a copy of this document from the Respondent and confirmed that on 12/11/17 the lot dimensions were listed as 50x195.*
- On April 12, 2018, Respondent pulled a new CRS report which indicated a lot size of 50x115 (or 5,750 sf).
 - *Counsel received a copy of this document from the Respondent and confirmed that on 4/16/18 the lot dimensions were listed as 50x115.*
- Respondent reviewed the land sales that were considered at the time of the appraisal and advised the Complainant that the change of lot size would not make a significant difference because the land sales would support the most recent size. Respondent states the driving force of lot values is the location and limited number of vacant lots available.
- Respondent states the county must have amended the tax card sometime after the appraisal was performed.
 - New Tax Card: 50x115
 - Original Tax Card: 50x195
- Respondent stated that Complainant was not Respondent's client or an intended user of the report and thus has not changed the report to update the lot size.
- Respondent states that because Complainant states he did not receive a copy of the report until after closing; Complainant did not rely on the report to make the decision to purchase the property.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

The primary issue with this complaint and focus of this review is that of the lot size. The lot size was incorrectly reported as the parent lot size, which had been subdivided in conjunction with the property listing and sale. The data provided regarding lot sales implies that there is not a significant difference in lot value based on size alone; however, in this situation the difference in lot size is not size only but goes to the property's highest and best use.

- *Reviewer states that the site size reported is significantly larger than that which actually existed. The Respondent's opinion as site size has limited significance in this market and tends to be offset in this case inasmuch as the highest and best use of the property demonstrated utility of two sites offering utility for two homes as opposed to one home. Typically size differences where the intensity of use does not change allows for minimal site value difference but in this case the subdivided site has demonstrated the highest and best use and has since appraisal been contracted for sale. [SR 1-1(b)].*

- *Reviewer states that in this case the original parent tract that extended from street to street was subdivided and approved by the planning commission to form two lots as opposed to one. This was the case prior to appraisal. [SR 1-3(a)].*
- *This appraisal states highest and best use as residential, but goes no further to the physical characteristics of the land fronting on two streets and possibly suitable as two sites. [SR 1-3(b)].*
- *Reviewer states that in this instance the Respondent relied on the CRS data for lot size when in actuality the lot had been subdivided several months prior and therefore included a smaller lot size relative to the lot with the residence. [SR 1-4].*
- *The reviewer is not aware of whether or not the contract was requested or if the legal description was set out as to the lot size etc. within that contract. The work file submitted does not have any information related to a copy of a sale agreement with subdivided plat etc. The appraisal submitted for review included a copy of the recent survey indicating the correct lot size however I do not know if this attachment was part of the original appraisal. [SR 1-5].*

*****Counsel spoke with the Expert Reviewer, who stated that the size of the lot in the appraisal was incorrect, but the value of the lot was still okay. The Respondent appraised the land bigger than it actually was and there is no indication in the file that Respondent knew the land had already been subdivided. Expert Reviewer states that the error does not appear to be intentional.***

Recommendation: Upon review of the file, Counsel does not believe the lot size error was intention and as such, Counsel recommends a **Letter of Instruction (LOI)** with regard to the above-listed USPAP violations.

Decision: The Commission voted to dismiss the complaint.

5. 2018032761

Licensing History: 09/24/1991 – 09/30/2019

Disciplinary History: 2015007731 Letter of Warning – *Highest & Best Use (Report did not include support for the conclusion); Site Value/Cost Approach (No summary support for the land value opinion)*

Complaint was filed by a consumer and alleges that the Respondent made an error in the appraisal.

Complainant alleges the following:

- Respondent checked the box next to “Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property.” *(It also commented after the box – “Casual observations report that the subjects concrete block foundation wall exhibits settle cracks and efflorescence. This report is subject to a clear structural inspection by a licensed structural engineer.”)*
- Upon receiving a copy of the report, Complainant hired a professional engineer to review the issue.
- Complainant has an email from the PE stating the house does not have a structural issue. This entire email chain was sent to both the Bank and Respondent.
- Complainant states that he was notified by the bank that immediate repair was required by Respondent due to the Bank’s interpretation of the PE report. Complainant has been notified that the loan will not be granted without a recommendation.

Below is the PE’s Evaluation from the letter prepared for the Complainant:

Engineer's Evaluation

Based on a visual inspection and construction practices, we have inspected the issues listed below only and the following are the findings:

Structural Issue

1. A diagonal crack was found on the right side block foundation wall above where the HVAC ducts penetrate the foundation wall near the right front foundation wall. The hole in the foundation wall does not have a header or lintel to support the blocks over the opening. Over time, the blocks over the opening have dropped down due to a lack of support causing the blocks above the opening to also drop and crack. There were no cracks in the adjacent foundation walls that would indicate a more serious settlement issue. Footers supporting the foundation walls were installed on flat ground excavated during original construction. (See Photos 11-40) Recommend removing the blocks above the opening in the foundation wall where the crack is located and install a block lintel over the foundation wall opening. The lintel should have a minimum of 6" bearing with full mortar beds on both ends. After the lintel is installed, replace all blocks above the opening that have been removed.

Additionally at some point, the PE stated the following:

- The home's foundation in its "current" state has not been compromised by the block crack over the HVAC opening. The report stated there were no cracks in the "adjacent" foundation walls which "would indicate a more serious settlement issue". All homes settle.
- The report state the crack was caused by "the blocks over the opening have dropped down due to a lack of support causing the blocks above the opening to also drop and crack". Therefore we have a "recommend" (not required at this time) a fix for the crack issue. As for when this is to be done, that will be up to you guys. If the repair is not done in the near future, it could compromise the foundation block by allowing the crack to continue.

In response, the Respondent states:

- This complaint originates from a buyer who objects to Respondent calling for a clear structural inspection.
- Respondent is working for an out-of-state bank via a national management company.
- Respondent prepared a standard URAR, in which he observed numerous foundation cracks, settlement and efflorescence with several photos.
- Respondent states he did receive a copy of the PE report from his management company. Although Respondent was not requested to provide a final inspection, the management company requested the Respondent's opinion of the PE report – Respondent states the engineer makes specific repair recommendations with photos which Respondent states support his on-site observations. Additionally the engineer report states "if the recommendations or equivalent solutions are met then the issues should be solved."
- Respondent reported via the management company the engineers recommended repairs should be completed, then have the engineer re-inspect the repair work and provide a clear engineer inspection letter, whereby Respondent could then provide a 1004D certificate of completion based upon a clear inspection letter.
- Complainant (borrower) called Respondent's office and demanded that staff remove the X from the structural issue box in Respondent's report and remove the repair contingency. The Complainant was informed that no one in the Respondent's office could discuss this file with Complainant, as he was not the client; the Complainant's lender was the client.

The Complainant filed a rebuttal response in which the following points were noted:

- The Respondent uses the word "clear inspection" and as a professor of engineering there is no term clear inspection. Complainant states that everything has issues, but the word is structurally sound. Structurally sound houses get loans and non-structurally sound houses are not eligible for loans.
- Complainant states to clarify the confusion around the term clear inspection; you will find a simple response from the PE. The building does not have a structural problem.

REVIEWER CONCLUSIONS:

- *The expert reviewer stated that there were no violations of the standard rules observed in this appraisal report.*
- *Expert noted that upon review of the appraisal report and work file, the following were noted:*
 - *Adequate application of the approaches and description of the property.*
 - *Appraisal concluded with the indication that the appraisal was subject to review related to any physical deficiencies or adverse conditions that affect the livability, soundness or structural integrity of the property. This condition was checked as the Respondent noticed significant vertical, diagonal stair step type cracks along the concrete block foundation. Several photos illustrating those conditions were included in the appraisal report.*
 - *Complainant (borrower) hired an engineering firm to provide a structural inspection. The letter from the engineering firm indicated a diagonal crack near the HVAC penetration that resulted from the lack of lintel installation. The report recommended installation of a header lintel replacement and replacement of the blocks above the affected area.*
 - *The report from the engineering firm was following by an email to the Complainant stating that although the noted repair was a recommendation that there was no immediate requirements for repair; however, lack of repair would likely lead to further damage.*
 - *Complainant requested that Respondent remove the required condition based upon the engineering report. It appears that no further action was taken by the Respondent.*
- *Expert Reviewer states it appears reasonable based on the engineering report that a repair of the faulty conditions is a reasonable requirement as deferral of repair would likely lead to additional damage over time.*

Recommendation: Counsel recommends this matter be **closed with no action**.

Decision: The Commission voted to accept Counsel's recommendation.

6. 2018030481

Licensing History: CREA 11/29/1995 – 10/31/2019

Disciplinary History: 2001042041 Letter of Warning; 2007068492 Consent Order; 2009018071 Consent Order for \$1000 and 30 hours of Education

This complaint was filed by an appraiser and alleges unprofessional conduct. Specifically, the Complainant alleges:

- Complainant completed an appraisal, which came in below the contract price.
- Shortly after completing the appraisal, the lender forwarded the Complainant an appraisal completed after Complainant's appraisal by the Respondent for a property on the same street.
- Complainant states the property appraised by the Respondent was very similar to the one appraised by Complainant, but it was appraised for contract price.
- Complainant states that Respondent used all larger sales and a low GLA adjustment based on sensitivity analysis.
- Complainant's main issue with Respondent's appraisal report is that Respondent states "appraiser attempted to bracket subject's square footage, none found at time of inspection."
- Complainant states that there were smaller sales on the same street that sold a month prior and another within one (1) mile of the subject property.
- Complainant states if the smaller sales were used, they show that the GLA adjustment was too low and the subject's value should be lower.
- Complainant believes that by stating there were no smaller sales, the Respondent lied in order to meet the contract price.

Respondent stated the following in response to the complaint:

- The appraisal in question was performed for the Department of Veterans Affairs and when uploaded to the system was reviewed by the Lender's SAR and selected for random review by a VA staff appraiser. The loan has been funded and the buyers have taken possession of the property.
- Respondent states the Complainant was not hired to review Respondent's appraisal, but that the Lender forwarded to the Complainant who had received an appraisal on the same street.
- Respondent states that the appraisal completed by the Respondent complies with USPAP, UAD and VA requirements.
- The comparable gross sales are under 10% difference.
- The net and gross adjustments are under 10% except comparable #3 which had a gross adjustment of 11%.
- Respondent states that per VA guidelines for new construction appraisals, the comparables used should be new construction with two from the subject subdivision and one (1) from outside the subdivision being approximately a mile away. Respondent states there was a comparable on the same street that could have been used and upon applying that adjustment it would not have changed Respondent's opinion of value. Therefore, Respondent states that in doing his reconciliation, the home on the same street was inadvertently overlooked making the bracketing statement incorrect.
- Respondent believes that the value reported is within reasonable parameters and it is Respondent's believe that a credible report was produced

In response to the Respondent, the Complainant added the following. The property on the same street appeared to be very similar to the subject of the appraisal and appeared Respondent ignored the sale. Complainant states that based on Respondent's response it appears to have just been overlooked and Complainant understands that an appraisal is an opinion of value and opinions can be different. Complainant was simply concerned about what appeared to be a misleading comment.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- *Subject sale contract was not provided.*
 - *A copy of the noted sales contract for the subject was not found in the report, or the work file provided by the respondent. Without this document the review appraiser could not verify or reconstruct the information provided.*
 - *The review was unable to locate a copy of the contract in the appraisal report or the work file provided. [Record Keeping Rule, Lines 277-279].*
- *Highest & Best Use was not properly summarized.*
 - *The report does not provide a summary or an analysis of those relevant factors necessary to support the appraiser's highest and best use conclusion. [SR 1-3(b); SR 2-2(a)(x)].*
- *Sales not properly verified.*
 - *The sales utilized do not appear to have been verified as noted in the agreed scope of work for this assignment.*
 - *Expert stated that it does not appear that the sales have been verified by a primary or secondary source. The agreed Scope of Work for this assignment is stated on page 4 of 6 of the URAR. There were copies of MLS and CRS sheets in the work file. [SR 1-1(a), (b), (c); SR 1-4(a); SR 2-2(a)(viii)].*
- *Sales Comparison adjustments are not properly supported.*
 - *There was no adequate reasoning or analysis found in the report, or subsequent work file to indicate how the sales comparison adjustments were derived or supported.*

- *The report does not provide sufficient information to enable the clients and intended users to understand the rationale for the opinions and conclusions provided in the sales comparison approach to value. [SR 1-1 (a), (b), (c); SR 2-2(a)(viii)]*
- *Available neighborhood sales not reported.*
 - *Based on information found in the work file there may be sales information from the subject subdivision that was not adequately reported.*
 - *It was noted in the complaint that the report stated that there was insufficient data to bracket the square footage of the subject property. The complaint further states that there were other sales available that should have been considered in the assignment that would bracket the subject square footage (2 addresses listed). This concern was addressed by the Respondent in their response to the complaint. Respondent noted that the sale located at address #2 was not a new construction being built in 2012. The expert was able to verify this information and found the explanation reasonable.*
 - *The Respondent also noted that the sale located at address #1 was inadvertently overlooked, and per Respondent's comments, "...upon applying adjustment would not change my opinion of value." The Expert Reviewer researched the work file provided by the Respondent, and has found the following MLS printout, which shows the sale in question. The Expert Reviewer is unable to determine why this sale was omitted from the analysis. [SR 1-1 (a), (b), (c); SR 1-4 (a); SR 2-2(a)(viii)]*
- *Exclusion of the Income Approach was not properly explained.*
 - *The income approach was not developed. "Not Developed" was stated in the income section of the report, but no other comments or analysis were provided.*
 - *No rationale or support was presented in the report for the exclusion of the income approach. [SR 2-2(a)(viii)]*
- *Final reconciliation was not properly supported.*
 - *The final reconciliation provides minimal reporting and analysis to support opinions and conclusions provided. Minimal analysis and information can reduce the ability of any clients, and/or intended users, to rely on, or understand the report. The quality and quantity of data analyzed within the approaches, the applicability and relevance of the approaches, and the methods and techniques used, have NOT been properly identified. [SR 1-6 (a), (b); SR 2-2(a)(viii)]*

Recommendation: Counsel recommends the authorization of a Consent Order for **fourteen (14) hours of coursework**, courses to be determined by the Commission, such courses must be completed within one hundred eighty (180) days of execution of the Consent Order and the CE must be above and beyond the minimum CE required for license renewal. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Commission voted to issue a Consent Order requiring a minimum of 21 hours of continuing education, with a minimum of 7 hours each in sales comparison, report writing, and highest and best use.

Re-Present

7. 2017051051

Licensing History: Certified Residential Appraiser, 6/6/03 – 4/30/18

Disciplinary History: 2011025211 Closed with Letter of Warning

2014008181 Closed with Consent Order (15 hrs Residential Report Writing, 30 hrs Basic Appraisal Procedures and 15 hrs Residential Site Valuation and Cost Approach)

2017010101 Closed with Consent Order (\$4,000 Civil Penalty)

This was originally presented at the November 2017 Meeting:

There were 3 separate complaints filed against Respondent regarding the same appraisal and these 3 complaints were combined into this matter. Complainant #1 alleges Respondent provided an inaccurate appraisal of her home resulting in the loss of a contract. Complainant #2 states that the subject property was under contract for \$915,000 as of June 21, 2017, but Respondent's appraisal on July 10, 2017 valued the subject property at \$843,000. Complainant #2 states the subject property was appraised in 2015 for \$1.3 million but alleges Respondent refused to acknowledge and evaluate prior appraisals before her requested re-appraisal, and used inappropriate comparables even after a third party mediator who is a licensed appraiser was brought in. Complainant #2 brings up the fact that Respondent has a history of incompetence and discipline, including reprimands in August 2014 and June 2017, which included up to \$4,000 in fines and mandatory remedial classes. Complainant #2 feels that the sale was nullified due to Respondent's incompetence which placed financial hardships on both the buyer and seller. Complainant #3, a seller, alleges Respondent's appraisal was significantly less than two (2) recent appraisals, including the amount appraised in the tax records for the subject property. Complainant #3 also alleges Respondent submitted the report late.

Respondent's attorney sent in Respondent's response to these complaints and confirms Respondent was hired on July 6, 2017 by an appraisal management company ("AMS"). Respondent states she had no interactions with the three (3) complainants and although Respondent understands the Complainants are disappointed, Respondent denies the allegations entirely and affirmatively states she performed the appraisal diligently and appropriately. Respondent further states after conducting her initial research on the subject property, she visited the home on July 10, 2017, took necessary measurements to prepare a drawing, and communicated the estimated completion date for the report as July 12, 2017, to AMS. When Respondent completed the drawing, she noticed a discrepancy of 710 sq. ft. of the heated square footage between the 2015 appraisal and her measurements. Respondent immediately contacted AMS on July 12, 2017 to request a copy of the measurements/sketch for the 2015 appraisal but was informed the seller could not locate it. Respondent then was granted permission to re-measure a second and then a third time, which she did, and found the same discrepancy after the three (3) re-measures. Respondent and her daughter, a licensed appraiser, measured the subject property the third time together when the discrepancy was confirmed again. Respondent finalized and submitted the report to AMS on July 16, 2017, which reflected the value to be \$843,000 based on the subject property information provided to Respondent by AMS, Respondent's initial research, appropriate comparables, an analysis of the neighborhood and subdivision, and based on Respondent's experience as a licensed appraiser. On July 17, 2017, AMS requested three (3) minor changes to the report which Respondent complied with and re-submitted the report with the requested changes made. Then, on July 20, 2017, AMS sent the sketch from the 2015 appraisal to Respondent and she found several errors that accounted for the measurement discrepancy. On the same day, Respondent received an email from AMS's Quality Control representative who stated that the client had uploaded a request for reconsideration of value, and included other potential comparable for Respondent to review. The client wanted Respondent to add the new potential comparables if applicable and comment on a previous sketch submitted by the client that showed 400 sq. ft. more than Respondent's original appraisal. Respondent then contacted the seller and was granted permission to re-measure for the fourth time, and found the discrepancy was the same as the first three (3) measurements taken. Respondent reviewed the MLS report for each of the potential comparables submitted by the client and found them not to be relevant to her analysis of the subject property. Respondent also re-reviewed the County Assessor of Property data for the subject property, re-analyzed the neighborhood, and found that nothing warranted a change to the value submitted originally. Respondent submitted the final appraisal report on July 25, 2017, with an addendum citing the discrepancy, explaining the mistakes in the previous sketch submitted by the client, noted the slight increase in site value made to this final report since the last one was submitted, and explaining why the comparables submitted by the client were not relevant to this report. On July 31, 2017, Respondent received another email from Quality Control which stated that the client requested Respondent to review three (3) more potential comparables, which Respondent did. Respondent submitted the last version of the final report with another addendum to AMS on July 31, 2017, stating why the three (3) additional potential comparables were not appropriate. Respondent had no further communication with AMS or any party involved in

the transaction and denies ever communicating with a “third party mediator” as Complainant #2 mentioned. Respondent claims it would have been improper for her to have considered the value of the 2015 appraisal because USPAP guidelines make it clear that an appraiser is to perform assignments with impartiality, objectivity, independence and without a pre-determined opinion or conclusion. Respondent denies submitting the report late, as she stayed in constant communication with her client, Equity, about the estimated completion date for the original and the revised reports. Respondent concludes that she approached this assignment with an abundance of caution and concern for the accuracy of her appraisal.

The expert reviewer noted that most of the report was adequately described and analyzed. However, the expert found the following violations:

- *SR 1-1(a)-(c); 1-4(a); and 2-2(a)(viii) – Respondent noted adjustments but provided no adequate reasoning or analysis to indicate how the adjustments were derived or supported.*
- *SR 1-4(b)(i) and 2-2(a)(viii) – Respondent provided no discussion or analysis supporting the site value conclusion, although 3 site values were located in the work file.*
- *SR 1-1(a)-(c); 1-4(b)(ii); 2-1(a) and (b); and 2-2(a)(viii) – Respondent used a cost approach but cost estimates do not appear to have been properly analyzed or supported.*
- *SR 1-6(a) and (b); 2-2(a)(viii) – The reconciliation does not reconcile the quality and quantity of the data used in the approaches to value and statements made do not provide sufficient reporting or analysis to support opinions and conclusions. The applicability and suitability of the approaches used to derive at the value conclusions were not adequately reconciled. Therefore, the results were not conveyed in an appropriate manner, thus reducing the credibility of the final value opinion.*

Counsel considers Respondent’s disciplinary history from 2011 through the present and because Respondent just settled a matter this year for a \$4,000 civil penalty and has been required to take 60 hours of additional coursework since 2014, the recommendation is to assess a \$1,000 civil penalty for each of the violations found by the expert. There were 4 major violations that made Respondent’s appraisal less credible so Counsel recommends a total of \$4,000 in civil penalties and at least 40 hours of additional coursework to be decided by the Commission.

Recommendation: Counsel recommends the authorization of a civil penalty in the amount of Four Thousand Dollars (\$4,000) to be satisfied within thirty (30) days of execution of the Consent Order and forty (40) hours of appraisal education courses to be decided by the Commission. Such courses must be completed within one hundred eighty (180) days of execution of the Consent Order and the CE must be above and beyond the minimum CE required for license renewal. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Commission voted on a one on one meeting between the Respondent and a Commission Member from the Respondent’s region to see what the Commission can do to help the Respondent and so the Member can talk with Respondent about this situation.

New Information:

Since this matter was last presented to the Commission, Respondent and her attorney, as well as Respondent’s husband traveled from Memphis to Nashville to meet for an Informal Conference (“IC”) with Commissioner Atwood, Counsel, the previous Board Attorney, and the Executive Director for the Appraisal Commission at the Commission’s request. This IC was conducted timely and extremely cooperatively as a result of the unanimous vote of the Commission to allow a Commission Member to conduct the IC and inquire as he felt necessary based on his vast experience and being highly regarded as an expert in the industry. The Commission voted to require the IC instead of imposing discipline after Counsel presented a comprehensive summary of the complaint file in its entirety to the Commission.

During the meeting which lasted well over 2 hours, Atwood questioned the Respondent about some of the violations that seemed to be more of an issue because Respondent had been previously disciplined for similar violations. The violations were mostly issues with not including enough of a detailed analysis of the how she came to some conclusions, despite the methodology being sound. Respondent offered insight into how she was taught to prepare appraisals after getting her license, and we discussed the changes that have taken place over time and how she could adapt to these changes to improve her report writing. It was discussed at length how important it is to stay current with the way reports need to be presented and written, even if some of the required changes may seem to be more “stylistic” in nature. Respondent and Commissioner Atwood discussed the mistakes Respondent had made in a couple past reports and how those issues could be fixed. Respondent fully acknowledged the importance of staying current and specifically making sure she provides much more detail in her analysis and explanations of how she comes to her conclusions and asked many questions about how she could improve in the areas she was struggling with. Respondent was able to answer close to all of Commissioner Atwood’s questions about how she arrived at her conclusions and her explanations were on point, she just hadn’t been including enough of the detail she could verbally explain without any prior knowledge of what she would be asked accurately and quickly. Respondent was very forthcoming about anything Commissioner Atwood asked her to and was never defensive but did take responsibility for her errors and expressed an overt desire to learn as much as she could about why she made the errors and how she could avoid them in the future.

Respondent and her attorney suggested that Respondent enroll in even more CLE, and it should be noted Respondent had already been taking a lot of additional courses that she wasn’t required to take to simply try to always be improving her skills. It was suggested that Respondent include the Advanced Residential Report Writing 42 hour course. Commissioner Atwood explained that the test was difficult and long, and thought the errors Respondent had been making would be covered best in this course. The course included 2 parts, a timed multiple choice style portion and a longer portion that required Respondent to write 8 narratives of individual sections of an appraisal report (i.e. income approach, cost approach, sales comparison approach, highest and best use, reconciliation, etc.) based on a factual scenario learned about during the course. The factual scenario involved a house that was given to a group of investors who did not know anything about real estate. The appraisers in the course were tasked with analyzing what was the highest and best use for the property (tear it down, turn it into a duplex for rental income, etc.). Respondent took this course and passed the narrative portion, only having to make some revisions to 4 of the 8. Respondent did not pass the timed portion but is allowed 9 more months to pass according to the course rules and will be registering and retaking that portion soon. Respondent’s Counsel will notify Counsel as soon as the last part of the test is completed and passed, as this is a requirement suggested by Counsel. Additionally, Respondent hired a coach after the IC who is an experienced appraiser recommended for this role by Commissioner Atwood. Respondent has already completed at least 4 sessions with her coach, and she plans to complete at least 1 session per month for the next 8 months, which means will have been coached for 1 year. Each coaching session involves Respondent sending the coach an appraisal report for his review and analysis, and then an hour session where Respondent and the coach discuss the report. The coach has expressed to Counsel that he has seen significant improvement in Respondent’s report and skills, and it is expected the progress will continue throughout their relationship.

Commissioner Atwood and Counsel discussed this matter several times during the months since this matter was first presented, including the continuous efforts made by Respondent; throughout our communications Commissioner Atwood was impressed with Respondent’s consistent and very respectable efforts to go above and beyond in following through with the advice that was presented by Commissioner Atwood at the IC. Commissioner Atwood expressed his opinion that Respondent has proved she has learned from her mistakes and is confident that Respondent learned what she needed to when I informed him she had passed the difficult course he suggested, in particular because she passed the portions that required her to write the 8 narratives.

Respondent is the sole breadwinner for her household as her husband is unable to work due to medical reasons, and has spent most of her time, money and energy trying to be the best appraiser she can be as soon as it was brought to her attention there was some things she needed to take seriously and improve on immediately, and prove to the Commission she has not just improved but has acquired an extensive new skill set and understands and has had much practice in writing reports without the issues that brought about this matter. It is Counsel and Commissioner Atwood's opinion, based on the dedication and cooperation of Respondent and her attorney, the immense amount of proof of Respondent's extensive trainings since the IC, her coaching by a very experienced appraiser over a year, the passage of a test and long and difficult course that proves Respondent has corrected the issues, the immediate action towards completing everything Commissioner Atwood advised her to do and more, and by incurring the cost of over \$7,000 plus attorney's fees for a significant period of time, all as part of her commitment to proving to the Commission she takes this seriously and takes responsibility and is more than committed to her profession. Respondent's attorney has consistently stayed in touch with Counsel since the IC and Respondent has followed through on everything she said she would do, timely and respectfully.

Counsel also notes that most if not all of Respondent's clients are lenders who regularly check for discipline and if Respondent were to have another public discipline, she would most likely lose her clients and she cannot afford that after spending the last 5 months or more not working, but taking courses, being coached and spending a lot of money so she can continue doing what she loves. Counsel does not believe it is necessary to issue civil penalties at this point because Respondent did not cause harm to anyone, and spent much more in trying to fix the issues than she would have in paying civil penalties. Counsel feels the actions taken by Respondent and money spent, and the time away from her business is a better deterrent than issuing civil penalties and public discipline knowing she would probably no longer have a career as an appraiser unless she started over and didn't work with lenders. Respondent should be able to offer her services to lenders in this state because she has proven she has become the kind of appraiser our state should be proud to support and can provide excellent services to clients who seek appraisers in our state.

New Recommendation: Close this matter with a private discipline in the form of a Letter of Warning citing the violations listed above with the notice that if more violations are committed, there will be public discipline if the Commission agrees with the added wording.

New Decision: The Commission voted to accept Counsel's recommendation, and to include language asking the respondent to keep in touch with Commissioner Atwood and to provide proof to counsel when the advanced writing course is passed.

8. 2017076901

Licensing History: Certified Residential Appraiser 6/6/03 – 4/30/18

Disciplinary History: 2011025211 Closed with Letter of Warning

2014008181 Closed with Consent Order (*15 hrs Residential Report Writing, 30 hrs Basic Appraisal Procedures and 15 hrs Residential Site Valuation and Cost Approach*)

2017010101 Closed with Consent Order (*\$4,000 Civil Penalty*)

Complainant is home owner and claims the comparables used by Respondent in her appraisal report were not appropriate. Specifically, Complainant alleges one comparable was much older and much larger than her home, and alleges there was no adjustment for condition. Complainant states Complainant's property was not given credit for a heated salt water pool, waterfall, pergola, brick landscape, extra parking and other features. Complainant does not present any evidence to validate these allegations.

Respondent, through her attorney referenced in the complaint above, states Respondent was hired by a lending company to appraise the home that was being sold by Complainant. After submitting the appraisal to her client, Respondent was sent 10 questions and clarification requests by her client that were then addressed, and the report was accordingly updated by Respondent. Regarding the Complainant's allegations, Respondent states that she

performed searches of property sales in the same neighborhood as Complainant's home with a price range of \$100,000 to \$300,000, and selected properties that were comparable based on square footage, age, site size and other relevant factors. Concerning the Complainant's property, Respondent states she evaluated various aspects of it and then compared those aspects to the 8 properties that were used as comparables in her report. Respondent states Respondent noted the positive aspects of the Complainant's property, including those referenced by Complainant above and denies the allegations.

REVIEWER CONCLUSIONS

Sales Comparison Approach: Reviewer states that Respondent used a total of 6 sales and 2 listings for comparables with price ranges between \$214,900 to \$342,000, and that the value opinion fell within this range. Reviewer also states Respondent's work file included sufficient research of sales within the subject market area.

Land Sales Comparison Approach: Reviewer states work file contains sufficient information with regard to developing an opinion of site value but that the site value opinion appears to have been developed from using the allocation method and not lot sales in the neighborhood. Reviewer states this reflects a difference in the development and reporting of site valuation methodology. Reviewer is of the opinion that the report should reflect proper methodology used as directed by SR 2-2(a)(viii).

Reconciliation: Reviewer states there was a significant difference between the first and second report but that Report 2 was not misleading. Respondent argues and Counsel agrees the difference in the reports was purely a result of the client's requests for changes to be made and additional information to be added. Respondent was simply following the client's instructions and Reviewer states the reason for the change in condition ratings between reports may not have been adequately explained and notes possible omission in violation of SR 2-2(a)(viii), which states an appraiser must provide sufficient information to enable the client and intended user to understand the rationale for the appraiser's opinions and conclusions, including reconciliation of the data and approach, in accordance with Standards Rule 1-6.

Counsel and Respondent's Counsel have discussed this complaint at length during the last few months while working together with Commissioner Atwood regarding the above referenced complaint. It was discussed that the expert reviewer did not have a chance to review both versions of the report and the correspondence between Respondent and her client. After discussing this, Counsel is of the opinion that Respondent did not violate any rules or standards of practice. Counsel recommends dismissing this complaint in light of the fact the complaint was filed in November 2017 before the above referenced complaint was even presented to the Commission. Since then, Respondent has proven she has improved her skills and is dedicated to continuing to dedicate herself to become the best appraiser she can be, and has proven to Counsel that she has corrected any issues that may have been brought up by the expert in his partial review of this matter. Therefore, Counsel recommends dismissal of this complaint, especially considering Respondent had not begun the processes summarized in the above complaint when this complaint was filed.

Recommendation: Include this complaint in the warning letter above.

Decision: The Commission accepted Counsel's recommendation.

PROPOSED RULES: RULEMAKING HEARING UPDATE

In regards to Rule 1255-01-.05(1)(b)1, the Commission at the last meeting voted to adopt the proposed rule as written which would allow fifty percent (50%) distance education and to request a rule making hearing. Ms. Mathews notified the Commission that the rulemaking hearing is currently scheduled for October 15th.

REQUEST FROM LICENSEE

Mr. Jason Nobles, a registered trainee, addressed the Commission to request a one year extension to take the examination required for licensure under Rule 1255-01-.04 (4). Mr. Atwood made a motion to grant Mr. Nobles a one year extension to take the exam. Dr. Mackara seconded. The motion was carried by unanimous vote.

EDUCATION REPORT

Director Gumucio provided the courses and individual course requests that have been submitted for approval into record per Dr. Mackara's recommendation. Mr. Atwood made a motion to accept Dr. Mackara's recommendation and approve the courses listed. This was seconded by Mr. Garrison. The motion carried by unanimous vote.

July 16, 2018 - Education Committee Report

Course Provider	Course Number	Course Name	Instructor(s)	Type	Hours	Recommendation
IRWA	2155	The Uniform Act Executive Summary, 105	A. Armstrong	CE	8	Approved
IRWA	2156	Principles of Real Estate Appraisal, 400	C. Thoreson	CE	16	Approved
IRWA	2158	Legal Aspects of Easements, 802	R. Schreiber	CE	8	Approved
IRWA	2161	The Valuation of Environmentally Contaminated Real Estate, 417	C. Thoreson	CE	16	Approved
Columbia Institute	2180	2018 Appraisal Summit & Expo, Day 1	Heather Sullivan & Various Speakers (Listed with schedule)	CE	7	Approved
Columbia Institute	2181	2018 Appraisal Summit & Expo, Day 2	Heather Sullivan & Various Speakers (Listed with schedule)	CE	7	Approved
Melissa Bond	2186	Appraising Unique Properties	Melissa Bond	CE	7	Approved
IRWA	2187	Compliance, Completeness & Competency	Button, Braun, Fornes	CE	4	Approved
Columbia Institute	2188	Desktop Appraisals Next Generation Valuations	Heather Sullivan	CE	5	Approved
Allterra	2195	2018 Keynote Vegas	Various Speakers (Listed with schedule)	CE	7	Approved
Allterra	2196	2018 Regulatory Update Vegas	Various Speakers (Listed with schedule)	CE	7	Approved
CoreLogic	2197	Marshall & Swift Cost Approach to Value, No. 159	Heather Sullivan	CE	8	Approved
Appraiser eLearning	2200	ONLINE- Appraising 2-4 Unit MF Properties	Bryan S. Reynolds	CE	7	Approved
Appraisal Institute	2201	Ignorance Isn't Bliss- Understanding an Investigation by a State Reg Agency of Board	Craig Steinley	CE	4	Approved
A Noble Education	2203	Appraisers' Economic Forum & Festival	Various Speakers (Listed with schedule)	CE	11	Approved
TIAAO	2204	2018 TIAAO Education Conference	Various Speakers (Listed with schedule)	CE	6	Approved
Dennis Badger	2206	ANSI #Z765 Square Footage- Method of Calculating	Larry Disney & Dennis Badger	CE	3.5	Approved
Dennis Badger	2207	Protect Your Appraisal Practice by Practicing Professionally	Larry Disney & Dennis Badger	CE	3.5	Approved

Individual Course Approvals

Licensee	Course Provider	Course Name	Hours	Type	Recommendation
Rex Garrison	AARO	2018 Spring Conference	CE	14	Approved

Additional / Course Instructor Approvals

Licensee / Instructor (Qualifications)	Course Provider	Course Listings (all previously approved)	Recommendation
Stephen Forrester	Bryan Reynolds & Associates		Approved
Bobby Fisher	Bryan Reynolds & Associates		Approved

DIRECTOR'S REPORT

REVIEWERS' SCOPE OF WORK

Mr. Atwood provided a template with points of consideration for reviewers as a guideline for their scope of work. Mr. Thomas noted that he was in favor of a subcommittee, to include the participation of a Certified General Commission member, where this guideline could undergo further development into a final product for release.

EVALUATION QUESTION

The following question appears in the frequently asked questions section of the website, "Does placing a Tennessee appraiser license number on the evaluation make it an appraisal (assuming the report meets the evaluation requirements set forth in TCA 62-39-104(d))?" The answer listed is as follows, "No. An appraiser is permitted to place their license number on the evaluation." Former board member, Eric Collinsworth, is concerned that if an appraiser includes their license number in the report, they could potentially be "acting as an appraiser" and therefore subject to USPAP. Mr. Garrison provided the counter point that an evaluation is not an appraisal and is a separate product available where appraisers would be qualified to provide. Documenting those qualifications, to include professional appraisal licensing, would not change the nature of the product itself which is already certain by statute according to Mr. Garrison. Mr. Thomas requested a clarification on the matter from the Legal Division.

BUDGET

Director Gumucio provided an analysis of this fiscal year to date. She indicated that rules are in process which would reduce the fees, thereby reducing the reserve balance.

UPDATE ON WAIVER REQUEST

The TriStar Waiver request was previously denied. TriStar was given the opportunity to offer a further rebuttal of either the Commission's findings or decision. At this point, there has not been any further contact from TriStar.

NATIONAL REGISTRY OF AMC'S

Director Gumucio noted that the National Registry of AMC's will be operational, effective today, July 16th.

NEW BUSINESS

Director Gumucio introduced a list of proposed Commission meeting dates for next year.

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There being no other business, Mr. Thomas moved to adjourn the meeting at 12:05 pm. Mr. Atwood made the motion. This was seconded by Mr. Bennett and so accepted by Chairman Randall Thomas.