



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

**Meeting Minutes for April 15<sup>th</sup>, 2019  
Conference Room 1B  
Davy Crockett Tower**

The Tennessee Real Estate Appraiser Commission met on April 15<sup>th</sup>, 2019, in the first floor conference room 1-B of the Davy Crockett Tower in Nashville, Tennessee. Randall Thomas called the meeting to order at 10:00 a.m. and the following business was transacted:

**BOARD MEMBERS PRESENT:** Randall Thomas, Rex Garrison, Jim Atwood, Brett Mansfield, Michelle Alexander, Jason Bennett

**BOARD MEMBERS ABSENT:** Rosemarie Johnson, Mark Johnstone, Dr. Warren Mackara

**STAFF MEMBERS PRESENT:** Roxana Gumucio, Denard Mickens, Anna Matlock, Heidi Flick

**CALL TO ORDER / ROLL CALL / NOTICE OF MEETING**

Chairman Thomas called the meeting to order at 10:00 am, and Director Gumucio took roll call.

**AGENDA**

Mr. Garrison motioned to adopt the day's agenda with flexibility. This was seconded by Mr. Bennett. The motion carried by unanimous voice vote.

**MINUTES**

Mr. Atwood made a motion to adopt the minutes from the January 14, 2019 meeting. This was seconded by Ms. Alexander. The motion carried by unanimous voice vote.

**EXPERIENCE INTERVIEWS**

Chairman Thomas conducted the experience interview of **Timothy Jones** and recommended that his experience be accepted toward the Certified Residential Upgrade.

Mr. Atwood conducted the experience interview of **Rebecca Andrews** and recommended that her experience be accepted toward the Certified Residential Upgrade.

Mr. Atwood conducted the experience interview of **Richard Lyles** and recommended that his experience be accepted toward the Certified Residential Upgrade.

Mr. Atwood conducted the experience interview of **Bridget Salazar** and recommended that her experience be accepted toward the Certified Residential Upgrade.

Mr. Atwood conducted the experience interview of **Raymond Walker** and recommended that his experience be accepted toward the Certified Residential Upgrade.

Mr. Mansfield conducted the experience interview of **Anna Jacobs** and recommended that her experience be accepted toward the Certified Residential Upgrade.

Mr. Mansfield conducted the experience interview of **Andrew German** and recommended that his experience be accepted toward the Certified General Upgrade.

Mr. Mansfield conducted the experience interview of **Talon Redding** and recommended that his experience be accepted toward the Certified Residential Upgrade.

Ms. Alexander conducted the experience of **William Harrison Jr.** and recommended that his experience be accepted toward the Certified General Upgrade.

Ms. Alexander conducted the experience of **Christopher Benton** and recommended that his experience be accepted toward the Certified General Upgrade.

## **GUEST PRESENTATION**

Glenn McDonald requested an extension to take the Licensed Appraiser exam. Mr. Atwood made a motion to grant Mr. McDonald's request. This motion was seconded by Mr. Garrison. The motion carried by unanimous voice vote.

Chris Jakubauskas requested an extension to take the Licensed Appraiser exam. Mr. Mansfield made a motion to grant Mr. Jakubauskas's request for a one year extension. This motion was seconded by Mr. Garrison. The motion carried by unanimous voice vote.

Danny Batson appeared before the board to request a waiver regarding a felony conviction. Mr. Mansfield made a motion to approve reinstatement, which was seconded by Mr. Garrison. Roll call vote was taken with the following board members voting YES: Chairman Thomas, Mr. Garrison, Mr. Mansfield. The following board members voted NO: Ms. Alexander, Mr. Bennett. Mr. Atwood recused himself from the vote due to previous knowledge regarding the felony conviction. The motion carried by majority roll call vote.

Albert Fajt appeared before the board to request a waiver regarding discipline (administrative action) in another state within the appraiser profession. Mr. Atwood made a motion to allow Mr. Fajt to apply as an appraiser in the state of Tennessee, which was seconded by Mr. Bennett. Roll call vote was taken with the following board members voting YES: Chairman Thomas, Rex Garrison, Mr. Bennett, Mr. Atwood and Ms. Alexander. Mr. Mansfield voted no. The motion carried by majority roll call vote.

Matthew Edmundson submitted a request before the board in regards to waiving discipline (administrative action) in another state within the appraiser profession. Mr. Edmundson was not present. Mr. Atwood made a motion to decline the request, which was seconded by Mr. Mansfield. The motion passed by unanimous voice vote.

***Chairman Thomas called a 10-Minute Break (11:11 am)***

**EDUCATION REPORT**

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

**April 15, 2019 - Education Committee Report**

Course Provider	Course Number	Course Name	Instructor(s)	Type	Hours	Recommendation
International Right of Way Assoc.	2254	902 Property Descriptions	Julie McDonald	CE	8	Approve
Appraiser eLearning	2260	Verify - Gathering Intel, Vetting Sources, Reporting Data	Thomas Humphreys	CE	7	Approve
Appraiser eLearning	2261	Critique - Anatomy of a Review	Thomas Humphreys	CE	7	Approve
ASFMRA	2262	Introduction to Commercial Greenhouse Appraisal	JoAnn Wall	CE	8	Approve
Alabama Chapter of Appraisal Institute	2259	2nd Annual Valuation Symposium	John Norris, KC Conway, Alan Tidwell, et al	CE	7	Approve

International Right of Way Assoc.	2264	218 Right of Way Acquisition for Electrical Transmission Projects	Mary Anne Marr	CE	17	<b>Approve</b>
Greater TN Chapter of the Appraisal Institute	2267	Parking and It's Impact on TN Properties	William Ted Anglyn	CE	3	<b>Approve</b>
International Right of Way Assoc.	2269	100 (2-Day) Principles of Land Acquisition	Christina Thorsen	CE	16	<b>Approve</b>
Corelogic DBA The Columbia Institute	2271	2019 Appraisal Summit, Day 1	Heather Sullivan et al	CE	7	<b>Approve</b>
Corelogic DBA The Columbia Institute	2272	2019 Appraisal Summit, Day 2	Heather Sullivan et al	CE	7	<b>Approve</b>
Appraiser eLearning	2279	ONLINE - Appraisers Guide to CYA	Bryan Reynolds	CE	4	<b>Approve</b>

**Individual Course Approvals**

Licensee	Course Provider	Course Name	Hours	Type	Recommendation
Elmer Moore	IAAO	IAAO Course 311 - Residential Modeling Concepts	30	CE	<b>Approve</b>
Albert John Behnke	CCIM Institute	Market Analysis for Comeercial Investment RE	39	CE	<b>Approve</b>

**LEGAL REPORT (Presented by Denard Mickens and Anna Matlock)**

**1. 2017081031**

**Licensing History: Certified General Real Estate Appraiser, 10/4/1991 - 10/31/2019**

**Disciplinary History: 2007 Letter of Caution and 2013 Letter of Caution**

Complaint filed on December 27, 2017 by licensee Complainant. Complaint alleges errors in appraisal resulted in gross overvaluation of two parcels of land "that comprise

approximately 83.649, of which approximately six acres along the highway frontage is zoned for commercial use with the remaining 77.65 acres zoned for agricultural use." Complainant alleges Respondent allocated +/- 25 acres to commercial use, inappropriate comparable land sales were utilized, and that Respondent "disregarded recent and relevant market information proximate to the subject property that was available which reflected substantially lower indicators of value." Respondent appraised property for \$5.3 million. Respondent submitted a written response refuting the allegations of Complainant and avers that zoning regulations permitted the larger commercial acreage.

Respondent supplemented the Response by submitting a letter stating in part the following: Complainant "is a disgruntled employee whom I had to fire because he started his own company while working for me and was using all my resources, including database and online services. Furthermore, it should be noted that the report in question was reviewed and approved [by the bank]." Respondent's letter goes on to state "Although I understand that anyone may file a complaint to the Commission, I feel the background of this complaint should be noted."

Expert review of the work files was completed on January 11, 2019 and it was concluded that Respondent's report violated:

### **SR1-3a**

The subject property in the appraisal review is split zoned. In addition, there appears to be a city and county zoning jurisdictions. Based on the zoning map included in the report it appears a small portion (less than 10 acres) is zoned C-3 with the remainder zoned A-1. There is little information in the report identifying the two zoning classifications, permitted uses, bulk regulations, and legal conformity of the improvements. The appraisal estimates a commercial component within the valuation section of 25 acres, but there is no discussion or reference as to how this relates to the identified C-3 or A-1 zoning classifications in the Zoning Section. The appraisal discusses a B-3 zoning classification in summary; however, no other information on this B-3 district is found. The respondent confirms in the rebuttal to the claim that the zoning map within the original report is inaccurate. The information in the report is misleading and not consistent with the valuation. It is my opinion the appraisal committed substantial error of omission that significantly affects the appraisal.

### **SR1-1b, SR1-2e, and SR1-3a**

The appraisal fails to provide a meaningful Highest & Best use analysis primarily with legal permissibility. The report states, the zoning districts provide a wide range of "commercial and retail uses." The permitted uses are imperative to the Highest &

Best Use summary, and conclusion of an ideal improvement of which was not provided. In addition, it is unknown if the comparable set have a similar H&BU conclusion as no mention of legally permitted uses was identified within the report.

### **SR2-2x**

The appraisal concludes the Highest & Best Use of the site as improved is for redevelopment and employs a Sales Comparison Approach within the valuation, but fails to discuss or account for the current improvements or demolition thereof. It is concluded the report violated SR2-1(a). The appraisal includes multiple sales from the area and surrounding areas. These sales include both commercial and residential sales. There is little information within the valuation section aside from the actual sales, a summary table, a location map, and conclusion. It is unknown how the appraisal arrives at the conclusion or the methods utilized to arrive at these conclusions. There is no adjustment grid of explanation of adjustments contained in a workfile. The report does not contain sufficient information to enable the intended user of the appraisal to understand the report properly.

### **SR2-1b**

Within the report there is little support for the 25-acre conclusion of commercial land. This is inconsistent with the Zoning Section, Site Section, or Analysis. It is unknown how the appraisal arrives at this conclusion with no assumptions, hypothetical conditions, or zoning changes mentioned. The C-1 component mentioned in the zoning section appears to be less than 10 acres. There is no support for these conclusions or rational. The report does not contain sufficient information to enable the intended user of the appraisal to understand the report properly.

The sales comparison approach does not summarize, support, or include an adjustment grid, summary of adjustments, or reference to adjustments retained in work file. The report does not contain sufficient information to enable the intended users of the appraisal to understand the report properly.

The H&BU section states the maximally productive use as vacant is for commercial development along the frontage and residential development along the rear of the site. In the valuation section, the report contains a conclusion for each component

of the property but does not discuss value discounts or lack thereof when split zoned properties are sold to a single buyer with separate highest and best use conclusions. The appraisal does not correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

### **SR1-1a and SR2-1a**

A brief reconciliation was included; however, the information was not specific to the report, techniques utilized in the report, or relevant information within the report. It appears this was primarily canned comments not specific to the appraisal methods evoked. The report does not reconcile the quality and quantity of data available and analyzed within the approach utilized.

**Recommendation: Consent Order for thirty (30) hours of coursework, comprised of fifteen (15) hours of Highest and Best Use courses and fifteen (15) hours of Report Writing. 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.**

**Decision: The Commission voted to authorize a Consent Order for sixty (60) hours of coursework, comprised of thirty (30) hours of General Highest and Best Use courses and thirty (30) hours of Report Writing. 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.**

### **2. 2018075761**

**Licensing History: Appraisal Management Company, 2/3/2012 - 2/2/2020**

**Disciplinary History: None**

Complainant was retained to complete 16 appraisals for the period of July 13, 2018 to July 23, 2018. The Complainant had outstanding fees of \$6,165 owed by the Respondent. In August 2018, the Complainant realized there were another four outstanding invoices with completion dates of April 11, 2018, May 3, 2018, June 12, 2018 and July 5, 2018. The Complainant requested payment from the Respondent and did not receive payment. The Respondent failed to remit any payments and the Complainant ceased doing business for the Respondent. The Complainant has still not been paid and the Respondent has not responded to any of the Complainant's communications.

The Respondent provided a response and stated that the legacy system and the accounting system used by the Respondent do not effectively communicate with has created additional processes and procedures for the Accounting Department. This has resulted in several issues for the Respondent concerning payments being processed. The Respondent claims to be centralizing the processes used to improve communication and promote more timely payment processing. The Respondent claims that the payments for all outstanding invoices to the Complainant were made by ACH direct deposit on October 25, 2018 and provided proof of those payments.

**Recommendation: Issue a letter of warning for violation of Tenn. Code Ann. § 62-39-421 (failure to pay timely).**

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

**3. 2018074401**

**Licensing History: Appraisal Management Company, 10/20/2011 - 10/19/2019**

**Disciplinary History: 2012 Consent Order for failure to submit biannual certification**

This complaint is lodged by another TN Real Estate Appraiser. According to the Complainant, the Respondent contacted the Complainant's firm requesting the Complainant complete an appraisal at a TN residence. The Respondent accepted the Complainant's terms and the property was inspected on April 9, 2018. The Complainant alleges they have attempted to obtain payment each month, but have received none. This complaint is filed due to non-payment (\$500.00).

The Respondent says they admit payment was not made within 60 days of the completion of the appraisal. The Respondent made payment on October 22, 2018. The complaint was lodged with the Board on October 19, 2018.

As of December 2018, the Respondent claims to have suffered severe financial difficulties and may be preparing to file for bankruptcy protection. As of April 2019, there is no evidence of a formal filing.

**Recommendation: Issue a letter of warning for violation of Tenn. Code Ann. § 62-39-421 (failure to make timely payment) and this matter should be reported to the appraisal subcommittee pursuant to Tenn. Code Ann. § 62-39-427.**

**Decision: The Commission voted to authorize a Consent Order for Respondent to pay back Complainant within thirty (30) days or have their license revoked.**

**4. 2018080351**

**Licensing History: Appraisal Management Company, 10/20/2011 - 10/19/2019**

**Disciplinary History: 2012 Consent Order for failure to submit biannual certification**

This complaint is made by an out-of-state appraisal company that holds a TN Real Estate Appraiser license. The Complainant alleges they completed an appraisal report for property in TN, but was never paid. This complaint is filed due to non-payment (\$375.00).

As of December 2018, the Respondent claims to have suffered severe financial difficulties and may be preparing to file for bankruptcy protection. As of April 2019, there is no evidence of a formal filing. From the investigation conducted by the agency, there is the possibility that other similar Complainants may exist.

**Recommendation: Respondent's AMC license should be suspended for violation of Tenn. Code Ann. § 62-39-421 (non-payment) and this matter should be reported to the appraisal subcommittee pursuant to Tenn. Code Ann. § 62-39-427.**

**Decision: The Commission voted to authorize a Consent Order for Respondent to pay back Complainant within thirty days or have their license revoked.**

**5. 2018088271**

**Licensing History: Appraisal Management Company, 10/20/2011 - 10/19/2019**

**Disciplinary History: 2012 Consent Order for failure to submit biannual certification**

This complaint is lodged by another TN Real Estate Appraiser. The Complainant alleges they have completed two appraisals for the Respondent (FHA purchase and Refi) and have

not received payment for either. The total amount owed the Complainant appears to be approximately \$1,000.00.

As of December 2018, the Respondent claims to have suffered severe financial difficulties and may be preparing to file for bankruptcy protection. As of April 2019, there is no evidence of a formal filing. From the investigation conducted by the agency, there is the possibility that other similar Complainants may exist.

**Recommendation: Respondent's AMC license should be suspended for two (2) violations of Tenn. Code Ann. § 62-39-421 (non-payment) and this matter should be reported to the appraisal subcommittee pursuant to Tenn. Code Ann. § 62-39-427.**

**Decision: The Commission voted to authorize a Consent Order for Respondent to pay back Complainant within thirty days or have their license revoked.**

**6. 2019004991**

**Licensing History: Appraisal Management Company, 10/20/2011 - 10/19/2019**

**Disciplinary History: 2012 Consent Order for failure to submit biannual certification**

This complaint is lodged by another TN Real Estate Appraiser. The Complainant alleges the Respondent has failed to pay a \$150.00 invoice for appraisal services performed. The Respondent has, apparently, not responded to numerous calls and emails.

As of December 2018, the Respondent claims to have suffered severe financial difficulties and may be preparing to file for bankruptcy protection. As of April 2019, there is no evidence of a formal filing. From the investigation conducted by the agency, there is the possibility that other similar Complainants may exist.

**Recommendation: Respondent's AMC license should be suspended for violations of Tenn. Code Ann. § 62-39-421 (non-payment) and this matter should be reported to the appraisal subcommittee pursuant to Tenn. Code Ann. § 62-39-427.**

**Decision: The Commission voted to authorize a Consent Order for Respondent to pay back Complainant within thirty days or have their license revoked.**

**7. 2018077301**

**Licensing History: Certified Residential Real Estate Appraiser, 11/1/2005 – 1/31/2020**

**Disciplinary History: None**

Complaint was filed against the Respondent that conducted an appraisal for a cash out refinance at the lender's request on October 15, 2018. Thereafter, the Respondent failed to complete the appraisal because the Complainant stated the Respondent got into a dispute with the appraisal links and/or lender and refused to complete or submit the appraisal and failed to notify the Complainant. The Complainant was in a rush to close and lost ten days which cost the Complainant several thousands of dollars in interest payments on credit cards as a result of the delay in closing the loan. The Complainant states that the Respondent was very unprofessional in handling this matter.

The Respondent provided a response and stated that he was in contact with the Respondent and there was a need for the condo questionnaire and the lender was responsible for obtaining it and that the appraisal could not be completed without this information. The Respondent never received it and later the lender changed the due dates for the appraisal. The AMC told the lender that the Respondent was not willing to submit an appraisal, however, that was incorrect. The Respondent stated the Complainant was not the client and the Respondent was retained by a third-party, AMC. The Respondent was not aware of the particular of the loan or loan process. The client was informed of information not being sent to the Respondent, however, told the lender the Respondent was not willing to submit an appraisal.

**Recommendation: Dismissal as Respondent has a duty of confidentiality to his client, the lender, and it was incumbent upon the lender to notify the consumer of any potential delay, if at all.**

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

**8. 2018077521**

**Licensing History: Certified Residential Real Estate Appraiser, 3/8/2006 – 5/31/2019**

**Disciplinary History: 2009 Consent Order with \$1,000 civil penalty and 30 hours of education for USPAP errors**

**2010 Consent Order with \$500 civil penalty for inaccurately reporting square footage**

Complainant alleges Respondent is manufacturing market trends and offering misleading data. The numbers on all the 1004MC forms are remarkably similar therefore most likely made up. Complainant looked at 15 assignments in which all state 3 comparable sales available and 6 active listings. Complainant alleges that this is statistically impossible. Further, the predominant neighborhood price matches the opinion of value in every report.

Respondent denies the allegations and believes there are some confusion regarding his reporting method. Respondent states when he analyzes multiple sales and listings, Respondent only includes the most comparable at the top of Page 2 of the URAR. Respondent denies any wrongdoing and making up any numbers on the 1004MC forms.

An expert review was conducted and found the following:

Conclusions:

1. Market trends are not adequately defined or reported.
2. Highest and Best Use not properly summarized
3. Sales not properly reported.
4. Sales Comparison adjustments are not properly supported.
5. Site value noted in the Cost Approach is not supported.
6. The Cost Approach to value is not supported.
7. Final reconciliation is not properly supported.

Based on the information found in the report and work file, the factors that affect marketability and area market trends were not adequately or reasonably defined or described.

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.

Some of the physical information noted in the report about these sales and listings does not appear to have been properly reported. There were also indications that seller concessions were not considered, indicating that the motivation and conditions of the sales were not properly analyzed.

Understanding the motivation of the sale allows the appraiser to properly analyze the transaction information and determine the level of confidence and /or reliability of that sale. The lack of verification or discussion of the motivations of the sales used does not allow the client/intended user to properly rely and/or understand the report.

No support was provided in the report or work file to indicate that a recognized method or technique was utilized in the determination of the adjustments made. No adequate reasoning was provided for the adjustments.

No supporting information, discussion or analysis supporting the site value conclusion was located in the report (or work file) that would indicate that the value opinion was derived by using an appropriate method or technique.

The cost estimates provided do not appear to have been properly analyzed or supported.

There is no support found in the work file or report that indicates the appraiser has correctly employed recognized methods or techniques in completing the cost approach.

The final reconciliation provides minimal reporting and analysis to support opinions and conclusions provided.

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.

The report does not provide sufficient information to enable the clients and intended users to understand the rationale for the opinions and conclusions provided.

This lack of analysis and insufficient information can reduce the capability of any clients, and /or intended users, the ability to rely on, or understand the report.

**Recommendation:**

**(a) Suspension for six (6) months for the above noted violations of USPAP contained in the single appraisal report submitted by the Complainant; OR**

**(b) Authorize a Consent order for forty-five hours of coursework, comprised of thirty (30) hours of Sales Comparison Approach courses and fifteen (15) hours of Report Writing to be completed within one hundred eighty (180) days of execution of the Consent Order. Fifteen (15) hours of the Sales Comparison Approach Course may be used for continuing education, the remaining thirty (30) hours must be above and beyond the minimum CE for license renewal.**

**Decision: The Commission voted to authorize a Consent Order for one thousand dollars (\$1,000.00) civil penalty per USPAP violation identified in the expert review, for a total of seven thousand dollars (\$7,000.00).**

**9. 2018077811**

**Licensing History: Certified Residential Real Estate Appraiser, 5/28/2010 - 5/31/2020**

**Disciplinary History: None**

Complainant alleges appraisal was completed for a purchase transaction and the Respondent reported the contract details but did not offer reconciliation for those details. The final opinions and the contract differed substantially with no reconciliation. The contract price of \$676,045 is reported with a final price opinion \$386,000. The sales provided do not bracket the subject is age, site condition or square footage. The Respondent was contacted repeatedly to confirm the contract details as well as the client supplied sales. A revised report was obtained from the Respondent but none of the client or reviewer concerns were addressed. The report was deemed non-compliant and a replace order was obtained, replacement order confirmed a similar property by the same builder as well as other similar quality age properties within 2 miles of the subject property.

Respondent believes the request sent with a sales contract was not the subject property and she was not supplied the correct information. Respondent had to obtain the correct information from the property owner much later than expected. The property was under construction, at the time of initial inspection was completed. The requester did not request a re-inspection of the improvements being completed or the completion inspection of the improvements. Respondent alleges the property owner felt like the report was a mistake as well since the Respondent received the wrong information in the beginning. Respondent feels the complaint is in error.

An expert review was conducted and found the following:

Overall, the reviewer found the appraisal to be deemed unsatisfactory. General appraisal practices and procedures were followed; however, several USPAP rules or standards were not met. Several aspects of appraisal are of a subjective nature and will be inherent in each individual report; however, compliance with USPAP rules and standards is not.

While the appraisal includes methodology utilized by most appraisers and their peer group, it does to meet the expectations of the participants in the market regarding USPAP compliance. For the most part, adequate and relevant data is presented with a satisfactory judgment, logic and reasoning being utilized and conveyed. As indicated, most sections in the report format are correctly reported, sufficient and

acceptable at the minimum level. The development and reporting of market value via the utilization of the Sales Comparison and Cost Approach appears to be reasonable.

However, the comparable sale selection in the Sales Comparison Approach is called into question and appears inappropriate for the subject. In general, the required adjustments for identified differences of the comparable sales utilized does appear to be market relevant and appropriate, with some errors and omissions. The opinion of site value is considered to not be summarized sufficiently in the Cost Approach as only a statement that it is based on the reconciliation of similar land sales is stated.

In addition, the appraisal report does not adhere to applicable assignment conditions regarding guidelines for performing and appraisal for use by a federally regulated financial institution in a federally related transaction. In performing such and appraisal, an "as is" market value of the subject property in its current condition is a requirement of the guidelines and therefore must be developed and reported. The report does not meet minimum requirements of FIRREA in that it does not include a statement that it complies with all Interagency Appraisal and Evaluation Guidelines, however, it does not include an "as is" market value of the subject property in its current condition, which is a requirement.

In summary, the report seems to unintentionally fail to recognize and adhere to applicable assignment conditions but still lacks competency. The appraiser fails to recognize and adhere to applicable conditions in developing the assignment results thereby violating the Scope of Work rule. Further, the reviewer believes the submitted sales are not the best indicators of value for the subject as they do not appear to be the most proximate, recent sales that most similarly maintain the subject's characteristics and best reflect the subject's overall market utility.

**Recommendation: Letter of Warning**

**Decision: The Commission voted to authorize a Letter of Instruction advising the Respondent to take cost and sales comparison education during their next continuing education cycle.**

**10. 2018080611**

**Licensing History: Certified Residential Real Estate Appraiser, 10/31/2005 – 6/30/2020**

**Disciplinary History: None**

Complainant alleges Respondent did an inspection on Complainant's mother's house. At that time Respondent went into the attic from a pull down access, the bottom portion of the ladder was broken off. The real estate agent spoke to Respondent several times about repairing this damage and Respondent has been reluctant and evasive.

Respondent states that in an attempt to check out the attic, he took two to three steps up and the bottom portion of the drop stairs broke. Respondent finished the inspection, documented it and notified the listing agent. After discussing with the listing agent regarding the home and some other things, Respondent believed the buyer was doing some minor fixes and would include the stairs.

Respondent has agreed to pay for the repair of the stairs and is waiting on the listing agent to handle the replacement. The Complainant and the buyer are satisfied with this outcome.

**Recommendation: Dismiss as Respondent has no duty under the facts presented herein that would require action.**

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

**11. 2018060451**

**Licensing History: Certified Residential Real Estate Appraiser, 9/5/1997 – 4/30/2020**

**Disciplinary History: 2007 Letter of Warning**

Complaint was filed by a consumer and alleges the following:

- Complainant purchased the subject property in June 2017 and Respondent prepared an appraisal report on the property in April of the same year.
- Complainant claims that the April 2017 appraisal performed by Respondent incorrectly listed the gross living area of the home.
  - Specifically, Respondent's appraisal report listed the gross living area as 4,333 square feet.

- In July 2018, Complainant had home reappraised as part of a refinancing. The 2018 appraisal report listed the gross living area of the home as 3,651 sq. ft., a difference of 682 sq. ft.
- Complainant says the 3,651 sq. ft. figure was confirmed by a second, independent appraisal and that there were no modifications to the home during this period.

Respondent stated the following in response:

- If the home was measured incorrectly, it was not done for personal gain or to mislead the complainant.
- Beginning around mid Feb, 2017, Respondent switched from tape measuring and pad to ipad/mobile appraising and laser measuring. Respondent says there was a steep learning curve for the sketch program, forcing them to revisit several properties and/or modification of the sketch back at office.
- In addition, Respondent says other people have been confused or inaccurate with regard to this particular property. Respondent states subject property had been evaluated by a different appraiser in July 2009 and that report listed the gross living area as 4,392 sq ft.
- Respondent states the county tax assessor also states subject square footage as 4,252 sq. ft. while the real estate agent that placed the property online for sale listed the property as having a gross living area of 4,000 to 4,499 sq. ft.
- Respondent admits, though, that an appraiser must not depend on anyone else's information.

**REVIEWER CONCLUSIONS [alleged violations included within brackets]:**

- *Expert Reviewer measured the gross living area of the subject property and found a GLA of 3,630 sq. ft., a 703 ft. difference from the GLA listed in Respondent's April 2017 appraisal report.*
- *Reviewer states that the owner of the subject property was not stated as an intended user within the 2017 appraiser report and therefore the report may be inappropriate for their use. [SR 1-2(a, b)].*
- *The appraiser reported the listing history of the subject property however did not report the sales history as required by USPAP. "When reporting an opinion of market value, a summary of the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5 is required". Since the sales history of the subject property was not correctly reported, this rule is considered in violation of the Standard. [SR 2-2(a)(viii)].*

- *The sales comparison approach was researched and performed. Standard Rule 1-1(b) states an appraiser must, “not commit a substantial error of omission or commission that significantly affects an appraisal”. Standard Rule 1-1(c) states an appraiser must, “not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results”. The GLA (Gross Living Area) of the subject property as calculated by Respondent was considered inaccurate. [SR 1-1(b, c)].*
- *The report states the opinion of site value was developed using the extraction method. The Appraisal Report states, “Site values derived through the extraction method are based on subtracting the estimated “Bricks and Sticks” replacement cost of a structure less estimated accrued depreciation from the appraised value. The difference is considered to be attributed site value”. The subject GLA was found in error, therefore the estimated appraised value is also considered inaccurate. Since the appraised value is an integral part of the extraction method, the reported land value is considered unreliable. [SR 1-1(b, c)].*
- *The cost approach was performed. The replacement cost new was derived from Marshal and Swift Valuation Services with depreciation calculated using the age-life method. Appropriate sources were cited and the valuation method is substantiated. Since the GLA and estimated land value are considered unreliable, the estimated value reported from this approach is also considered unreliable. [SR 1-1(b, c)].*

**Recommendation: Upon review of the complete file, Counsel does not believe the property size error was intentional. The Expert Reviewer did find several failures to comply with USPAP that were a result of the miscalculated gross living area. In addition, Respondent has not had any disciplinary action taken against them since 2007. As such, Counsel recommends a Letter of Warning (LOW) with regard to the above-listed USPAP violations.**

**Decision: The Commission voted to accept Counsel's recommendation and to add the language that “making one mistake led to multiple mistakes which leads to a misleading report.”**

**12. 2018062301**

**Licensing History: Unlicensed**

**Disciplinary History: None**

Complainant alleges unlicensed activity on a mass nationwide appraisal wherein hundreds of millions of dollars of cell phone tower property was appraised.

Review shows approximately a dozen cell phones tower properties in the state of Tennessee were evaluated. Extensive expert review conducted herein. Counsel has corresponded with the attorney representing Respondent and Respondent has submitted numerous documents as requested by Counsel.

After review, it was found that Respondent is not licensed in Tennessee but signed a report stating he was the certified appraiser on the mass multi-state valuation and that he received assistance from several named individuals. One of the individuals received a temporary license from the Commission for the purposes of this transaction and later became fully licensed in the state of Tennessee. Said individual responded to request for production by counsel and the expert reviewer reviewed this matter.

The alleged "Appraisal Report" was provided to the expert reviewer as well as over 1,000 pages of supporting documentation. The appraisal report was identified as a "Valuation of Certain Assets of \_\_\_\_\_." The Client had asked an accounting firm to provide a retrospective valuation services related to its recapitalization transaction as of July 29, 2016 ("Valuation Date"). The objective of the alleged appraisal report was to assist the Client in estimating the fair value of the acquired identified tangible and intangible assets ("Assets"). The valuation will conclude the **fair value** and fair value of one unit in the Company on a minority, non-marketable per unit basis. Page 4 of the report stated, "This valuation analysis was conducted for financial reporting purposes in connection with U.S. GAAP and ASC 805, Business Combinations and ASC 805, Fair Value Measurements."

The expert reviewer found that the alleged Appraisal Report constituted a Fair Value Report with no association to USPAP. Accordingly, the expert reviewer concluded report is not a USPAP report despite being signed by an appraiser licensed in a state other than Tennessee wherein assistance was certified as being provided by a Tennessee licensee.

The expert reviewer concluded his review by finding "This report is a disservice to USPAP as well as an appraisal report of real property as defined by Market Value. Although the report is disguised to represent a market value appraisal report with respect to its construction and included USPAP DEFINITIONS, its clarity is deceiving."

**Recommendation: Dismiss.**

**Decision: The Commission voted to authorize a Consent Order with a one thousand dollar (\$1,000.00) civil penalty per property that had been appraised and to open a complaint against the temporary licensee.**

**13. 2018084581**

**Licensing History: Certified Residential Real Estate Appraiser, 12/18/1998 – 1/31/2020**

**Disciplinary History: 2012 Consent Order with \$500 civil penalty and 15 hours of continuing education in report writing for USPAP violations**

This complaint is lodged by a TN Real Estate Agent. According to the Complainant, the Respondent was involved in two real estate deals. The Respondent was rude and demeaning to Complainant when contacted for details about the deal, including calling the Complainant an idiot. The Complainant has asked that the Respondent “act in a professional manner.”

In response, Respondent denies ever appraising the home listed in the complaint. The Respondent says that the Complainant contacted them multiple times in an effort to get them to remove a condition on the appraisal set by the underwriter. According to Respondent, the underwriter said that the property could not be appraised until the flooring was installed. Respondent admits to calling the Complainant an idiot, but says it's because they “have told them the same thing now 6 times.”

**Recommendation: Dismiss.**

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

**14. 2019002741**

**Licensing History: Certified Residential Real Estate Appraiser, 8/9/2001 – 8/31/2019**

**Disciplinary History: 2006 Consent Order with \$500 civil penalty**

A complaint was filed against the Respondent who conducted an appraisal for a property in a rural area of Tennessee for the Complainant. The Complainant alleges the Respondent's report is not adequately supported by data in the Appraisal Report. First, the sales provided are up to 22 miles in distance from the appraised property. Also, the Respondent used a large range of unadjusted sales prices of \$85,000 to \$167,000 and after being adjusted, the amounts range from \$96,420 to \$180,883. The Complainant states the Respondent had to extend the search parameters to include the entire Marshall County market area and also use a twelve month period from the effective date of the appraisal. The sales used were extremely remote even though other sales were noted within a two mile radius and were provided to the Respondent. According to the Complainant, the

Respondent did not address these sales or look at them because the Respondent's RTMLS access went down on that particular day. The Respondent indicated the comps selected were adequate and sufficient to render a credible opinion of value. The Complainant claims that USPAP Standards 1-1, 1-4 and 1-5 may have been violated and the report addressed the nonuse of recognized methods. The Complainant is concerned that the Respondent may not have used techniques and recognized methods to produce a credible report. Also, the Complainant stated that the first report prepared by the Respondent stated the transaction was a refinance when in fact, it was a purchase and this was later corrected. The Respondent also failed to explain how a contributory value amount was derived. Complainant states the land value was \$105,448 and this is only 64% of the value. The Respondent does make a statement as to the median price per acre, however does not offer land sales or further support for how the land value was determined. The Complainant alleges the Respondent had very poor customer service on the report and messages and voicemails sent to the appraiser went unanswered or the Respondent would respond a day later via text messages and would not return phone calls. The Respondent was asked to call the Complainant's office several times to discuss the file, however, the Respondent Appraiser never contacted the Complainant's office. The Complainant acknowledges that the property may be a difficult property to appraise, however, the Complainant does not feel the report or supporting information is adequate.

The Respondent provided a response and stated when a rural property is appraised it is sometimes necessary to look well beyond a one mile radius to look for sales that are adequate as to location, acreage, square footage and condition. As a result, there were a wide range of values of comparable sales. The Respondent stated that Fannie Mae does not have specific limitations or guidelines associated with net or gross adjustments.

The Respondent stated that the referenced of the net and gross adjustments reaching 76.2% net and 93.8% gross tends to result when adequate comp sales are limited. The Respondent Appraiser stated that Fannie Mae does not have specific limitations or guidelines associated with net or gross adjustments.

The Respondent Appraiser stated the sales supplied by the Complainant were not included in the report because there were computer issues at the office and the Respondent Appraiser's office suffered a loss of Internet service for a brief period and access to RTMLS was restored. The Respondent states that USPAP Standards states that when developing a real property appraisal, an Appraiser must collect, verify and analyze all information necessary for a credible assignment of results. The Respondent Appraiser stated that this

was done with the subject property and all comparable sales were utilized in the report. The Respondent Appraiser stated that he used all information available in the normal course of business and analyzed all agreements of sale, options, and listings of the subject property, current as of the effective date of the appraisal, and analyzed all sales of the subject property that occurred with the three years prior to the effective date of the appraisal pursuant to USPAP Standards. The Respondent Appraiser states he adhered to USPAP Standards Rule 1-1 because he knows that he is be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal and did not commit a substantial error of omission or commission that significantly affects an appraisal, and he did not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results. The Respondent Appraiser states that the Complaint's allegation that USPAP Standards Rule 1-4, 1-5, and 1-1 "may have been violated" are inaccurate and unfounded.

The Respondent Appraiser also stated that the 64% "land to value ratio" was based on a median price per acre of \$7.532 per acre for sales of 10 to 20 unimproved tracts of land sold in the Marshall County,. TN market area over the past twelve months and this type of "land to value ratio" is typical for the Marshall County market area. The values in this area have been increasing steeply over the past two years. The Respondent Appraiser used the RTMLS parameters for raw land sales for the past 12 months for tracts of land 10 to 20 acres in size. The sales price were calculated using the RTMLS system and the minimum price per acre was \$1.103, the average price per acre was \$10.009, the median price was \$7.592 and the maximum price per acre was \$43.116.

The Respondent Appraiser conducted a review of prior sales and comparables and determined that there had been one prior transaction in the previous 36 months prior to the effective date of the report.

The Respondent Appraiser stated that the Complainant's allegation of poor customer service of the Respondent were largely due to personal issues concerning the health issues of his parents. The Respondent Appraiser did not want to mention any personal issues in his response to the Commission, but felt compelled to explain about his parents' health, as it was exactly during the time period in question. His parents' health has been declining steadily since August 2018 and the Respondent Appraiser is their Executor, Medical Power of Attorney and Durable Power of Attorney. The Respondent Appraiser stated that his parents were both hospitalized during the first week in September 2018 and his mother

was released to a nursing home in the middle of November and his father remained in the hospital. Following his mother's release from the nursing home, the Respondent Appraiser's mother fell at home at the end of November 2018 and had to have surgery on December 1, 2018. Respondent Appraiser's father died on December 2, 2018. The effective date of the appraisal was November 28, 2018.

The Respondent Appraiser also felt as though the Complainant was trying to influence his credible opinion of value and restrict the independence of the Respondent Appraiser. The Respondent Appraiser stated that the original opinion of value was less than the final opinion of value derived after adding the additional sales requested by the Complainant.

### **REVIEWER COMMENTS AND CONCLUSIONS**

The Reviewer determined that the analyses, opinions and conclusions in the **Subject section** of the original Appraisal Report were not based on accurate information and were not adequately supported. The Appraisal Report stated that the subject property was not listed on the MLS, but there was a Realtor involved in the transaction, however, the Realtor's role was not described. The sales contract with Woodruff Realty & Auction indicated it was the listing company and the selling company.

The Reviewer concluded these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(c) and SR 2-1(b).

The Reviewer determined that the analyses, opinions and conclusions in the **Contract section** of the original Appraisal Report were not based on accurate information and were not adequately supported. The Appraisal Report did not provide a complete analysis of the contract and it was not reported that per the contract, the buyer is purchasing the home in an "AS-IS" condition and it was not reported that a termite inspection was required. Also, it was not reported whether or not the subject property was being sold at auction, since the sales contract indicated Woodruff Realty & Auction to be the Listing Company and the Selling Company.

The Reviewer concluded these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(c), SR 1-5(a), and SR 2-1(b).

The Reviewer determined the analyses, opinions and conclusions in the **Neighborhood section** of the original Appraisal Report was not based on accurate information and adequately supported. The Reviewer stated no summary or analysis of data that supported the conclusions in the Neighborhood section of the appraisal. There was no support for the Property Value Trend, Demand Supply, Marketing Time and the One Unit Housing Price and Age Ranges. The Respondent Appraiser also made an inaccurate statement in the commentary in the Market Conditions section and stated the appraised value exceeds the predominant value with no impact on marketability. This statement is inaccurate, as the appraised value is \$154,000 and the predominant value as reported in the Neighborhood section is \$160,000.

The Reviewer concluded these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(c), SR 1-2(e)(i), SR 2-1(b), and SR 2-2(a)(viii).

The Reviewer determined that the analyses, opinions and conclusions in the **Site/Highest & Best Use section** of the original Appraisal Report were not based on accurate information and were not adequately supported. The Reviewer stated there was no summary or analysis of the support and rationale of the opinion of Highest and Best Use. There was a Highest and Best Use statement in the addendum above the Cost Approach, however, pursuant to USPAP a summary of support and rationale is required. There was also no commentary as to whether the subject's 14 acre site is subdividable.

The Reviewer concluded these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(b), SR 1-1(c), SR 1-3(a), SR 2-1(b), and SR 2-2(a)(x).

The Reviewer determined that the analyses, opinions and conclusions in the **Improvements section** of the original Appraisal Report were not based on accurate information and were not adequately supported. The Reviewer stated there was no commentary in the Improvements section that stated that the subject property was in good condition. The Exterior and Interior Descriptions section stated most components were rated in Average Condition. The condition rating of C4 matches a home in average condition. A rating for a home in good condition should be C3. Also, the effective age is inconsistent with the C4 condition rating and the effective age reported in the Appraisal Report is 20 years, the actual age of the subject property is 88 years.

The Reviewer concluded that these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(b), SR 1-2(e)(i), and SR 2-1(a)

The Reviewer determined the selection of comparables and the analyses, opinions and conclusions in the **Sales Comparison Approach section**, including adjustments, were not adequately supported and were not based on accurate information. The Reviewer noted the Appraisal Report stated under the sales history analysis section that “paired sales analysis was the most viable rational used to develop a credible opinion of value for the subject property.” This statement was also used in the addendum above the Cost Approach, however, below in the Summary of Sales Comparison Analysis section it stated “[s]ome adjustments had to be based on some degree of the appraiser’s judgment due to the lack of sufficient market data from which to extract adjustments from a paired sales analysis.” This contradiction is not explained and if paired sales analyses were used it not summarized in the appraisal report as required by USPAP. The sales history section states that bedroom adjustments were \$2,500, full bath adjustments were \$2,500 and half bath adjustments were \$1,250. There is no summary of data or analysis in the Appraisal Report that supports these adjustments. Also, there is no summary of data or paired sales analysis that supports any of the adjustments. The comparables #1, #2 and #3 have a Quality of Construction rating of Q5 and the subject has a Quality of Construction rating of Q4. No adjustments were applied to comparables #1, #2 and #3 and there was no explanation provided in the Appraisal Report as to why they were not warranted. The Appraisal Report does not explain how a \$79,900 listing is considered to be comparable to a subject property valued at \$154,000, as well as a \$899,000 listing. The Appraisal Report does not explain how a \$29,000 sale is a comparable to the subject property, as well as the \$469,900 comparable sale. The Respondent Appraiser did not report that Comp #1 had “woods with some marketable timber” and there was no commentary in the Appraisal Report. Comparable #2 is a five bedroom 2,440 square foot home and the subject property is a two bedroom 1,443 square foot home. Based on the Theory of Substitution, it is not explained in the Appraisal Report how the potential buyer of a much larger five bedroom home would consider the subject property as a substitute.

In the Addendum above the Cost Approach, it stated “Explanation of Methodology of Reconciliation of Sales Prices” and discusses the gross adjustment of sales price for each comparable and the weighted average calculation. The “weighted average” technique is not summarized in the appraisal. Also, the Respondent Appraiser makes an inaccurate statement as to Comp #4 by stating that “[m]ost weight given to Comp 1 and 2 due to

lowest combined Net/Gross adjustments; least weight given to Comp 3 due to highest combined Net/Gross adjustments." However, Comp 4 had lower net and gross adjustment percentages than Comp 2 and Comp 5 had a lower gross adjustment percentage. Comparable 3 is the least similar to the subject property in number of bedrooms and gross living area. The adjusted sale price of Comp 2 was not reconciled to the appraised value of \$154,000.

The Reviewer concluded these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(b), SR 1-1(c), SR 1-4(a), SR 2-1(a), SR 2-124(b), and SR 2-2(a)(viii)

The Reviewer determined the analyses, opinions and conclusions in the **Subject/Comp Sales History section**, were not based on accurate information and a comprehensive understanding of the history of the subject and comparable properties. The Reviewer noted the Appraisal Report stated in the Subject/Comp Sales History section stated "Prior sales and subsequent transfer of Comparables 1, 2, 3, 4, and 5 indicated as market sales by courthouse records." However, no sales are reported in the prior sale grid. Also in the Subject/Comp Sales History section the appraisal states "A review of the sales history for all Comp sales determined there had been one prior transaction for the previous 36 months prior to the effective date of this report." The appraisal does not report which sale sold had a prior transaction within 36 months. As stated previously, no sales are reported in the prior sale grid.

The Reviewer concluded that these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(c) and SR 2-1(a)

The Reviewer determined the analyses, opinions and conclusions in the **Reconciliation section**, were not based on accurate information and were not adequately supported. The Reviewer noted the Reconciliation is boilerplate and the Appraisal Report stated cost and income approach were considered, but would not provide meaningful results, however, the cost approach was completed. The Reconciliation does not reconcile the quality and quantity of data available and analyzed within the approaches used. The "interaction that takes place between buyers and sellers" does not address the "data available" for the Sales Comparison Approach. The data available for the Cost Approach is not addressed and the

exclusion of the Income Approach is not explained in the Reconciliation. However, there is boilerplate in the Supplemental Addendum that explains its exclusion.

The Reviewer concluded that these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(c), SR 1-6(a), SR 2-1(a), and SR 2-1(b)

The Reviewer determined the analyses, opinions and conclusions in the **Cost Approach section** were not based on accurate information and were not adequately supported. The Reviewer noted per the Cost Approach section the subject property's site value was estimated on comparable lot sales as well as current listings and consideration of public tax appraisal information. However, there is no summary and analysis of this information in the appraisal. In the Supplemental Addendum under Cost Approach it is stated that "The cost approach is typically utilized when improvements are new, near new, or are of an unusual construction method." There is no commentary in the appraisal as to why the cost approach was completed for an 88 year old home that is not reported to be of an unusual construction method. At the bottom of page 1 in the Improvements section it is reported that subject property conforms to the neighborhood in functional utility, style, condition, use, and construction. The site value is not supported by land sales. There is no summary of land sales and listings referred to in the Appraisal Report and there is no summary of public tax appraisal information, which is also reported as support in the Appraisal Report.

The Reviewer concluded that these observations reflect non-compliance with the following 2018 USPAP Standards:

SR 1-1(c), SR 2-1(a), SR 2-1(b), and SR 2-2(a)(viii)

The Reviewer determined the analyses, opinions and conclusions in the **Income Approach section** were based on accurate information and were adequately supported.

The Reviewer determined the exhibits to the original Appraisal Report were accurate and complete.

**Recommendation: Legal Counsel recommends the authorization of fifteen (15) hours of coursework, 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.**

**Decision: The Commission authorized a Consent Order with thirty (30) hours Sales Comparison course, fifteen (15) hours Report Writing course, and a fifteen (15) hour USPAP course, which 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.**

**15. 2018091971**

**Licensing History: Appraisal Management Company, 5/9/2012 – 5/8/2020  
Disciplinary History: None**

This complaint is lodged by another TN Real Estate Appraiser. According to the Complainant, the Respondent contacted the Complainant's firm requesting the Complainant complete an appraisal at a TN residence. The Respondent accepted the Complainant's terms and the property was inspected on October 9, 2018. This complaint is filed due to non-payment (\$500.00). As of the date of the complaint, December 31, 2018, Complainant had not been paid, a delay of more than sixty (60) days.

In response, Respondent admits payment was not made within 60 days of the completion of the appraisal. They agree that there was "no good reason why" Complainant was not paid in "a timely and appropriate time period." Respondent says that they have changed their processes so to make sure that appraisers are paid timely going forward. Respondent alleged that payment was made on January 4, 2019.

**Recommendation: Issue a letter of warning for violation of Tenn. Code Ann. § 62-39-421 (failure to pay timely).**

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

**LEGISLATIVE UPDATE (*Presented by Anna Matlock*) (*For informational purposes only*)**

Ms. Matlock briefed that Senate Bill 196 in its current proposed stage if passed would change how licensing is conducted in regards to limitations on the board members setting regulations. Additionally, Ms. Matlock provided an update in regards to Senate Bill 384 stating that if approved it would allow for members of the armed forces and their spouses to submit military education, training or experience toward qualifications for licensure.

**PROPOSED RULE: REGISTERED TRAINEE**

Mr. Atwood made a motion to adopt the language as written which amends Rule 1255-01-.12, which was seconded by Mr. Garrison. The motion carried by unanimous roll call vote.

## DIRECTORS REPORT

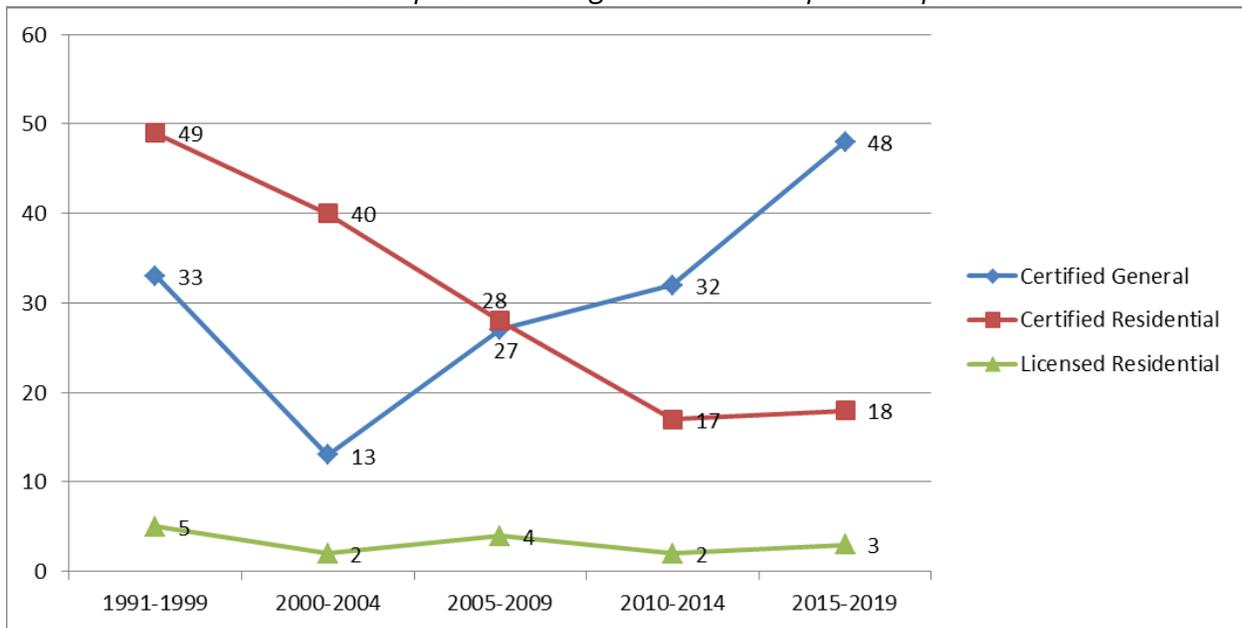
### BUDGET

Director Gumucio reviewed the overall expenditures for the past quarter noting that all the major cost backs took place last fiscal year and that the board remained in good fiscal health.

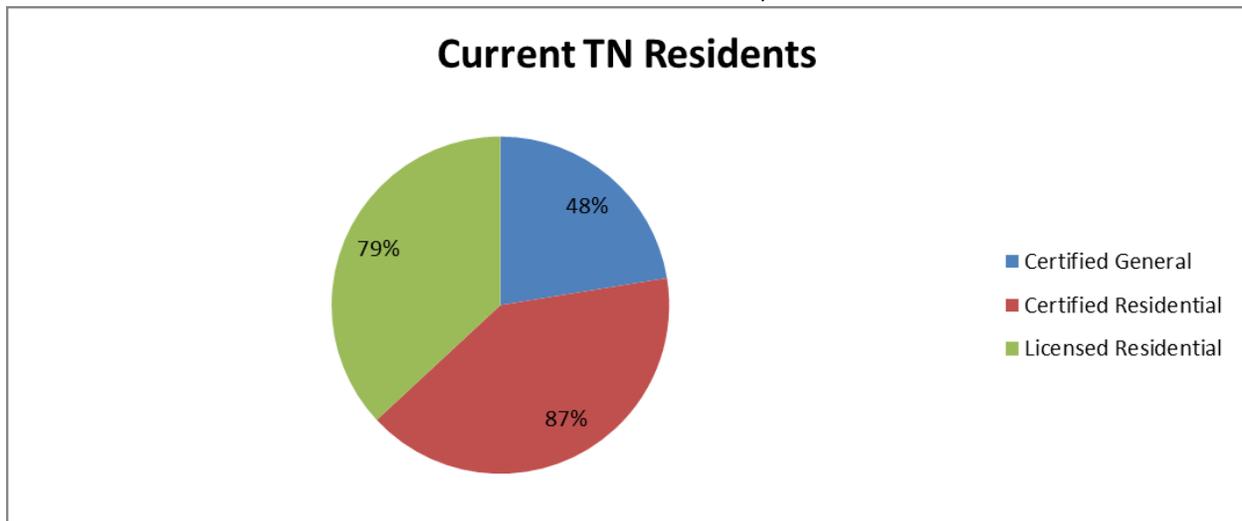
### LICENSING INFORMATION

Director Gumucio provided an overall brief on the current number of licensures for real estate appraisers noting that there has been a significant increase in Certified General Appraisers.

*\*Numbers represent average new licensees per time period*



*Total Current Licensees: 1,881*



## **NEW BUSINESS**

### ***UPDATE ON JOINT EFFORT WITH FINANCIAL INSTITUTIONS***

Mr. Garrison provided an update stating that they are currently working on a schedule, which should be set by May. Additionally, they are currently looking for a guest speaker and a Federal Regulator for presenters. CE has been established for this event for 4 hours.

### **ADJOURNMENT**

Mr. Garrison made a motion to adjourn the meeting. Mr. Atwood seconded this motion. The motion carried by unanimous voice vote and was adjourned at 1:30 p.m.