



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

**Meeting Minutes for Sept.12, 2023  
First Floor Conference Room 1-A  
Davy Crockett Tower**

The Tennessee Real Estate Appraiser Commission met on Sept. 12, 2023, and the following business was transacted:

**BOARD MEMBERS PRESENT:** Brett Mansfield, Nelson Pratt, Sandra Tuck, Dr. Mark Sunderman, Francie Mello, William Haisten, Taylor Vandever, Eric Robinson

**BOARD MEMBERS ABSENT:** None

**STAFF MEMBERS PRESENT:** Glenn Kopchak, Anna Matlock, William Best, Heidi Overstreet, Taylor Hilton, Alexandria Griffey

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

Brett Mansfield called the meeting to order at 9:00 am and Director Kopchak took roll call.

**AGENDA**

Brett Mansfield made a motion to adopt the agenda. This was seconded by Eric Robinson. The motion passed by unanimous voice vote.

**MINUTES**

Brett Mansfield made a motion to adopt the minutes from June 20, 2023. This was seconded by William Haisten. The motion passed by unanimous voice vote.

**EXPERIENCE INTERVIEWS**

**Mr. Will Haisten**

<b>Name</b>	<b>Upgrade Type</b>	<b>Recommend</b>	<b>Board Vote</b>
Jennifer Coins	Licensed	Yes	Yes
Milton Person	CR	Yes	Yes
John Davis	CG	Yes	Yes

**Mr. Brett Mansfield**

<b>Name</b>	<b>Upgrade Type</b>	<b>Recommend</b>	<b>Board Vote</b>
Bradford Harden	Licensed	Yes	Yes
Jennifer Born	CR	Yes	Yes

**Mr. Nelson Pratt**

<b>Name</b>	<b>Upgrade Type</b>	<b>Recommend</b>	<b>Board Vote</b>
William Mayfield	CR	Yes	Yes
William Stephens	CR	Yes	Yes
Travis Steckler	CG	Yes	Yes

**Ms. Sandra Tuck**

<b>Name</b>	<b>Upgrade Type</b>	<b>Recommend</b>	<b>Board Vote</b>
Pettra Spain	CR	Yes	Yes
Gerald Tary	CR	Yes	Yes
McKenzie Wood	CR	Yes	Yes
Marcia Almand	CR	Yes	Yes

Sandra Tuck made a motion to approve the above interview recommendations. This was seconded by Nelson Pratt. The motion passed by unanimous voice vote.

**APPLICATION REVIEWS**

**Direct Appraisal Management, Corp:**

To the character question: "Have you ever been convicted of, pled guilty, or pled no contest to any criminal offense?", Taylor Vandever made the motion that we request a new affidavit from the applicant that accurately reflects the conviction reflected on the criminal history report of the AMC controlling person and that a note on the license file also be recorded for the purposes of making a recommendation for disciplinary action in the event of a future complaint. This was seconded by Brett Mansfield. The motion passed by unanimous voice vote.

**EDUCATION REPORT**

Course Provider	Course Number	Course Name	Instructor(s)	Type	Hours	Recommendation
Appraiser eLearning	2693	2023 Appraisal Summit - Day 1	Multiple	CE	7	Approve
Appraiser eLearning	2694	2023 Appraisal Summit - Day 2	Multiple	CE	7	Approve

American Society of Appraisers	2695	2023 ASA International Conference	Multiple	CE	14	Approve
American Society of Farm Managers and Rural Appraisers	2696	Understanding Conversation Easement Valuation	Mark Lewis	CE	8	Approve
American Society of Farm Managers and Rural Appraisers	2698	Appraising Ag Facilities Poultry Seminar	Mark Lewis	CE	8	Approve
Melissa Bond	2699	What's new with FHA?	Melissa Bond	CE	4	Approve
Appraiser eLearning	2703	The Life of an Appraisal - What Happens Next?	Pam Teel	CE	4	Approve
TN Chapter of the Appraisal Institute	2706	Fall Real Estate Symposium	Multiple	CE	7	Approve

### Individual Course Approvals

Licensee	Course Provider	Course Name	Hours	Type	Recommendation
Cody Wiggins	George Dell	Stats, Graphs, & Data Science 1	14	CE	Approve
Thomas Carter	Appraisal Institute	Rural Valuation Basics	7	CE	Approve
Timothy Richardson	CORELOGIC	Cost Approach For Commercial Structures	15	CE	Approve

Dr. Mark Sunderman made a motion to approve the education committee's recommendations. This was seconded by William Haisten. The motion passed by unanimous voice vote.

## DIRECTOR'S REPORT

### Budget Report

Director Kopchak stated that the Commission closed out the year in surplus, and the new fiscal year started in July. Director Kopchak noted that large expenditures listed under "Other" for March and May, are the Appraisal Subcommittee (ASC) National Registry Fees. In addition, Director Kopchak related that there was a revenue spike for the months for January through June due to AMC panel reporting which will result in proportionate expenditures as those funds are collected on behalf of the ASC.

## **LEGAL**

### **Legal Report**

#### **1. 2023022291**

**Opened: 5/30/2023**

**License Type: Certified Residential Real Estate Appraiser First**

**Licensed: 4/4/2007**

**Expires: 3/5/2025 History: None**

Complainant states Respondent performed an appraisal of a home they were purchasing. Complainant alleges Respondent failed to use appropriate comparables in their report. Complainant alleges Respondent was outside of their expertise when appraising the property, and that it is demonstrated in the report. Complainant states they work in the Real Estate world and that Respondent failed to accept "pertinent information" about the property.

Respondent states they are competent within the relevant area. Respondent states the comparables they used, were supported by research and evidence. Respondent explains the comparables suggested by Complainant were for homes sold over a year ago, and not relevant to Respondent's report.

An expert review was conducted. The expert reviewer determined that there were no observations in Respondent's report that reflected non-compliance with 2020/2021 USPAP Standards and that the review was credible. As such, counsel recommends dismissing the complaint without action.

**Recommendation: Dismiss.**

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

#### **2. 2023019241**

**Opened: 5/15/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 3/7/2001**

**Expires: 12/31/2023**

**History: 2009 Consent Order for allegedly overvaluing a residential property**

Complainant alleges Respondent failed to honor their right of refusal on the property in question. Complainant alleges Respondent's failure to do so was fraudulent. Respondent states they do not personally know Complainant. Respondent states they are unsure why Complainant is accusing them of any fraudulent activity as they were not aware of the first right of refusal. Respondent explained they appraise the house for what the market supported and are not bound to sale prices.

Counsel does not believe this is within the Commission's jurisdiction, and as such Counsel recommends this matter be dismissed with no action.

**Recommendation: Dismiss.**

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

### **3. 2023023841**

**Opened: 6/20/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 9/15/2020**

**Expires: 9/14/2024**

**History: None**

Complainant alleges Respondent, a certified residential appraiser, directed an unlicensed person to perform "thousands of appraisal reviews." Complainant alleges more than 750 of these reviews were performed in relation to properties in Tennessee. Complainant states the reviews were primarily a form product known as the "Collateral Desktop Analysis (CDA)." Complainant alleges Respondent gave the unlicensed person a "cheat-sheet" with boilerplate language to complete the appraisal. Complainant states the unlicensed person raised concerns to Respondent who then fired the person in September 2021.

Respondent's legal counsel provided a response. The response explains that Respondent employed an individual (hereinafter "Employee") who was neither a certified real estate appraiser nor a trainee. Rather, the response explained the Employee provided supporting services including assisting Respondent in the creation of appraisal reviews. Respondent states that a substantial portion of the appraisal reviews with respect to which the Employee provided assistance for were the CDA review product,

Respondent explains they carefully and thoroughly trained the Employee to provide them assistance. Respondent states they created templates, like other professionals who create forms and then provide them for their subordinates to use as a model when dealing with similar situations in the future. Respondent states the Employee was trained to use these templates when assisting. Respondent objects to the characterization of one or more of these templates as a "cheat sheet," which Respondent believes unfairly reflects on what Respondent deems to have been a legitimate process. Respondent asserts that USPAP's certification requirements apply only to appraisers, and that it is not always necessary that non-appraisers be identified in the certification statement of reviews or other work product with respect to which they provided assistance. Respondent asserts further that it appears that USPAP "explicitly contemplates" that appraisers rely upon the work of others, including non-appraisers, as long as the appraiser reasonably believes that they are competent and the work they perform is credible. Respondent explains given the extensive training and supervision of the Employee, Respondent submits that they had a reasonable basis for believing that the Employee was competent to provide assistance in reviews and that the Employee's work in relation to the same was credible.

Respondent "vehemently" denies that (1) the Employee ever raised concerns to Respondent about the alleged inappropriateness of the appraisal review assistance the Employee provided, or that (2) Respondent terminated the Employee in retaliation for raising such concerns. Respondent explains, rather, that the Employee was terminated in September 2022 for the following reasons only: (1) a then ongoing downturn in demand for real estate appraisal services that meant less work for the Employee to assist Respondent with; and

(2) Respondent was experiencing adverse events in their personal life at that time that necessitated trimming his business expenses. Respondent goes on further to explain that all of their W-2 employees were terminated within the following month. Respondent states shortly after they made the decision to terminate the Employee, the Employee confronted them and

expressed anger and frustration at being terminated. Respondent believes that the Complainant still harbors animosity toward Respondent for terminating their employment and has brought the present Complaint in an effort to "get even."

Respondent states Complainant has not provided any documentation substantiating or otherwise supporting the allegations in the Complaint. Respondent states they do not believe the complaint established that Respondent engaged in prohibited acts.

There does not appear to be any provided evidence of Respondent violating USPAP, or any other relevant rules and/or laws. As such, Counsel recommends dismissing this complaint.

**Recommendation: Dismiss.**

**Commission Decision: The Commission voted for this matter to be sent out for investigation, and for it to be deferred to the Commission's November 13, 2023, meeting.**

#### **4. 2023020281**

**Opened: 5/30/2023**

**License Type: Licensed Real Estate Appraiser First Licensed: 10/29/1993**

**Expires: 10/31/2024**

**History: None**

Complainant is a bank's department of Real Estate Valuation Services (REVS). The appraisal report that is the subject of the complaint was submitted to Complainant with an effective date of February 22, 2023. Complainant alleges the report was considered materially deficient. Specifically, Complainant alleges that the assigned UAD condition ratings assigned to the comparables are inconsistent with the UAD definitions based on information presented in the respective MLS listings. Additionally, Complainant alleges that the comparables appear to exhibit significant physical deterioration. Complainant further states that the dollar amounts of the condition adjustments to the selected comparables lacks market support and appear substantially underestimated in relation to the verified condition of the comparables. Complainant states Respondent's appraisal lack credibility due the aforementioned deficiencies.

Respondent's legal counsel provided a response. The response explains Respondent made an extensive and exhaustive search for comparable data. The response further clarifies that characteristics were taken into consideration with deciding the overall best comparables for this report. The response notes Respondent took all aspects and amenities into consideration and chose the best and most similar comparables possible at that time, in the market area.

An expert review was conducted. The expert only found credible violations in the Sales Comparison Approach Section. The expert noted that while the responses to each allegation are generally acceptable and merit consideration, the appraisal didn't include a summary analysis of the differences in condition between the subject and the sales. The expert noted this was reflective of non-compliance with the following 2020/2023 USPAP Standards: SR 1-l(b); SR 1-4(a); SR 2-l(b); 2-2(a)(x)(S).

Based on the minimal violations found by the expert reviewer and Respondent's lack of history, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the aforementioned USPAP violations.

**Recommendation: Letter of Instruction pertaining to 2020/2023 USPAP Standards: SR 1-I(b); SR 1-4(a); SR 2-I(b); 2-2(a)(x)(S).**

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

#### **5. 2023016021**

**Opened: 5/8/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 2/12/1992**

**Expires: 2/12/2024**

**History: 2012 Consent Order for Working on an Expired License; 2017 Consent Order for Working on an Expired License**

Complainant states they reached out to Respondent on January 18, 2023, requesting them to perform a retrospective appraisal on Complainant's property. Complainant states Respondent performed the appraisal on either January 24<sup>th</sup> or 25<sup>th</sup>. Complainant states Respondent requested on being paid up front, prior to the appraisal being performed. Complainant explains, however, as of the time of their complaint, March 30, 2023, they had not received Respondent's report. Complainant states they have attempted to contact Respondent numerous times but have not received a response.

Respondent failed to answer the complaint. An investigation was then initiated. Both Respondent and Complainant failed to comply with the investigator's request and did not participate in the investigation.

Counsel recommends the Commission authorize issuing a Letter of Instruction reminding Respondent of their duty to answer the Commission.

**Recommendation: Letter of Instruction pertaining to Respondent's duty to answer the Commission.**

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

#### **6. 2023026891**

**Opened: 6/20/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 11/27/1991**

**Expires: 11/30/2021 (EXPIRED)**

**History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically, Complainant notes the word used was "gentrification." Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws.

Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of "gentrification."

**Recommendation: Letter of Instruction pertaining to the use of "gentrification."**

**Commission Decision: The Commission voted to dismiss this matter.**

**7. 2023026831**

**Opened: 6/12/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 9/10/2007**

**Expires: 4/30/2024**

**History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically, Complainant notes the word used was "gentrification." Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws.

Respondent states the term "gentrification" was a real estate term they learned while training to become an appraiser. Respondent states it has, however, become an inappropriate term to use. Respondent explains the effective date of the appraisal was September 21, 2020, while the letter from Fannie Mae noting the term "gentrification" to be an unacceptable term was not sent until October 5, 2022. Respondent states their firm no longer uses the word "gentrification" at this time.

Based on the aforementioned information, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of "gentrification."

**Recommendation: Letter of Instruction pertaining to the use of "gentrification."**

**Commission Decision: The Commission voted to dismiss this matter.**

**8. 2023026811**

**Opened: 6/20/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 7/27/2004**

**Expires: 9/30/2024**

**History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically,

Complainant notes the word used was "gentrification." Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws.

Respondent states it was neither their intent nor desire to provide an appraisal that could somehow be perceived as biased. The term "gentrification" in this case was only used in the



context of communicating to the reader that the neighborhood was experiencing revitalization consistent with and in the context of what occurs within real estate market cycles. Respondent states in order to prevent any potential future occurrences, they will utilize alternate terms to communicate active changes in real estate market life cycles.

Based on the aforementioned information, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of "gentrification."

**Recommendation: Letter of Instruction pertaining to the use of "gentrification."**

**Commission Decision: The Commission voted to dismiss this matter.**

**9. 2023026871**

**Opened: 6/20/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 3/22/2004**

**Expires: 12/31/2023**

**History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically, Complainant notes the word used was "gentrification." Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws. Respondent states, they agree with the complaint but note that it was an unintended mistake.

Respondent explains the effective date of the report was September 1, 2020, prior to Fannie Mae's direction pertaining to the use of "gentrification." Respondent states they continue to learn and strive to write reports that are detailed and accurate while not being subjective. Respondent states they are thankful for the complaint putting them on notice. Based on the aforementioned information, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of "gentrification."

**Recommendation: Letter of Instruction pertaining to the use of "gentrification."**

**Commission Decision: The Commission voted to dismiss this matter.**

**10. 2023026881**

**Opened: 6/20/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 4/5/2002**

**Expires: 7/31/2024**

**History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically, Complainant notes the word used was "gentrification." Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws.

Respondent states they had no intention to discriminate or provide a statement indicating subjective, racial, or stereotypical bias. Respondent states that they now understand that the use of subjective terms in appraisal reporting is unacceptable.

Based on the aforementioned information, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of "gentrification."

**Recommendation: Letter of Instruction pertaining to the use of "gentrification."**

**Commission Decision: The Commission voted to dismiss this matter.**

**11. 2023026921**

**Opened: 6/20/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 7/22/1999**

**Expires: 2/29/2024**

**History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically, Complainant notes the word used was "gentrification." Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws.

Respondent states they were using the term "gentrification" only to describe the renewal/revitalization of the neighborhood. Respondent states, however, in retrospect they realize the use of the term "gentrification" should be avoided and substituted with more specific commentary regarding the changes in the neighborhood. Respondent notes the effective date of the report in question is September 21, 2020, prior to Fannie Mae's October 5, 2022, letter referring to the use of "gentrification." Respondent states they have since stopped using the term.

Based on the aforementioned information, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of "gentrification."

**Recommendation: Letter of Instruction pertaining to the use of "gentrification."**

**Commission Decision: The Commission voted to dismiss this matter.**

**12. 2023028161**

**Opened: 6/20/2023**

**License Type: Certified General Real Estate Appraiser First Licensed: 12/14/1993**

**Expires: 12/14/2023**

**History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically, Complainant notes the word used was "gentrification." Complainant notes they are providing this

information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws. Respondent states there was no ill intent for the use of the term “gentrification” in their appraisal report. Respondent explains they used the term to explain a global market area, not a specific market area. Respondent states at the time of the report, it was a widely used term. Respondent notes, however, they are now aware they should have not used the term in their report. Respondent explains they have spent the last few months researching what terms not to use, and have also communicated these terms to their staff so that they are also aware of what not to use.

Based on the aforementioned information, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of “gentrification.”

**Recommendation: Letter of Instruction pertaining to the use of “gentrification.”**

**Commission Decision: The Commission voted to dismiss this matter.**

**13. 2023026901**

**Opened: 7/3/2023**

**License Type: Certified Residential Real Estate Appraiser**

**First Licensed: 8/11/2011**

**Expires: 10/31/2024 History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed “as subjective, racial or stereotypical.” Specifically, Complainant notes the word used was “gentrification.” Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws.

Respondent states the term “gentrification” was utilized within the report in an objective manner to demonstrate the rise in home values and changing economic climate within the area. Respondent states this was based upon their research and ongoing knowledge of the market area. Respondent explains it was not intended to infer bias. Respondent notes, however, based upon the Fannie Mae feedback, they now know that the terminology could be viewed as subjective. Respondent states, as such, they will refrain from using the term in any future appraisal reports.

Based on the aforementioned information, Counsel recommends closing this complaint with a Letter of Instruction pertaining to the use of “gentrification.”

**Recommendation: Letter of Instruction pertaining to the use of “gentrification.”**

**Commission Decision: The Commission voted to dismiss this matter.**

**14. 2023027061****Opened: 6/12/2023****Unlicensed:****History: None**

Complainant is Fannie Mae. Complainant states they are notifying the Commission that they observed an instance where Respondent made at least one statement in an appraisal report that could be viewed "as subjective, racial or stereotypical." Specifically, Complainant notes the word used was "gentrification." Complainant notes they are providing this information for informational purposes only, and are not alleging Respondent has violated any federal, state, or local antidiscrimination laws.

Respondent answered the Commission with profane and inappropriate comments regarding the complaint. As such, Counsel recommends issuing a Letter of Warning pertaining to Respondent's comments in their response, as well as their use of the term "gentrification."

**Recommendation: Letter of Warning pertaining to Respondent's comments in their response, as well as their use of the term "gentrification."**

**Commission Decision: The Commission voted to accept counsel's recommendation of a Letter of Warning and also to refer this complaint to the South Carolina Appraiser program.**

**15. 2023030031****Opened: 7/10/2023****License Type: Appraisal Management Company First Licensed: 9/19/2011****Expires: 9/18/2023****History: 2020 Letter of Warning**

This is an administratively opened complaint. This complaint was opened after Respondent failed to submit their AMC Panel Report for their 2022 calendar year transactions.

Respondent explained they did not submit their AMC Panel for 2022, as they sold their business in 2022. However, Respondent noted they had a total of twenty-four (24) appraisers, complete appraisals in Tennessee in 2022.

Based on Respondent's failure to complete their AMC Panel Report, Counsel recommends authorizing issuing a Letter of Caution to Respondent, allowing them thirty (30) days to complete their Tennessee AMC National Registry transaction. However, if there is no compliance from Respondent within thirty (30) days, then Counsel recommends authorizing issuing a Consent Order for a Two Hundred Fifty Dollar (\$250.00) civil penalty and requiring Respondent to provide proof of registration within thirty (30) days.

**Recommendation: Authorize issuing a Letter of Caution to Respondent, allowing them thirty (30) days to complete their Tennessee AMC National Registry transaction. However, if there is no compliance from Respondent within thirty (30) days then authorize issuing a Consent Order for a Two Hundred Fifty Dollar (\$250.00) civil penalty and requiring Respondent to provide proof of registration within thirty (30) days.**

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

**16. 2023030021**

**Opened: 7/24/2023**

**License Type: Appraisal Management Company First Licensed: 5/14/2013**

**Expires: 5/13/2023 (Expired)**

**History: None**

This is an administratively opened complaint. This complaint was opened after Respondent failed to submit their AMC Panel Report for their 2022 calendar year transactions.

Respondent explained they have ceased operations and are no longer performing appraisal management services (or any services) in the State of Tennessee or any other State.

However, if an AMC is opened for any portion of a previous calendar year, they are required to report any covered transactions. Therefore, based on Respondent's failure to complete their AMC Panel Report, Counsel recommends authorizing issuing a Letter of Caution to Respondent, allowing them thirty (30) days to complete their Tennessee AMC National Registry transaction. However, if there is no compliance from Respondent within thirty (30) days, then Counsel recommends authorizing issuing a Consent Order for a Two Hundred Fifty Dollar (\$250.00) civil penalty and requiring Respondent to provide proof of registration within thirty (30) days.

**Recommendation: Authorize issuing a Letter of Caution to Respondent, allowing them thirty (30) days to complete their Tennessee AMC National Registry transaction. However, if there is no compliance from Respondent within thirty (30) days then authorize issuing a Consent Order for a Two Hundred Fifty Dollar (\$250.00) civil penalty and requiring Respondent to provide proof of registration within thirty (30) days.**

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

**17. 2023030041**

**Opened: 7/24/2023**

**License Type: Appraisal Management Company First Licensed: 11/18/2022**

**Expires: 11/17/2024**

**History: None**

This complaint was opened after Respondent failed to submit their AMC Panel Report for their 2022 calendar year transactions.

Respondent failed to answer the complaint.

Based on Respondent's failure to complete their AMC Panel Report, Counsel recommends authorizing issuing a Letter of Caution to Respondent, allowing them thirty (30) days to complete their Tennessee AMC National Registry transaction. However, if there is no compliance from Respondent within thirty (30) days, then Counsel recommends authorizing issuing a Consent Order for a Two Hundred Fifty Dollar (\$250.00) civil penalty and requiring Respondent to provide proof of registration within thirty (30) days.

**Recommendation: Authorize issuing a Letter of Caution to Respondent, allowing them thirty (30) days to complete their Tennessee AMC National Registry transaction. However, if there is no compliance from Respondent within thirty (30) days then authorize issuing a Consent Order for a Two Hundred Fifty Dollar (\$250.00) civil penalty and requiring Respondent to provide proof of registration within thirty (30) days.**

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

#### **CASES TO BE REPRESENTED:**

**18. 2023024291**

**Opened: 6/5/2023**

**License Type: Certified Residential Real Estate Appraiser First Licensed: 8/9/1999**

**Expires: 11/30/2023**

**History: 2013 Letter of Warning for Allegedly Over-Valuing a Property by Using Inappropriate Comparable Sales Data**

Complainant states Respondent visited their home on May 17, 2023, to perform an appraisal. Complainant alleges at that time Respondent went into their laundry room, pulled out a pair of undergarments, sniffed them, and then put them back. Complainant's security cameras observed Respondent doing this.

Respondent states they want to assure the Commission they take the incident seriously, and that they know they need to grow professionally and personally from this. Respondent states they have since enrolled in both a real estate ethics course and a USPAP course. Respondent states they are continuing to work on both their professional and personal development, and will take any steps offered by the Commission to rectify the situation. Respondent states they have been in business for over twenty-three (23) years, and assert this isolated situation does not represent their character or morals. Respondent states they hope to rebuild their trust with the Commission.

Counsel recommends the Commission authorizing a Consent Order suspending Respondent's License for six (6) months based on the incident.

**Recommendation: Authorizing a Consent Order suspending Respondent's License for six (6) months.**

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

**New Information:** Respondent notes they have been a licensed real estate appraiser, in good standing, in Tennessee for over twenty-three (23) years. Respondent explains they have never been subject to any professional discipline in any jurisdiction, and that they have built a successful real estate appraisal business, currently employing two (2) staff members, and one (1) trainee. Respondent states they regret the incident that occurred on May 17, 2023, and have taken steps to better themselves in the months that followed.

Respondent obtained legal counsel. Respondent's legal counsel provided a response. The response states that while the incident was "regrettable," they do not believe the conduct is in violation of USPAP's *Ethics Rule*. The response then goes into the three (3) sections of the USPAP *Ethics Rule*: 1) Conduct, 2) Management, and 3) Confidentiality.

Respondent's legal counsel makes the following arguments:

The Conduct section provides, in pertinent part, as follows: "An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests". Further, an appraiser must not: perform an assignment with bias; advocate the cause or interest of any party or issue; agree to perform an assignment that includes the reporting of predetermined opinions and conclusions; misrepresent his or her role when providing valuation services that are outside of appraisal practice; communicate assignment results with the intent to mislead or defraud; use or communicate a report or assignment results known by the appraiser to be misleading or fraudulent; knowingly permit an employee or other person to communicate a report or assignment results that are misleading or fraudulent; use or rely on unsupported conclusions relating to characteristics such as... ; engage in criminal conduct; willfully or knowingly violate the requirements of the *Record Keeping Rule*; or perform an assignment in a grossly negligent manner.

The Management section of the *Ethics Rule* provides, in pertinent part, that "an appraiser must disclose that he or she is paid a fee or commission or gave a thing of value in connection with the procurement of an assignment." That section further provides that "an appraiser must not agree to perform an assignment, or have a compensation arrangement for an assignment, that is contingent on any of the following: 1) the reporting of a predetermined result; 2) a direction in assignment results that favors the cause of the client; 3) the amount of a value opinion; 4) the retainment of a stipulated result; or 5) the occurrence of a subsequent event directly related to the appraisers opinions and specific to the assignments purpose." Further, an appraiser must not advertise or solicit assignments in a manner that is false, misleading, or exaggerated, must affix or authorize the use of, his or her signature certify recognition and acceptance of his or her USPAP responsibilities in an appraisal, may authorize the use of his or her signature only on an assignment by assignment basis, and must not affix the signature of another appraiser without his or her consent.

The Confidentiality section of the *Ethics Rule* concerns protecting the confidential nature of the appraiser- client relationship and acting in good-faith with regard to the legitimate interests of the client in the use of confidential information and the communication of assignment results. The Confidentiality section obviously concerns protecting confidential information and assignment results and taking reasonable steps to safeguard that confidential information and those assignment results.

Respondent's legal counsel argues that based on what the *Ethics Rule* outlines, Respondent's action does not fall under it. Specifically, the response argues Respondent's action did not violate any provision of the Conduct, Management, or Confidentiality sections of the USPAP *Ethics Rule*.

Respondent's legal counsel contends that the recommended punishment of a six (6) month suspension will have extreme outcomes. Specifically, Respondent notes their trainee and employees will be affected by Respondent's suspension. Respondent requests the Commission considered their counter-offer. Specifically, Respondent offers to take any additional continuing education courses as directed by the Commission, to pay a civil penalty of an amount the Commission deems appropriate, and to sign a Consent Order stipulating to their conduct.

**New Recommendation: Discuss.**

**New Commission Decision: The Commission voted to authorize a Consent Order suspending Respondent's License for Thirty (30) days from the execution of the Consent Order, requiring fourteen (14) hours of Continuing Education in Ethics to also be completed within 30 days of the execution of the Consent Order, and assessing a \$1,000.00 civil penalty.**

**Redline Rules**

Brett Mansfield made a motion to approve the redline rules as presented. This was seconded by William Haisten. The motion passed by unanimous voice vote.

**ADJOURNMENT**

There being no new business, the meeting adjourned at 11:15 a.m.

















