



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

**Meeting Minutes for November 4, 2024
First Floor Conference Room 1B
Davy Crockett Tower**

The Tennessee Real Estate Appraiser Commission met on November 4, 2024, and the following business was transacted:

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

BOARD MEMBERS ABSENT: Taylor Vandever

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

CALL TO ORDER / ROLL CALL / NOTICE OF MEETING

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

AGENDA

Sandra Tuck made a motion to adopt the agenda. This was seconded by Nelson Pratt. The motion passed by unanimous voice vote.

SEPTEMBER MINUTES

William Haisten made a motion to adopt the September minutes. This was seconded by Eric Robinson. The motion passed by unanimous voice vote.

EXPERIENCE INTERVIEWS

Mr. Will Haisten

Name	Upgrade Type	Recommend	Board Vote
Morgan Clary	CG	Yes	Yes

Joshua Misener	Licensed	Yes	Yes
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Ms. Francie Mello

Name	Upgrade Type	Recommend	Board Vote
Amanda Whitaker	CG	Yes	Yes

Mr. Nelson Pratt

Name	Upgrade Type	Recommend	Board Vote
Brittnye Horton	CR	Yes	Yes

Ms. Sandra Tuck

Name	Upgrade Type	Recommend	Board Vote
Sean Mello	Licensed	Yes	Yes
Sarah Monsarrat	CR	Yes	Yes

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

EDUCATION REPORT

Course Provider	Course Number	Course Name	Instructor(s)	Type	Hours	Recommendation
AL/MS Chapter of Appraiser Institute	2831	Conversation Easements: 2024 Updates on Legal, Appraisals, Accounting, & Ethical	Multiple	CE	5	Approve
TN Chapter of Appraisal Institute	2833	Fall Real Estate Symposium	Multiple	CE	7	Approve
GA Appraiser School	2835	Bias and Prejudice- What the Appraiser Needs to Know	Smithmyer	CE	7	Approve
AL/MS Chapter of Appraiser Institute	2841	Discussions on Writing Client & Reviewer Friendly Reports	Tillman	CE	3	Approve

Appraiser eLearning	2842	Online CARR: 4 Steps to a Great Appraisal	Anderson	CE	4	Approve
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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 briefed the budget report summarizing recent months of record, noting items under expenditures. Director Kopchak noted the ASC registry and program legal fees, admin salaries like legislative liaisons, Centralized Services Team (CST) which provides a support function, and leadership specific to the Division. Director Kopchak further noted that the board is tracking towards surplus and adding to the overall reserve.

FALL AARO CONFERENCE UPDATE

Francie Mello provided an update on the Fall AARO conference that was held October 28-30, 2024, in Boston, MA. She highlighted the discussion surrounding the potential regulation and licensing of property inspectors. In addition, Dr. Mark Sunderman and Heidi Overstreet related that briefings were also provided on the personal impact of the disciplinary process on appraisers under investigation, artificial intelligence (AI), cybersecurity, and the new AQB criteria regarding "Valuation Bias and Fair Housing" (VB-FH).

LEGAL

(Presented by Taylor Hilton)

Legal Report

1. 2024049781

Opened: 10/7/2024

First Licensed: 7/1/2011

Expires: 7/31/2025

License Type: Appraisal Management Company

History: None

Complainant states despite canceling their appraisal with Respondent, they were nevertheless billed "nearly 50%" of the appraisal fee. Complainant alleges when they asked for an itemized invoice, Respondent informed Complainant there would be an additional Five Hundred and Fifty Dollars (\$550.00) an hour charge for the time it took to itemize the fees.

The response explains Complainant expressed to Respondent that they mistakenly filed their complaint against Respondent, an AMC, rather than the appraiser as originally intended. Counsel confirmed with Complainant that Respondent was not the intended party. Further, this matter appears to be a billing issue, which is outside the scope of the Commission's jurisdiction. As such, Counsel recommends closure.

Recommendation: Close.

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

2. 2024048991

Opened: 9/30/2024

First Licensed: 6/14/2021

Expires: 6/13/2025

License Type: Certified Residential Real Estate Appraiser

History: None

Complainant alleges on July 23, 2024, Respondent came to appraise Complainant's property for a potential purchaser. Complainant states, however, that the deal later "fell through." Complainant explains that another contract was then "drawn up" and alleges Respondent subsequently resubmitted the same report on August 19, 2024, without reappraising the property. Complainant alleges Respondent did not come back to observe if there had been any changes to the property.

The response explains that on July 18, 2024, an order was assigned to Respondent for Complainant's property by Respondent's client (hereinafter "client"). Respondent states the report was submitted on July 23, 2024, and the first revision request was received the same day. Respondent explains that the client requested the effective date and date of the contract to be added to the report. Respondent states after the first revised report was submitted, the client submitted a second request to change the condition and quality ratings to standard (UAD) definitions. Respondent advises this change was made and the report was resubmitted on July 24, 2024.

Respondent explains that the only occasions they have been contacted by the client regarding the appraisal in question are the aforementioned revision requests. Respondent asserts the report was submitted a total of three (3) times to the client, the first being the initial submission and the following times being after the revision requests. Respondent states they only visited the subject property on July 23, 2024, as the only time a full appraisal was requested.

Counsel requested an expert review. The expert determined there were no observations

that reflected non-compliance with 2024 USPAP Standards. The expert further found there was no evidence provided to substantiate the allegations in the complaint. As such, Counsel recommends closure.

Recommendation: Close.

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

3. 2024030701

Opened: 7/15/2024

First Licensed: 4/26/2019

Expires: 4/25/2025

Type of License: Appraisal Management Company

History: None

Complainant, a mortgage company, filed this complaint against Respondent, an appraisal management company. Complainant advises they are no longer doing business with Respondent after a noncompliance issue.

There was no evidence provided to establish Respondent violated the Commission's rules and regulations. As such, Counsel recommends closure.

Recommendation: Close.

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

4. 2024043001

Opened: 8/26/2024

First Licensed: 10/13/2005

Expires: 12/31/2025

Type of License: Certified Residential Real Estate Appraiser

History: None

Complainant alleges Respondent failed to note a "big hole" in the roof of the subject property. Further, Complainant alleges Respondent did not report any of the water damage in the ceilings or that the home had black mold. Complainant further alleges Respondent sent a trainee to appraise the property.

Respondent states the subject property and all comparable properties used in the appraisal were determined to be in average overall condition for homes of similar age in the market area. Respondent explains this assessment was made following a visual observation of readily accessible areas during the site visit.

Respondent explains in an attempt to ensure all parties understood the limitations of the appraisal, they included the following disclaimers in the report:

"1. Assumptions Regarding Property Condition: It is assumed that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and built-in appliances are in good working condition; and that all electrical components and the roofing are in good condition."

"2. Appraisal Is Not a Home Inspection: The appraiser is not a home inspector, and the appraisal report is not a home inspection. The appraiser only performed a visual observation of readily accessible areas, and the appraisal report cannot be relied upon to disclose conditions and/or defects in the property. An inspection by an appraiser is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, home inspector, or art conservator)."

Respondent states the evaluation was based solely on a visual inspection and did not include an in-depth analysis of hidden or unapparent issues, which would typically require a professional home inspection. Further, Respondent explains that they had a licensed trainee who has completed over Five Hundred (500) hours of experience and has a signed Five 4 Hundred (500) Hour Affidavit to conduct the site visit. Respondent states a full disclosure of this delegation was included in the report.

Counsel requested an expert review. The expert's review established that the only violation in the report was under the Highest and Best Use Section. The expert explained that while Respondent reported an opinion for the Highest and Best Use, Respondent nevertheless failed to provide the necessary summary of the support and rationale for that opinion as required by USPAP SR 2-2(a)(xii). However, the expert notes that this example of non-compliance with USPAP is not considered egregious and did not undermine the credibility of the value estimate.

Accordingly, Counsel recommends closing this complaint with a Letter of Instruction pertaining to USPAP SR 2-2(a)(xii).

Recommendation: Letter of Instruction pertaining to USPAP SR 2-2(a)(xii).

Commission Decision: The Commission voted to issue a Letter of Instruction to Respondent pertaining to USPAP SR 2-2(a)(xii). Further, the Commission voted to include a recommendation for Respondent to complete a Continuing Education course pertaining to property inspection.

Opened: 8/12/2024

First Licensed: 12/18/2002

Expires: 1/12/2025

Type of License: Certified Residential Real Estate Appraiser

History: None

Complainant alleges they have experienced harm due to Respondent's deceptive practices. Specifically, Complainant contends they are now experiencing bias from their lender due to the inclusion of the term "assume" in Respondent's report. Complainant states they do not believe there is "room in any professional atmosphere" for the term "assume."

Counsel requested an expert review. The expert determined the complaint to be without merit, and Respondent's appraisal report to be compliant with USPAP. The expert's review established that the only violation in the report was under the Highest and Best Use Section. The expert explained that while Respondent reported an opinion for the Highest and Best Use, Respondent nevertheless failed to provide the necessary summary of the support and rationale for that opinion as required by USPAP SR 2-2(a)(xii). However, the expert notes that this example of non-compliance with USPAP is not considered egregious and did not undermine the credibility of the value estimate.

Accordingly, Counsel recommends closing this complaint with a Letter of Instruction pertaining to USPAP SR 2-2(a)(xii).

Recommendation: Letter of Instruction pertaining to USPAP SR 2-2(a)(xii).

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

6. 2024030221

Opened: 6/24/2024

First Licensed: 5/3/1999

Expires: 1/31/2026

Type of License: Certified Residential Real Estate Appraiser

History: 2011 Agreed Order for allegedly over valuing a residential property; 2011 Agreed Order for allegedly over valuing a residential property; 2011 Agreed Order for allegedly over valuing a residential property; 2011 Agreed Order for allegedly over valuing a residential property; 2011 Consent Order for allegedly over valuing a residential property; 2022 Consent Order for USPAP violations

Complainant alleges they observed multiple USPAP violations while reviewing Respondent's appraisal report.

Respondent states they believe the report was supported by the available market information. Respondent expresses that they did not intentionally omit any required information in their report.

Counsel requested an expert review. The expert found there was a missing analysis in the Neighborhood Section, in violation of USPAP Standard 2-1(b). Further, the expert reviewer found while Respondent reported an opinion of the subject's Highest and Best use, they failed to provide the necessary summary of the support and rationale for that opinion, as required by USPAP SR 2-2(a)(xii). However, the expert notes that this example of non-compliance with USPAP is not considered egregious and did not undermine the credibility of the value estimate.

Under the Subject Sales History Section, the expert determined Respondent violated USPAP Standards 1-5(b), 2-1(b), and 2-2 (a)(x)(5) by failing to properly denote that the subject property had two transactions on the same day. The expert review explains Respondent labeled both transactions as "normal sales" but failed to provide the necessary details to support the claim and allow the intended users to understand the report.

Under the Reconciliation Section, the expert found Respondent's analysis fell short of the requirements in USPAP Standards 1-6(a & b). Specifically, the expert noted the analysis consisted of only the following "[t]he Cost Approach is completed on form, and normally represents the upper end of the value range (best utilized in new construction)." Finally, in the Income Approach Section, the expert determined that while an income approach was developed, no summary of the information analyzed was contained in the appraisal report. This reflects a violation of USPAP SR 2-2(a)(x)(5).

Recommendation: Discuss.

Commission Decision: The Commission voted to authorize a Formal Hearing with the authority to settle via Consent Order requiring Respondent to complete the following Corrective Education Courses: The Four (4) Hour Course "Missing Explanations," the Four (4) Hour Course "Ethics, Competency, and Negligence," and the Four (4) Hour Course "Residential Report Writing vs. Form Filling." These are to be completed within One Hundred and Eighty (180) days of the execution of the Consent Order and will not count toward licensure renewal requirements.

7. 2024037261

Opened: 8/12/2024

First Licensed: 5/16/2022

Expires: 5/15/2024 (Expired)

Type of License: Appraisal Management Company

History: None

The Commission administratively opened this complaint after Respondent failed to submit their annual AMC National Registry Panel Report for their 2023 calendar year transactions.

Respondent failed to answer the complaint and appears to no longer hold an active license. However, Respondent provided no information to establish that they were closed for the entire calendar year of 2023. If opened for any portion of a previous calendar year, an AMC is required to report any covered transactions.

Therefore, Counsel recommends authorizing issuing a Letter of Caution, allowing Respondent thirty (30) days to complete their Tennessee AMC National Registry Panel Report. However, if Respondent does not comply within thirty (30) days, Counsel recommends authorizing the issuing of 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, allowing Respondent thirty (30) days to complete their Tennessee AMC National Registry Panel Report. However, if Respondent does not comply within thirty (30) days, Counsel recommends authorizing the issuing of 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.

New Information: The previously authorized Letter of Caution was sent to Respondent via certified mail and email, both of which came back as undeliverable. As such, Counsel has been unable to contact Respondent. Further, Respondent is no longer operating in the state of Tennessee. Accordingly, Counsel recommends closing and flagging this complaint.

New Recommendation: Close and flag.

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

8. 2024036811

Opened: 8/12/2024

First Licensed: 2/23/2015

Expires: 2/22/2025

Type of License: Appraisal Management Company

History: None

The Commission administratively opened this complaint after Respondent failed to submit their annual AMC National Registry Panel Report for their 2023 calendar year transactions.

Respondent failed to answer the complaint and appears to no longer hold an active license. However, Respondent provided no information to establish that they were closed for the entire calendar year of 2023. If opened for any portion of a previous calendar year, an AMC is required to report any covered transactions.

Therefore, Counsel recommends authorizing issuing a Letter of Caution, allowing Respondent thirty (30) days to complete their Tennessee AMC National Registry Panel Report. However, if Respondent does not comply within thirty (30) days, Counsel recommends authorizing the issuing of 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, allowing Respondent thirty (30) days to complete their Tennessee AMC National Registry Panel Report. However, if Respondent does not comply within thirty (30) days, Counsel recommends authorizing the issuing of 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.

New Information: The previously authorized Letter of Caution was sent to Respondent via certified mail and email, both of which came back as undeliverable. As such, Counsel has been unable to contact Respondent. Further, Respondent is no longer operating in the state of Tennessee. Accordingly, Counsel recommends closing and flagging this complaint.

New Recommendation: Close and flag.

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

NEW BUSINESS

There were no additional topics discussed.

PUBLIC COMMENT PERIOD RELATED TO ITEMS ON THE AGENDA

There were no comments from the public.

ADJOURNMENT

The meeting adjourned at 10:10 a.m.