



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

**Board Meeting Minutes for January 11, 2017
First Floor Conference Room 1-B
Davy Crockett Tower**

The Tennessee Real Estate Appraiser Commission met on January 11, 2017 in the first floor conference room 1-B of Davy Crockett Tower in Nashville, Tennessee. The following business was transacted:

BOARD MEMBERS PRESENT: Randall Thomas, Rex Garrison, Rosemarie Johnson, Mark Johnstone, Eric Collinsworth, Timothy Walton

BOARD MEMBERS ABSENT: Dr. Warren F. Mackara

STAFF MEMBERS PRESENT: Roxana Gumucio, Sarah Mathews, Glenn Kopchak

ROLL CALL/NOTICE OF MEETING

Mr. Thomas, newly elected chair, called the meeting to order at 10:06 am. Director Roxana Gumucio took roll among those present, establishing a quorum.

AGENDA

Mr. Walton motioned to adopt the day's agenda as written. This was seconded by Mr. Collinsworth. The motion carried by unanimous vote.

MINUTES

Mr. Garrison made a motion to adopt the minutes from the November 14, 2016 meeting as written, which Mr. Walton seconded. Before the vote was carried, Mr. Collinsworth noticed he had been left off the "board members present" section despite attending and asked that the motion be amended to include that pending edit. The motion carried by unanimous vote.

EXPERIENCE REVIEWS

Mr. Garrison recapped his interview with Mr. Nesbit Harris, seeking an upgrade from Certified Residential to Certified General. Mr. Garrison noted the unique circumstances of Mr. Harris' reports. Significant time had passed since Mr. Harris had originally filed reports, having taken another job in the interim, and his original supervisor had recently passed away. Mr. Garrison recommended that he submit some updated reports for review, with an emphasis on narrative writing. No vote was necessary to accept this recommendation.

EDUCATION REPORT

Director Gumucio read a statement from Dr. Mackara and introduced the courses recommended for approval in his absence. Mr. Thomas made a motion to accept Dr. Mackara's recommendations, which Ms. Johnstone seconded. The motion carried unanimously.

DIRECTOR'S REPORT

Director Gumucio took a moment to acknowledge the passing of Norman Hall. Mr. Hall had been an invaluable member of the Commission for many years, and his presence would be sorely missed. Director Gumucio gave the Commission a projected budget and list of expenditures, then introduced the members of the Appraisal Subcommittee that were present for the federal audit.

Jim Park and Jenny Tidwell, representing the Appraisal Subcommittee, gave a brief overview of the current work of the ASC and the results of the current compliance review. Commission members had a chance to ask questions relating to the national database, disciplinary action, and future challenges for the profession.

After a brief break, Sarah Mathews recommended re-adopting Robert's Rules of Order for the 2017 meetings. Mr. Johnstone made a motion to adopt the most recent version of the rules, which Mr. Garrison seconded. The motion passed unanimously.

Director Gumucio then informed the Commission about the AARO conference coming up in April. Mr. Garrison and Mr. Thomas, as the Commission's new officers, agreed to travel there. Mr. Johnstone said he would be willing to go, but would need to check his schedule before committing.

LEGAL REPORT

1. 2016000191 – RE-PRESENT

Licensing History: Certified General Appraiser 6/30/2009 – 6/30/2017

Disciplinary History: None.

This is a re-presentation from the May 2015 meeting:

This complaint was filed by TREAC Administrative Office based on a final order that was ordered by the NC Appraiser Board. According to Rule 1255-06-.01(5), if a licensee or certificate holder's out-of-state real estate appraiser license or certificate has been revoked, suspended, denied renewal or restricted, then the Commission may revoke, suspend, refuse to renew, or restrict the licensees or certificate holders State of Tennessee real estate appraiser license or certificate.

Respondent received a final order by the NC Appraiser Board for violations of the NC Appraiser statutes which hold Respondent made willful misrepresentations on his reports by indicating that Respondent had inspected the subject properties when Respondent did not do so. Additionally, Respondent violated the Ethics Rule of USPAP when Respondent communicated appraisal reports that Respondent knew were misleading.

Reasoning and Recommendation: *The Respondent has filed an appeal in North Carolina. If the*

*NC Appraiser Board's order is upheld, the Respondent's license will be suspended for a period of three (3) years in North Carolina. **Counsel recommends that the Commission discuss how we should proceed with this matter.***

Decision: *The Commission voted to place this complaint on litigation monitoring pending the outcome of the current North Carolina appeal.*

New Information: We received a letter from the Respondent's attorney stating that the issue with the North Carolina Appraisal Board has been resolved favorably for the Respondent. Respondent has been fully reinstated in North Carolina.

Additionally, included with the letter was a letter of good standing from the North Carolina Appraisal Board on behalf of the Respondent dated October 17, 2016. This included a copy of the North Carolina Appraisal Board Consent Order, which states in pertinent part: "All prior Findings of Fact, Conclusions of Law, and Orders in this matter are hereby REPEALED, and DECLARED NULL AND VOID, including, without limitation, the original Findings of Fact, Conclusions of Law, and Order, entered September 23, 2015 and the Amended Findings of Fact, Conclusions of Law, and Order, entered September 24, 2015."

New Reasoning and Recommendation: Counsel recommends this matter be dismissed.

DECISION: The Commission voted to accept the recommendation of legal counsel.

2. 2016043261 - INFORMAL CONFERENCE

Licensing History:

Disciplinary History: 2015004771 Closed with Consent Order (**\$2500 Civil Penalty, 15 hr.**

USPAP and 30 hr. Basic Appraisal)

2013017581 Closed with Consent Order (**\$1000 Civil Penalty, Education Courses)**

The following was presented at the November 2016 meeting:

This complaint was filed by a real estate agent and alleged that the Respondent undervalued a new construction house by using inappropriate comparable sales data. Complainant alleges that he approached a bank to attain a construction loan for three (3) new homes in Nashville and Respondent was asked by the bank to do the appraisal for the new homes to be constructed. Respondent appraised the three (3) new homes at a value of \$350,000. Complainant felt the appraisal was fifteen (15%) percent low and asked the bank to contact the Respondent. Complainant alleges that Respondent sent the following response to the bank: "This has been complete for over a month, if there were specific comps anyone involved wanted considered – they should have been provided prior to completion of report. With acquisition at \$300k & 3 builds at \$615k collectively, this is worst case to leave the builder \$153k profit – it seems

a bit greedy to ask for more on first transaction. Sell one at \$350k, and then get an appraisal on next one for what the sales price of first one is for most specific results. I don't plan to grid or consider further comps, I'm familiar with the area & the similar rehabs going on – in this square footage range being proposed, \$350k seems generous. Can't wait to see 3 houses on this single lot, hope the neighbors like each other. Please clear this & have anyone providing comps that is not an appraiser to provide them on the front side of the deal prior to completion."

Complainant alleges that based on this response to the bank, he believes the Respondent has allowed his personal beliefs and assumptions to affect this appraisal. Complainant states he looked up comparable sales and found over seventeen (17) new houses that have sold in the past six (6) months and over thirty that have closed in the past year that are closer to the subject property than any of sales used by Respondent in his appraisal. Complainant sent those comparables to the bank. Complainant believes that Respondent passed over numerous comparable homes while appraising the property and allowed his personal feelings towards residential developers to cloud his judgment.

REVIEWER CONCLUSIONS [alleged violations included within brackets]. *Respondent's responses are in italics.*

Site Value:

- An opinion of site value was provided in the cost approach. However, there are no land sales or extraction/allocation techniques provided in the report or in the workfile to support the site value opinion of \$60,000. There is no summary of support and no reconciliation of data to support any site value at all. [SR 2-1(b); SR 2-2(a)(viii); Record Keeping Rule, Line 321].*
- Respondent's opinion of site value \$60,000 or 1/3 of site value present overall where 3 HPR structures were to be erected. Site sale stated \$160,000 for a smaller lot, therefore reasonable to make the connection that our subject site value would be 1/3 value of site sale and was slightly higher since subject site was larger than sale provided. **Respondent states that although it was not explained directly, it is reasonable to assume this conclusion could easily be drawn from site value provided within report at time of submission.***

Sales Comparison Approach:

- Adjustments were made in the sales grid for GLA, bath count, fence and porches. No adjustments were made for market conditions (time), but the report indicates that property values are increasing. Some type of explanation is required for not making the adjustment. No support was found in the report or workfile for these adjustments. [SR 2-2(a)(viii); Record Keeping Rule, Line 321].*
- Respondent stated that adjustments provided, although had minimal impact on report overall - the following statement was taken from under 2nd page of comparables:*

o PAIRED SALES ANALYSIS AND MARKET EXTRACTION METHOD WERE USED TO FORM AN OPINION OF ADJUSTMENTS WITHIN THE REPORT AS INDICATED BY THE MARKET. SQUARE FOOTAGE ADJUSTMENT MADE AT \$75 PER FOOT, GARAGE ADJUSTMENT MADE AT \$5000 PER BAY, BATHROOM ADJUSTMENT MADE AT \$2500 PER HALF BATH DIFFERENCE, PORCH/FIREPLACE/BALCONY ADJUSTMENTS MADE AT \$1500 PER, DECK/PATIO/STORAGE BUILDINGS/FENCE/IRRIGATION ADJUSTMENTS MADE AT \$1000 PER, SECURITY SYSTEM/CENTRAL VAC/STOOP ADJUSTED AT \$500.

- *Adjustment for square footage was adjusted at roughly half of average sale per foot. The rest of adjustments taken from market extraction and again had very little impact overall on assignment due to very similar property types within close proximity to subject. Time adjustments were not applicable as all market data provided had sold within 90 days from date of appraisal - page 1 marked as increasing as sales have been trending upwards in the area for well over a year by time of appraisal perhaps as long as 2.*

Reconciliation:

- *There were four (4) sales and two (2) listings used in the analysis with a wide range of adjusted values (\$349,000-\$387,000), with the final value opinion at the low end at \$350,000. There was no explanation provided as to why the property was appraised for this value. [SR 1-6(a) & (b); SR 2- 2(a)(viii), Line 734-736].*
 - *Respondent states that on the 2nd page of comparables there was a paragraph that was not complete, but would have stated that comparables 1-2 were shown the most weight since they were the most similar in location, square footage, amenities, etc.*
 - *Respondent states this is pretty clear upon review of report that 3-4 had to be adjusted much more since more difference in square footage and amenities.*
 - *Respondent's opinion of value is on the lower side of range is just that - appraiser's OPINION just like the reviewer's opinion was that this was on the low side of the range.*
 - *Respondent agrees this was on the low side of the range and should have been addressed and described better at time of submission, although due to comp distances not being much closer it is also pretty clear this property was being purchased in the middle of an area that has had this type of tear down & rebuild of multiple units but not within the immediate 0.5 miles which would have given appraiser a more clear direction on what the property may bring once complete. There is a better marketing area just over the interstate & some of this property changes acquired within the subject subdivision although nothing in the immediate vicinity to indicate that the value would be any higher than Comps 1-2 and since there was no precedence within this immediate area it is safe to assume this price may not even be able to be obtained once 6 months transpires between evacuating tenants, tearing down existing home, and erecting even 1 of the properties which in appraiser's opinion had minimal amenities and minimal use of yard - although most likely maximally productive financially considering other areas moving this way - no one had yet to move to this area and do this which was the appraiser's point and why the value opinion was where it was.*

Market Analysis:

- *The appraisal report indicates the following market analysis conclusions: property values are stable, supply and demand is in balance, and marketing time is 3 - 6 months. There is no support for these conclusions in the report or in the workfile. [SR 2-2(a)(viii); Record Keeping Rule, Line 321].*
 - *"REASONABLE EXPOSURE TIME FOR THE SUBJECT IS ESTIMATED AT 140 DAYS BASED ON THE MOST RECENT SALES AND THE CURRENT APPLICABLE LISTINGS*

AVAILABLE AT TIME OF APPRAISAL.”

- Respondent states this explanation was taken from middle of page 3 and was the appraiser's opinion of reasonable exposure time. Respondent was not aware that further explanation was needed to be explained or further supported, but all market data within report sold from 15-193 days and was reasonable to appraiser that this property type being readily available within other areas of this market are either selling very quickly or selling in at or just over 6 months, which based on location was appraiser's opinion concerning this matter.

Highest & Best Use:

- Opinion of site value is provided in the cost approach of the report, but there is no opinion given for highest and best use of the site as-vacant. The opinion of site value is an opinion of market value which requires an opinion of highest and best use. **[SR 1-3(b)]**.
 - Respondent stated that while a specific comment or commentary was not included within the report, on a speculative proposed type construction transaction it is in appraiser's opinion it is assumed the highest & best use would be the new use or else the assignment would be declined or marked as different from proposed highest & best use, either way the file would have been done at that point with the lender.
 - This was a speculation loan, in appraiser's opinion, highest & best use it the use being changed to or else no point in the assignment.
 - Appraiser does have this comment which is typically provided in all reports but not sure it would have been on this one given all the speculation: Relevant legal, physical, and economic factors were analyzed to the extent necessary and resulted in a conclusion that the current use of the subject property is the highest and best use [USPAP – Standards Rule 2-2(b)(x)]. - appraiser doesn't feel this comment would have been applicable on this file in particular since proposed....

Comparable Sales:

- The reviewer did a search for comparable sales in the subject's market area and found the following sales occurred within six (6) months of the appraiser's effective appraisal date. These comparables were between 1950 and 2300 sq. ft., and were new homes similar to the subject. One sold for \$315,000, another for \$345,000 and 14 sold between \$365,000 and \$420,000. The three (3) closest in proximity to the subject sold for \$370,000, \$415,000 and \$416,553, respectively.
- Based on the above research, it is the reviewer's opinion that at a minimum the appraiser should have made a greater effort to explain the rationale for his comparable selection and why sales closer in proximity to the subject were not used. **[SR 1-4(a); SR 1-6(a); SR 2-2(a), Line 728-733]**.
 - Respondent provided an opinion of value, lender closed said loan with no stipulation, borrower upset they had to bring an additional amount of money to the table - everyone is an expert at picking comparables after the fact. If there were closer comps not used, they were less applicable as having GARAGE, superior location, or superior amenities and still doesn't change appraiser's opinion of value even if review doesn't feel it was correct - that is

only the reviewer's opinion as well.

Reviewer's Conclusions:

- *Based on the reviewer's analysis of the original appraisal report and the revised appraisal reports, the review appraiser concludes that the quality of the appraisers work under review is deficient in its compliance with USPAP and therefore the credibility of the assignments results is impaired due to the type and extent of non-compliance.*

Reasoning and Recommendation: *Counsel recommends the authorization of a civil penalty in the amount of **One Thousand Dollars (\$1,000)** to be satisfied within thirty (30) days of execution of the Consent Order and **thirty (30) 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. Such terms are to be settled by Consent Order or Formal Hearing.*

DECISION: *The Commission voted to postpone making a decision until an informal conference with the Respondent has been conducted.*

New Information/Facts from Informal Conference with Respondent:

An informal conference was conducted with the Respondent, Director Gumucio, Commissioner Tankersley and I on December 1, 2016. During that conference, Respondent explained the following:

- Complainant in this complaint was the borrower, developer and real estate agent. Additionally, most of the correspondence in the complaint and threatening language by the Complainant occurred after the loan had closed.
- Respondent was hired to perform one appraisal even though the bank intended to use the appraisal to make individual construction loans on 3 different properties with identical improvements.
- Respondent thought it best to err on the lower side of value due to very few amenities, including, but not limited to: no parking and the location. (He was also concerned about the low budgeted cost of construction.)
- Approximately five (5) weeks after Respondent turned in the appraisal, the Complainant sent him a list of 30 comparable sales to review. Respondent explained that this made him feel disrespected.
- Respondent found out after the fact, that all of the communication from the Complainant occurred after loan had closed. Complainant sent the Respondent emails threatening to turn him in and pressuring him to raise the value. Respondent told Complainant he needed to go through the lender.
- Respondent admitted that looking back he did not add detailed descriptions on certain things and will do so going forward.
- Respondent admitted he was pushed to his limit by the Complainant and lost his cool with the Complainant over email exchange and apologized for that.

Respondent explained his prior complaints and stated that the courses required were very beneficial and he has made changes to his appraisals based on those complaints and courses.

In addition, Commissioner Tankersley noted from reviewing the report and all data, in regard

to the violations listed under 'Market Analysis' that Respondent did state the time on market and that he did explain the adjustments (which were logical and credible), but not how he got to those adjustments (aka – didn't show the math). The time on market and price increase was shown on the MC Addendum and Commissioner Tankersley believes that due to placement of the MC Addendum in the appraisal report packet that it was overlooked by the Reviewer.

New Reasoning and Recommendation: After speaking with the Respondent and hearing his side, it appears this complaint was filed as a personal attack/vendetta against the Respondent and was frivolous. Counsel recommends the authorization of a **Letter of Warning**, which should specifically state a list of classes that the Respondent could take (Commissioner Tankersley suggested the following: Advanced Report Writing, Supporting and Documenting Adjustments, FIRREA Requirements, Common Errors, the Dirty Dozen, etc.), in order to better himself as an appraiser.

DECISION: The Commission voted to accept the recommendation of legal counsel.

3. 2016043301

Licensing History: Certified Residential Appraiser 9/24/2003 – 4/30/2017
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent undervalued his property. Complainant alleged that Respondent conducted an appraisal review on the property on May 6, 2016 and the appraised value was \$70,000 less than the market appraisal used for tax purposes and two (2) other appraisals written on the property. Complainant requested the Respondent reconsider the appraisal, stating the following reasons: (1) too much variance between the assigned value and three other written indicators of value; (2) used wrong comparison sales which were not located in subject property's subdivision nor in neighborhood and were not characteristic of the property; and (3) failed to use comparison sales of two homes that had sold recently within 500 feet of the subject property and one other home that had sold recently within the same subdivision and had been used a comparison sale when the subject property was purchased in 2003. Additionally, Complainant had an independent appraiser, unaware of the situation, appraisal the subject property on May 16, 2016. This appraisal report showed the value of the property at \$255,000, which is \$87,000 more than Respondent's assigned value.

In addition the Complainant listed the following in support of their complaint (in bold). Also included are the Respondent's responses below in italics.

- **Variance in appraisal report by Respondent shows negative difference in value of property greater than a "generous" margin of error (+/- 10%). Complainant alleges the report is not at all reflective of the other three appraised values nor is it in lien with the tax assessed market value.**
 - *Respondent states that the report is from 2003, he has no response since he has no copies of those reports and it has no bearing to this appraisal report.*
- **Respondent's appraisal report based on Sales Comparisons not in subject property subdivision and not characteristic of subject property neighborhood. Complainant states the homes selected were located in areas that allow**

mobile homes, stores, bars and the like, rather than residential single-family construction

- *Complainant's listed three sales in the complaint that they said Respondent should have used. Respondent state that one was not comparable, a second was a different style of home and the third he considered for a comparable himself but after requesting the information he chose to exclude it.*
- **Respondent failed to exercise due diligence by using three (3) sales comparisons located in very close proximity to subject property, all three being in the same subdivision and two of them within few hundred feet of subject.**
- **Respondent failed to exercise due diligence by adequately studying the neighborhoods and subdivisions in the town.**
 - *Respondent stated that he knows the market in the area very well, his coverage is only 6 counties and last month alone 1/3 of all his appraisal assignments were in that county. Respondent believes that due to his adjustments, it is clear that he understands the market area in and around the county.*
 - *Respondent states all sales are in the same middle school and high school districts as the subject property.*
 - *Respondent states he did receive one additional comparable from the Complainant and after reviewing it, it was added to his report. As far as the Respondent knows he did not receive any other request.*
- **Similar properties currently on the market in the subdivision and neighborhood show sales prices of \$239,900 and \$499,000. Complainant states that the subdivision is one of the most sought after neighborhoods in the area because of its characteristics and schools that service children.**
- **Respondent contradicts himself in his own report, casting serious doubts as to the integrity of the document as a whole. Respondent's effort to use suitable sales comparisons is a serious flaw in his appraisal process.**
 - *Respondent believes what they are referring to is simply the Complainant's not knowing how to read an appraisal report. Respondent believes it is in regard to when he stated "no updates in past 15 years and then I go on to mention updates" – this is the UAD format, no updates is referring only to NO updates to the kitchen and bathrooms.*
 - *Respondent states he did not contradict himself in the reporting of the updates in the home. The updates noted in the report were the only ones he was told about while he was there.*

In additional, Respondent stated that the value of the appraisal was based on the condition of the home on the day of the appraisal (May 6, 2016). With regards to the other appraisals that were completed, the Respondent stated that unless they were done on the same day, there was no way the home was in the same condition as it was on the day he was there.

Respondent states that Complainant was at the home doing some cleaning and repairs on the home and he is sure that some clean up would make quite a bit of difference. Also the Respondent stated that appraisers must know the intended use of the appraisal and when the other appraisers were called out to appraise the property, were they told why.

Complainant responded to Respondent's response, stating the home has never been rented

and that Complainant and her spouse have only been out of the home for 10 months. Complainant additionally states that no appraisals or appraised values were shared among appraisers.

REVIEWER CONCLUSIONS [alleged violations included within brackets]: *Respondent's responses are in italics.*

Sales Comparison Approach:

- The development and reporting of market value via the utilization of comparable sales appears to be reasonable; however, the comparable sale section is called into question and deemed inappropriate for the subject.
- 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 subjects characteristics and best reflect the subjects overall market utility. Thereby, leading to the value concluded in the Sales Comparison Approach not being appropriate and reasonable given the analysis and available data. **[SR 1-1(b)].**

Respondent stated that he respects the opinions on the sales that were used or not used and that the Reviewer is correct. In that the sales are not the most recent and are not the closest in proximity to the subject. Respondent states that he did note in his report that the best comparable sales are not always the most recent or the closest to the subject and that is the case with this property. Respondent states the comparable sales closest to the subject, were in his opinion, far too superior in overall condition to be considered as a true comparable sale and thus he felt the sales he used were better comparables. Respondent states that the comparables used were the best indicators of the market value for the subject property in its current condition.

Highest & Best Use:

- The appraisal report indicates an opinion of highest and best use was developed by the appraiser; however, no discussion of highest and best that adequately summaries the support and rationale for the opinion is presented.
 - The box on the URAR is checked, indicating that the present use as improved is the highest and best use and a very brief, one sentence statement is given indicating the subject's present use is considered to be its highest and best use; however, no statement or summary is given.
 - Additionally, there is no detail given regarding the analysis, support or rationale for the highest and best use of the site as vacant or arriving at the highest and best use as improved opinion.
- Even when a property is improved and there is no separation valuation of the land as though vacant, the highest and best of the site as though vacant is relevant to the analysis as improved. **[SR 2-2(a)(x)].**

Respondent states that in regards to his upcoming reports, Respondent will be adding more comments in his appraisals to better address the Highest & Best Use of the subject property and will ensure to address the issues noted above.

Reviewer's Conclusions:

- Reviewer finds the appraisal to be deemed satisfactory in that the general appraisal practices and procedures were followed with some minor deviation.
- However, as stated, the comparable sales are not deemed appropriate and reasonable to accurately reflect the subject's market value; therefore, the opinion of market value is judged to not be adequately and properly supported.

Reasoning and Recommendation: Counsel recommends a **Letter of Instruction** with regards to the above-referenced USPAP violations.

DECISION: The Commission voted to accept the recommendation of

legal counsel. 4. 2016053011

Licensing History: Certified Residential Appraiser **08/25/2004 – 03/31/2018**
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property by using wrong comparable sales data. Complainant alleges that the Respondent inspected the property on August 11, 2016 and the appraisal was completed on August 22, 2016. A reconsideration of value request was submitted on August 23rd and a revised appraisal was received on August 24th. The appraised value of the property was \$157,000 and the Respondent used three (3) comparable sales on the report. All three (3) were from last year between nine (9) and eleven (11) months ago. In the reconsideration of value request, the listing agent provided more recent comparable sales that are just as similar as the ones used in the original report, but the Respondent refused to consider the more recent sales provided by the listing agent.

Respondent stated that the appraisal assignment was accepted on 8/11/16 and completed and returned to the management company on 8/17/16, and then a reconsideration of value request was submitted on 8/23/16. Respondent states he used sales from the subject's market area/neighborhood instead of crossing into other markets to find sales, which forced Respondent to use sales that were greater than three (3) months old. Respondent received a call from the selling agent inquiring about the value being low, Respondent explained that the sellers agent needed to follow the guidelines for reconsideration of value and that he should not be speaking to the Respondent directly, and this was also reported to the management company. As for the reconsideration of value, Respondent was sent four (4) sales which he was asked to review and he did, these sales were not used in the report and the reasons were noted in the report.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Reviewer stated the general content of this appraisal appears reasonable as to the basic description as well as sale selection and comparison.

Reasoning and Recommendation: Counsel recommends this matter be dismissed.

DECISION: The Commission voted to accept the recommendation of legal counsel.

5. 2016055631

Licensing History: Certified Residential Appraiser 05/21/2014 – 05/31/2018
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property. Complainant alleges that Respondent failed to use correct comparables in appraising the property. The comparables did not provide a fair purchase of the house, these comparables cost Complainant money.

Respondent did not respond to the complaint, but did respond to the Reviewer's conclusions below.

REVIEWER CONCLUSIONS [alleged violations included within brackets]: *Respondent's responses are in italics.*

Sales Comparison Approach

- Adjustments are made in the sales grid for market conditions, age, condition, GLA, garage and porches/decks. No quantifiable support is found for these adjustments in the report or in the workfile. **[SR 2-2(a)(viii); Record Keeping Rule, Line 319-321].**

Respondent states that the condition adjustments are due to differences in cosmetic items such as granite countertops, interior paint, fixtures, etc. Smaller adjustments such as porches, decks, garage spaces, etc., are often very hard to quantify with a 100% degree of certainty. It is especially difficult when there are limited comparable sales that offer the exact same amenities, or have multiple attributes that are different and all requiring adjustments. When possible, Respondent provides sales that bracket, or mirror, items such as GLA, bathrooms, age, sun rooms, garage spaces, etc. to support his adjustments. Respondent also relies heavily on his past work experience and knowledge of the local market place to assure that adjustments are reasonable.

Reconciliation

- Four sales are used in the analysis with an adjusted value range of \$289,000 - \$330,000. The only statement made in the report to reconcile this difference of almost \$40,000 is "equal emphasis has been placed on all of the sales." There is no attempt to reconcile this wide range of data to explain how the appraiser arrived at the final opinion of \$306,000.

[SR 1-6 (a) & (b); SR 2-2 (a)(viii), line 734-736].

The market trend adjustments were based on the findings that Respondent reported in the 1004mc. Over the past 12 months, the median sales price of comparable properties within the neighborhood increased approximately .08/year or approximately .0066/month. The increase was stable throughout the year; therefore, Respondent adjusted each of the comparable sales based on those findings. Respondent stated that perhaps he could have better explained this in his report. Respondent states with respect to his final opinion of value, Respondent definitely gave consideration to each of the sales, but looking back at the report, it would appear that he gave the most weight to sales 1-3. Respondent states that Sales 1 and 2 due to their close proximity to the subject and sale 3 due to its similar condition and screened deck. Respondent usually provides a more concise reconciliation when his final opinion of value is weighted toward one end of the range, and will do so in the future. Respondent believes that it strengthens his conclusions, and as the reviewer said, "possibly avoids the need for a complaint." Respondent states that he will do whatever is necessary to avoid future complaints.

Reviewer's Conclusions:

- Reviewer stated that failure to support adjustments and failure to provide adequate reconciliation of the adjusted valued of the four comparable sales in the sales comparison approach, weaken the credibility of the assignment results.
- Reviewer stated that proper support and explanation would have strengthened the conclusions and possibly have avoided the need for this complaint.

Respondent once again wants to thank you the Commission for the opportunity to respond. This is as an experience that the Respondent has learned a great deal from. Respondent appreciates the Reviewer's concerns and will certainly keep them in mind. Going forward, Respondent will strive to provide further support, detail, and explanation when preparing reports.

Reasoning and Recommendation: Counsel recommends a **Letter of Instruction** in regards to the above- referenced violations.

DECISION: The Commission voted to accept the recommendation of

legal counsel. 6. 2016056751

Licensing History:	Certified Residential Appraiser	05/29/1992 – 05/29/2018
Disciplinary History:	None.	

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property. Complainant alleges the following:

- Respondent conducted an appraisal on the subject on September 2, 2016.
- Complainant is contesting two (2) of the comps used by Respondent and what Complainant perceives as errors/inaccuracies in the report.
- Report stated the home was one year old, Complainant states this is incorrect. The home was closed on November 15, 2015, which makes the home a little over 9 months old (at time).
- Respondent did not notate the following in the report:
 - Granite countertops in the kitchen and all bathrooms

- Added backsplash in kitchen
- Tile in master bath above shower
- Home water softer system
- Sod in the yard
- Faucets had been updated with 8 inch venetian bronze faucets
- Upgraded hardwood floors on first level – were only noted as “average” in the report.
- Respondent’s inventory analysis of the current home market values in the neighborhood list the prior 4-6 months home values at \$250,640 and list the current to 3 month values at \$269,900. But Respondent stated the trend was “stable.”
- Complainant states that based on the current home values in the area and his comps used from 5/16 – 8/16, there is a substantial increase in home prices just in the three month timeframe alone.
- Complainant believes the Respondent failed to research comparables and current comps in the neighborhood as any reasonable appraiser would have done and to accurately assess and document the upgrades in the home.

Respondent stated in response that the Complainant’s complaint regarding the appraisal was inaccurate based on the Complainant’s perceived errors and/or inaccuracies in the report. Additionally, Respondent stated the following:

- **Complaint questions the integrity and knowledge of the market area.** *Respondent states that the physical location has nothing to do with his knowledge of the market area. Respondent has been appraising property in middle Tennessee 1990.*
- **Inaccurate home description.** *Respondent states this complaint contests the reported age of the house and complains that a description of granite countertops, tile backsplash in the kitchen, a sodded yard, etc. should have been included in the report. The age of the house was reported in rounded years, not exact months, which is acceptable in this market area. The trim out of the house has added nice features, however common for this market. Respondent states it is true that I could have more fully described the property; however, the description in the report is accurate in general terms which is what is expected in summary appraisal report for my client.*
- **Inaccurate market trends.** *The complaint contest that on the form the box was checked “stable” when the prices clearly indicate an increasing market. Respondent states this is true. Respondent failed to mark the correct box on the 1004MC form, but the appraisal report indicates that the subject is in the market with increasing sales prices. The error in checking the box on the form does not hinder the validity of the estimated market value of the subject property.*
- **Comparable sale selection.** *Respondent states all comparables are in the same market area as the subject, very similar in age, construction, quality and amenities.*
- **Suggested comparisons.** *Respondent states that the complaint provides five (5) suggested sales that the Complainant asserts are more accurate comparisons, Respondent states he cannot comment on these sales because no addresses, MLS numbers, sales data or any other identifying information was provided.*
- *Respondent finally states it is not the appraiser’s job to facilitate the loan, but rather to estimate the market value of the property based on what similar properties are selling for. Respondent viewed the property, market area and wrote a report which was*

transmitted to the client. Respondent believes the perceived small errors in the report do not negate the validity of the entire report, nor do they affect the appraised value.

REVIEWER CONCLUSIONS [alleged violations included within brackets]: Sales Comparison Approach

- Selection of Sales. The search criteria is described in the supplemental addendum; although, the description is vague and does not include specific search parameters for size, age or amenities. **[SR 1-1(c); 2-1(a)].**
- On top of the market data grid, the Respondent states there are three comparable sales in the neighborhood ranging from \$249,900 to \$269,900 and no listings. While a more thorough analysis is beyond the scope of this review, a search of MLS data of sales in the subject neighborhood in the last 12 months reflects more sales of which some are likely comparable. Within a range of 20% in size and excluding one outlier on the low end, and one outlier with a larger one-acre lot on the upper end, Reviewer found 24 sales in the subject subdivision constructed from 2006 to 2016 with from 1,848 SF to 2,399 SF with sale prices from \$209,900 to \$269,900. Notably, the sale excluded on the upper end is referenced by the Complainant as being comparable. While the selected sales are reasonably comparable, a more thorough search and an explanation of the reasoning behind the exclusion of some sales found can add validity to the report and support the value opinion. **[SR 1-4(a); 2-2(a)(viii)].**
- In the addendum, Respondent states that the condition of each comparable sale is similar to the subject. While no age or condition adjustment may be warranted or supported, the condition described is inconsistent with that noted in the addendum. **[SR 1-1(c)].**
- Reviewer states that the same adjustment is applied to each comparable when it is likely that a relative adjustment should be considered by more detailed comparison to each. **[SR 2-1(b); 2-2(a)(iii)].**
- Additionally, supporting data was not found in the work file indicating the analysis was not performed. **[SR 1-4(a); Record Keeping Rule, Line 319-321].**

Reconciliation

- The information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analysis, opinions, and conclusions of land value were summarized in the report. The value approaches processed in the appraisal report reflect a 10% +/- value range which supports consistent application of appraisal methods and techniques. The appraiser adequately describes the quality of data found and used in the report but there are inconsistencies regarding quantity and trend as noted earlier. **[SR 1-6].**

Reviewer's Conclusions:

- After review, it is my opinion that the revised appraisal that is the subject of this review is not compliant with USPAP requirements.
- In the reviewer's opinion, the appraisal lacks quantitative analysis and detail. **[SR 2-1(b)].**
- Reviewer states that "across the board adjustments" were made in the sales comparison approach. **[SR 2-1(b); 2-2(a)(iii)].** Also, supporting data was not found

in the work file indicating the analysis was not performed. **[SR 1-4(a); Record Keeping Rule, Line 319-321].**

Respondent states that he is saddened that the Reviewer believes he did not complete the report consistent with USPAP. Respondent states that this assertion mostly centers around the comparable selection analysis and the lack of a written quantitative analysis. Respondent explains that the reviewer states that there are many more sales than those referenced at the top of page 2 of the appraisal report. Respondent states this is correct. The quantitative analysis of the market is completed on every assignment when researching the market for proper comparable sales, including this assignment.

Respondent, and some reviewers Respondent has worked with in the past, believe that it simply "muddies the water" of the analysis and does not lend any more credibility to the final analysis of the value estimate to include this in the report. Thus, this information was left out of the report. However, since Respondent now know that the Commission views this as a violation of USPAP, he will start including a summation of this quantitative analysis in my reports, whether they want it or not.

Respondent states again, thank you for recognizing that he am basically doing a good job and thank you for calling Respondent's attention to an area that needs a little improvement. Respondent will do my best to correct this perceived weakness in my reports as he continues his career as a real estate appraiser.

Reasoning and Recommendation: Counsel recommends the authorization of a **Letter of Warning** in regards to the above-referenced USPAP violations.

DECISION: The Commission authorized a seven (7) hour Sales Comparison Approach course; this course must be completed within one hundred eighty (180) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

7. 2016057431

Licensing History:	Certified Residential Appraiser	07/16/1992 -
07/16/2018 Disciplinary History:	2005011881	Closed with Consent
Order (\$300 Civil Penalty)		
2008014091	Closed with Letter of Warning	

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property. Complainant alleges that Respondent was hired by a mortgage company to do an appraisal. Respondent arrived at the home and was there for less than ten (10) minutes during the appraisal process. Respondent developed an appraisal report for the home's market value. After providing documentation of the prior appraisal being higher and the fact that significant improvements had been made to the home, Respondent told the Complainant's broker that he would re-evaluate his appraisal. Complainant states they waited four (4) business days and finally Respondent responded and refused to reconsider anything.

Respondent states that a thorough inspection of the subject property was performed to

include interior inspection of all rooms, the attic, crawlspace, porch, carport, yard and unfinished storage. The perimeter of the dwelling was measured to determine GLA, as well as the carport and unfinished storage. Respondent states all four corners of the exterior were photographed, as well as all interior rooms, the attic, crawl space and the street scene in both directions. Respondent is not certain how long the inspection took, but it was complete. Respondent states additional sales were suggested for consideration. Respondent reviewed the data and determined that the sales offered were inferior indicators and more distant than the sales analyzed in the appraisal. Additionally, Respondent states these sales offer super age/condition and GLA.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Reviewer states that a cost approach was not processed and not applicable due to age, etc.
- Sales comparison approach is credible.
- Reviewer concludes that the appraisal reviewed appears credible and in conformance with USPAP.

Reasoning and Recommendation: Counsel recommends this matter be dismissed.

DECISION: The Commission voted to accept the recommendation of legal counsel.

8. 2016057481 – Respondent 1

Licensing History: Certified Residential Appraiser 9/23/2004 – 9/30/2018
Disciplinary History: None.

2016057482 – Respondent 2

Licensing History: Appraisal Management Company 10/11/2011 – 10/10/2017
Disciplinary History: None.

This complaint was filed by a consumer against an appraiser (Respondent 1) and an AMC (Respondent 2), alleging that appraisal report must be questioned. Complainant alleged that Respondent 1 performed the appraisal on July 26, 2016, after cancelling the first appointment on July 19 because it was too hot. Complainant has alleged the following issues with the appraisal report completed by Respondent 1:

- Respondent 1 had a sketch which she stated was non-living area. This included the 2-car garage, screened porch, open porch, wood deck, concrete patio and basement. Complaint states that there is no concrete patio at the home and that she is categorizing half the home as non-living with regards to the basement. The home is built on the side of the mountain with 2 levels.
- Respondent 1 stated that sales comparable to the subject were difficult to find and that there were two (2) somewhat comparable.
- All comparables used were on average 40% smaller in terms of square footage.
- The foundation is superior walls and not poured concrete, as stated in the report.

- No value was given to the two (2) heating/cooling units.
- The minimum value for the home should be \$418,800. That is using \$160 per square foot for the upper level and \$80 per square foot for the lower level.

Respondent 1 denies all the allegations outlines in the complaint and states that she never stated that she could complete the appraisal by doing a drive by and taking some photos. Respondent 1 states the following:

- Respondent 1 did not include the square footage in the lower level with the livable square footage of the upper level because the entire back wall of the lower level is below grade and pursuant to industry standards she is not allowed to take that square footage into consideration for livable footage. However, Respondent 1 did place value on the lower level square footage, as a basement.
- Comparables were difficult to find due to the nature of the property. Respondent 1 indicated on the report that one of the comparables had been sold in the 12 months prior, explaining that it had been bought and sold within twelve months against and indicating that it was a comparable once the property had been bought, renovated and then sold.
- Respondent 1 states the Complainant's representative, who was present at inspection, told her the walls were poured concrete. Respondent 1 states that whether the walls are "superior walls" or poured concrete, it does not bring inherently more value to what a buyer would pay for the property.
- Respondent 1 was not obligated to do the cost approach method, but she did do it because she believed it would reflect the value of the home better.

Respondent 2 states in response that there do not appear to be any assertions or allegations that are inconsistent with or in violation of USPAP. Rather the Complainant's has a difference of opinion. Respondent 2 does state that if a homeowner takes exception to the value, there is a procedure by which the homeowner can dispute the value. Respondent 2 did relay the Complainant's concerns to Respondent 1 and worked with him to fully address all issues raised and regrettably, the Complainant's were not content with the responses and elected to file the complaint.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

Note: Reviewer reviewed Respondent 1's appraisal report. Counsel has included Respondent 1's responses to the Reviewer's conclusions below in italics.

Neighborhood

- The information provided appears to be reasonable and reflecting the area trends appears to have been reasonably analyzed.

Site

- A review of information gathered from CRS Property Report supports the physical information about the subject site provided in the report. The site dimensions, size, utilities, and zoning appear to have been adequately identified and described. Based on the information presented for review, the highest and best use determination appears to be appropriate and reasonable.

Description of Improvements

- Based on the information presented, the report provides sufficient amount of comments, descriptions and analysis about the subject's physical characteristics to allow the reader to have a proper mental understanding of those relevant factors that have an effect on the subject property.
- In reviewing the appraisal report, the below grade/basement area was considered in the overall valuation of the subject property in an appropriate manner, according to the scope of the assignment.

Sales Comparison Approach

- There was no adequate reasoning or analysis provided in the report to support the adjustments made. Based on the information provided, it appears that the appraiser has selected and identified sales that are from the same or similar market as subject. Adjustments were made to the sales but no discussion or analysis was provided in the report to indicate how these adjustments were derived or supported.
- The sales comparison reconciliation did provide some discussion, but does not provide adequate reasoning for the adjustments, analysis, opinions and conclusions.
- In summary, adequate reasoning has not been provided for the adjustments and sufficient analysis has not been provided to support opinions and conclusions. With the lack of proper analysis of the sales information, the conclusions are considered to be questionable and unsupported, based on the information provided.
- The report does not provide sufficient information to enable the clients and intended users to understand the rationale for the opinions and conclusions provided in the sales comparison approach to value. **[SR 1-1 (a); SR 2-2(b)(viii)]**

Site Value:

- Comments in the site section of the cost approach provide a number of sales as support for the appraiser's opinion of site value.

Cost Approach:

- There is a lack of supporting information or discussion indicating the figures and analysis presented are market oriented. The report should have comments or analysis presented offering the reasoning behind the opinions and conclusions presented, to allow the reader/intended user to properly understand the report.
- It should be also noted that the site improvements of the cost approach was left blank. It is unknown if the site improvements were considered elsewhere or were left out of this approach. There were no comments or analysis provided to assist with this situation.
- These inconsistencies and the lack of support reduce the credibility of this approach to value. Based on lack of information provided, it appears that the cost estimates are not market oriented or supported, that the physical depreciation has not been correctly calculated, and this approach to value has not correctly employed

recognized methods and techniques. [SR 1-1 (a),(b) &(c); SR 1-4(b)(ii); SR 1-4(b)(iii); SR 2-2(a)(viii)]

Reconciliation

- The reconciliation in the report does not reconcile quality and quantity of data used in the approaches to value.
- This statement does not provide sufficient reporting and analysis to support opinions and conclusions provided. The applicability and suitability of the approaches used to arrive at the value conclusions have not been adequately reconciled.
- The appraisal results have not been conveyed in an appropriate manner, reducing the credibility of the final value opinion.
- This lack of analysis and insufficient information reduces the ability of any clients, and or intended users, the ability to rely on, or understand the report. [SR 1-6 (a)(b); SR 2-2 (a)(viii)]

Respondent 1 states the following in response to the Reviewer's conclusions:

- *The property at issue is a property without that many comparables. The property is a lake view property and not a lake front property. The Complainant's wanted comparables used that were lake front properties, which are inherently more valuable and would not be comparable to simple lake view properties.*
- *Adequate reasoning was provided regarding adjustments and analysis. Respondent 1 stated that it was clear from the extensive file materials that due diligence was performed in acquiring and processing the available information.*
- *Respondent 1 states the sales comparison approach was conducted within the standards of USPAP.*
- *Respondent 1 stated that she went thru each house in the subdivision to pull information for site value information. Again, this house is lake view property, which is completely different than lake front property.*
- *The cost approach is supported by documentation and analysis as evidenced by the tremendous amount of documentation and research that has already been provided in the property file.*
- *Finally, the reconciliation does provide sufficient reporting and analysis to support the conclusions provided and was completed according to USPAP standards.*

Reasoning and Recommendation: Counsel recommends the following:

- Respondent 1 – Counsel recommends the authorization of a **Letter of Warning** in regards to the above-referenced USPAP violations.
- Respondent 2 - Counsel recommends the matter be **dismissed**.

DECISION: The Commission voted to postpone making a decision against Respondent 1 or 2, until further information, as requested by the Commission, is received and reviewed.

9. 2016059021

Licensing History: Certified Residential Appraiser 2/26/1996 – 2/28/2018
Disciplinary History: 2006024341 Closed with Consent Order (30 hrs - Appraisal)
2003136581 Closed with Letter of Warning
2001053721 Closed with Letter of Warning

This complaint was filed by a mortgage firm and alleged that Respondent's performance included gross negligence and deception. Complainant alleges that Respondent has lied repeatedly about amending her initial appraisal and is costing time and money. When contacted the Respondent does not answer calls, emails, or texts in regards to corrections required on an appraisal and when she does answer she tells Complainant what they want to hear and does not follow through. Complainant alleges this is gross negligence and deception and unacceptable. Complainant alleges that Respondent has caused delays in closings and lead to unnecessary expenses to the client.

Respondent stated that she should have known in the beginning that this client (the Complainant) was going to be a problem and against her better judgment accepted work from them. Respondent states that his comments are total lies and fabrication. Respondent states that after Complainant was calling and hanging up multiple times, she would not answer and would communicate with the girl in the office when needed. Respondent states she does not set out to lie and deceive clients.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Reviewer stated that the appraisal report meets all the requirements for USPAP compliance.
- It is the Reviewer's opinion that the Respondent's report and supporting documentation (work file) are credible and professionally executed. Additionally, the work file was well-documented and thorough.

Reasoning and Recommendation: Counsel recommends this matter be dismissed. **DECISION: The Commission voted to accept the recommendation of**

legal counsel. 10. 2016061871

Licensing History: Certified Residential Appraiser 12/31/1991 – 12/13/2017
Disciplinary History: 201301621 Closed with Letter of Warning

This complaint was filed by a consumer for submitting the report late which may cause sale contract cancellation. Complainant alleges that they are attempting to purchase a home and getting a VA loan for financing. The appraisal was ordered on September 9 and the Respondent did not contact the home owner until September 20 to schedule the appraisal, which was conducted on September 21st. Since the appraisal, the bank has contacted the Respondent numerous times with no avail. Complainant alleges that the appraisal report is the sole document that is impeding the closing on the house.

Respondent states that she was unaware that the Commission would get involved in a turnaround time, especially one being only a twelve day delay in which Respondent states she was sick. Respondent states that the appraisal has been turned into the VA.

Reasoning and Recommendation: Counsel recommends this matter be **dismissed**.

DECISION: The Commission voted to accept the recommendation of legal counsel.

11. 2016060401

Licensing History:	Certified General Appraiser	12/2/1993 – 12/2/2017
Disciplinary History:	1999006041	Closed with Informal Conference/Consent
	1999015221	Closed with Agreed Order
	2010036961	Closed with Letter of Warning
	2016060621	Pending (#12)
	2016063901	Pending (#13)

This complaint was filed by a consumer for alleged unprofessional conduct. Complainant alleges that on August 29, 2016, Respondent was scheduled to appraise the property Complainant is selling. Respondent was supposed to be there between 12-2, but did not show up and was not answering her phone. Complainant states that around 3:30 pm the Respondent answered her phone and advised she was on her way; Respondent arrived around 5:45 pm. Complainant alleges that Respondent ran around the property and took quick photos and measurements, spending less than 45 minutes at the property. Complainant alleges that Respondent was aware that Complainant's were set to close on the property on September 23, 2016. On September 12, 2016, Complainant was notified by the realtor that the bank received the completion notice, but Respondent failed to turn in the actual report. As of September 19, 2016, the bank had still not received the appraisal report. Complainant alleges that Respondent would not return calls from the Complainant, realtor or bank. Complainant's are being forced to order another appraisal and are behind in the process due to Respondent.

Respondent did not respond to the complaint. Counsel has proof that Respondent received and signed for the complaint on October 12, 2016.

Reasoning and Recommendation: Counsel recommends the authorization of a **fifteen (15) hours of Ethics coursework** for violations of USPAP, Ethics Rule, specifically *"An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics" which is also a violation of T.C.A. § 62-39-326(5)*, course must be completed within one hundred eighty (180) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

DECISION: The Commission authorized a civil penalty in the amount of **One Thousand Dollars (\$1,000) to be satisfied within thirty (30) days of execution of the Consent Order and fifteen (15) hours of Ethics coursework, such courses must be completed within one hundred eighty (180) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.**

12. 2016060621

Licensing History:	Certified General Appraiser	12/2/1993 – 12/2/2017
Disciplinary History:	1999006041	Closed with Informal Conference/Consent
	1999015221	Closed with Agreed Order
	2010036961	Closed with Letter of Warning
	2016060401	Pending (#11)
	2016063901	Pending (#13)

This complaint was filed by a consumer and alleged that the Respondent's appraisal came with questions regarding pier on the property. Complainant alleges that they are in the process of selling their home and Respondent was retained by the bank to perform an appraisal. Respondent performed the appraisal on August 29, 2016. On September 6, 2016, Respondent came back with questions regarding pier on the property. Complainant advised Respondent that the pier had zero value because TVA had requested it be taken down. Both buyer and seller were aware that the pier had to come down, but a letter from the TVA stated it could wait until they drew down the lake for the winter. Complainant alleged that the Respondent refused to listen and said she would call TVA herself. Complainant states they heard nothing from Respondent until September 9 when they were told Respondent would not sign off on appraisal until the pier was taken down and insisted both buyers and sellers sign a paper saying they knew the pier was illegal and had to be taken down. On September 10, Complainant's husband went to the property to remove the pier and sent photos to the realtor to inform the lender it had been removed. Since September 10th, no one has had contact with the Respondent and as of September 26th still no report. Complainant alleges that Respondent will not answer her phone and doesn't respond to fax or email.

Respondent did not respond to the complaint. Counsel has proof that Respondent received and signed for the complaint on October 12, 2016.

Reasoning and Recommendation: Counsel recommends the authorization of a civil penalty in the amount of **Two Hundred Fifty Dollars (\$250)** for violations of USPAP, Ethics Rule, specifically "*An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics*" which is also a violation of T.C.A. § 62-39-326(5), to be satisfied within thirty (30) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

DECISION: The Commission authorized a civil penalty in the amount of One Thousand Dollars (\$1,000) to be satisfied within thirty (30) days of execution of the Consent Order and a seven (7) hour USPAP course, such course must be completed within one hundred eighty (180) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

13. 2016063901

Licensing History:	Certified General Appraiser	12/2/1993 – 12/2/2017
Disciplinary History:	1999006041	Closed with Informal Conference/Consent
	1999015221	Closed with Agreed Order
	2010036961	Closed with Letter of Warning
	2016060401	Pending (#11)
	2016060621	Pending (#12)

This complaint was filed by a consumer and alleged that Respondent is not responding. Complainant alleges that he is in the process of purchasing a home and his lender contracted with the Respondent to perform the initial inspection. After receiving the initial inspection, the seller made the decision to appeal the appraisal, citing several more recent comparable sales that would potentially increase the value of the home. The appeal was submitted on October 4, 2016. Complainant was advised that Respondent had 72 hours to complete the appeal process; however, a week has passed with no word from the Respondent.

Respondent did not respond to the complaint. Counsel has proof that Respondent received and signed for the complaint on October 28, 2016.

Reasoning and Recommendation: Counsel recommends the authorization of a civil penalty in the amount of **Two Hundred Fifty Dollars (\$250)** for violations of USPAP, Ethics Rule, specifically *"An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics"* which is also a violation of T.C.A. § 62-39-326(5), to be satisfied within thirty (30) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

DECISION: The Commission authorized a civil penalty in the amount of One Thousand Dollars (\$1,000) to be satisfied within thirty (30) days of execution of the Consent Order and a fifteen (15) hour Residential Report Writing course, such course must be completed within one hundred eighty (180) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

NEW BUSINESS (CONT'D)

Mr. Garrison recommended the adoption of a resolution in honor of Norman Hall. Mr. Johnstone made a motion to adopt one for Gary Standifer as well. Mr. Garrison made the motion, Mr. Johnstone seconded, and the resolutions both passed unanimously.

Mr. Garrison also raised the issue of review work, citing two neighboring states that require licensure for review. Ms. Mathews suggested that she pull the language from their rules for the Commission to examine at the next meeting.

There being no other new business, Mr. Thomas concluded the meeting at 12:09 pm.