



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

**Meeting Minutes for July 19, 2021  
Davy Crockett Nashville TN**

The Tennessee Real Estate Appraiser Commission met on July 19, 2021, Davy Crockett, Nashville TN. Director Michael Schulz called the meeting to order at 10:00 a.m. and the following business was transacted:

**BOARD MEMBERS PRESENT:** Michelle Alexander, Jim Atwood, Rex Garrison, Brett Mansfield, Pankaj Jain, Karey Haisten

**BOARD MEMBERS ABSENT:** Jason Bennett, Melanie Cole

**STAFF MEMBERS PRESENT:** Michael Schulz, Anna Matlock, Caleb Darnell, William Best, Erica Smith, Caitlyn Broussard, Morgan Calles, Laura Costin

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

Rex Garrison called the meeting to order at 10:00 am and Director Michael Schulz took roll call.

**AGENDA**

Rex Garrison made a change to the agenda under the approved minutes it says January 2021 and needs to be April 19, 2021. Also, to add the AARO Conference in Washington DC for Mid October under new business for decision.

Michelle Alexander made a motion to adopt the agenda. This was seconded by Rex Garrison. The motion was carried by roll call voice vote.

**MINUTES**

Dr. Pankaj Jain made a motion to adopt the minutes from April 19<sup>th</sup>, 2021. This was seconded by Brett Mansfield. The motion was carried by roll call voice vote.

**LEGAL REPORT**

See attached

## EXPERIENCE INTERVIEWS

Mr. Garrison conducted the experience interview of **Carol Holladay** and recommended that his experience be accepted toward the Certified Residential Upgrade.

Mr. Garrison conducted the experience interview of **Andrew Hayes** and recommended that his experience be accepted toward the Certified Residential Upgrade.

Mr. Garrison conducted the experience interview of **Crystyle Stewart** and recommended that her experience be accepted toward the Certified Residential Upgrade.

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

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

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

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

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

Ms. Alexander conducted the experience interview of **Travis McMasters** and recommended that her experience be accepted toward the Certified General Upgrade.

Michelle Alexander made a motion to accept the above Interviews. This was seconded by Karey Haisten. The motion was carried by roll call voice vote.

## EDUCATION REPORT

### July 19, 2021 - Education Committee Report

Course Provider	Course Number	Course Name	Instructor(s)	Type	Hours	Recommendation
ASFMRA	2466	Eminent Domain	Chris Greenwalt, Lee Smith, Brian Gatzke	CE	14	<b>APPROVE</b>
Melissa Bond	2468	The Cost Approach	Melissa Bond	CE	4	<b>Approve</b>
TN Chapter of AI	2461	Pipeline Corridor Easements	Joseph Batis	CE	7	<b>APPROVE</b>
ASFMRA	2465	Rapid Fire Case Studies 2020	Brian Gatzke, Margy Ecklekamp, Millie Aronowitz, et al	CE	4	<b>APPROVE</b>

George Dell	2463	Modernizing Appraisal ...	George Dell	CE	4	<b>APPROVE</b>
George Dell	2464	Market Price Indexing	George Dell	CE	4	<b>APPROVE</b>
Columbia	2451	Marshall n Swift Commercial Cost Approach Cert	Al Negron, Kevin Hecht, Heather Sullivan	CE	14	<b>Approve</b>
ASFMRA	2491	AgWare Back to Basics	John Widdoss	CE	7	<b>Approve</b>
ASFMRA	2493	Sales Comparison Approach Seminar	Justin Bierschwale, Nathan Tonne	CE	8	<b>Approve</b>
Reynolds	2492	Diversyifying Your Practice...	Bryan Reynolds, Stephen Forrester, Bobby Fisher, et al	CE	7	<b>Approve</b>

### Individual Course Approvals

Licensee	Course Provider	Course Name	Hours	Type	Recommendation

### Additional / Course Instructor Approvals

Licensee / Instructor (Qualifications)	Course Provider	Course Listings (all previously approved)	Recommendation
Rob Frazier	Mckissock	See list	<b>APPROVED</b>
Tony Pistilli	Mckissock	See list	<b>APPROVED</b>
Julie Molendorp	Mckissock	See list	<b>APPROVED</b>
Rob McClelland	Mckissock	See list	<b>APPROVED</b>
Bob Abelson	Mckissock	See list	<b>APPROVED</b>
Dan Tosh	Mckissock	See list	<b>APPROVED</b>
Dale Shea	Mckissock	See list	<b>APPROVED</b>
Phylicia Lloyd	Mckissock	See list	<b>APPROVED</b>
Joanne Bailey	Mckissock	See list	<b>Approve</b>
Josh Walitt	Mckissock	See list	<b>Approve</b>
Alex Gilbert	Mckissock	See list	<b>Approve</b>
Robert Luciani	Mckissock	See list	<b>Approve</b>

Chuck Fisher	Mckissock	See list	Approve
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Dr. Pankaj Jain made a motion to approve the education committee's recommendations. This was seconded by Brett Mansfield. The motion was carried by roll call voice vote.

## **DIRECTOR'S REPORT**

### **Financial Statements**

Director Michael Schulz Presented the Budget Report through May 2021.

### **Virtual/Synchronous Coursework**

Michael Schulz advised there is a deadline of 12/31/2021 for expiration date acceptance of virtual CE. We are wanting to know if this is something the board members would like to continue. Rex Garrison advised that we had a rule-making hearing to have this changed. Anna Matlock advised this is not for CE but only for qualifying education. This should go into effect the second week of August. The extension from the ASP and AQB ends in December 2021. Anna Matlock advised she can draft some rules and have them ready for the November meeting. There will be a gap of a few months. Michael Schulz will send out a letter advising of this to all the licensees. Per Anna Matlock, the qualifying education will be synchronous and asynchronous which goes into effect August 2021.

## **OLD BUSINESS**

### **Parea Discussion**

Rex Garrison advised this might be something we need to make a rulemaking change on, but we need to decide on how much will count towards experience. Anna Matlock is thinking this might need to be a new section in the rules. Anna Matlock will try to draft something to see what the neighboring states are completing this. We are needing to figure out if this needs to be one package or two packages for the Parea and distance education. If for some reason we need to remove something, it will remove them both if they are put together. Anna Matlock advised we need to have two different packets. Jim Atwood advised he reviewed their website, and it says that licensed and residential could get 100 percent credit, but the general could only get partial credit. The issue he has with this is, it does not provide geographical competence. Rex Garrison would like to discuss this in November and hopefully have some other states to follow.

## **NEW BUSINESS**

### **Independent Appraiser Reviews**

Rex Garrison advised back in 2018 we were discussing the appraisal waiver. We had a director that said that you did not need to be licensed in Tennessee to do appraisal

reviews. However, the rules and laws do not state this. Rex Garrison wants to make it clear to do independent reviews you have to hold a license in the state of Tennessee as an Appraiser. Anna Matlock advised she looked over this and there is a gray area on how they are written. She is requesting the board members to give her some more time to review this more and give a better response during the next board meeting. Rex Garrison also advised in the USPAP standard 3 covers review appraisals. Jim Atwood advised he does not feel like this is a violation if they are doing a review of the quality of other individual's work without giving an opinion of value.

### **AARO Conference**

AARO is October 15<sup>th</sup>-18<sup>th</sup> 2021. In the past, the board would send two board members with the board paying for the event. Brett Mansfield and Dr. Pankaj Jain would like to attend the conference. Michael Schulz will reach out about travel.

### **ADJOURNMENT**

Jim Atwood made a motion to adjourn the meeting. Meeting adjourned at 12:11 pm.



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DEPARTMENT OF COMMERCE AND INSURANCE  
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**TO: Tennessee Real Estate Appraiser Commission**  
**FROM: Erica Smith, Esq., Associate General Counsel**  
**DATE: July 19, 2021**  
**SUBJECT: July 2021 Real Estate Appraiser Commission (APP) Legal Report**

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*\*Any consent order authorized by the Commission should be signed by Respondent and returned within thirty (30) days. If said Consent Order is not signed and returned within the allotted time, the matter may proceed to a Formal Hearing.*

- 1. 2021019301**  
**Opened: 3/22/2021**  
**License Type: Appraisal Management Company**  
**First Licensed: 7/1/2011**  
**Expires: 7/31/2023**  
**History: None**

This complaint was opened when the Respondent notified the Board that they received discipline in Utah for a violation of the Utah Code (61-2e-402). The Commission was notified on February 3, 2021 about the Stipulation and Order entered into by the Respondent in Utah on January 14, 2021. Specifically, Respondent simultaneously sent out a new solicitation to seven appraisers and did not wait 120 minutes or for each of them to affirmatively respond before awarding the appraisal assignment to the first responder. The issue was isolated to a single person who is no longer with the organization. Respondent states that the action was out of process which led them to add technical enhancements and additional internal monitoring to prevent any additional occurrence. Respondent states that all of their existing personnel has been reminded of Utah's requirements for awarding appraisal assignments and is regularly auditing their processes to ensure future compliance. Respondent was assessed a \$3,000 civil penalty.

**Recommendation: Close.**

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

2.     **2021008031**  
      **Opened: 3/22/2021**  
      **License Type: Certified Residential Real Estate Appraiser**  
      **First Licensed: 2/20/2015**  
      **Expires: 3/3/2023**  
      **History: None**

This complaint is a duplicate filed by the mother of the original Complainant. There is no new or additional information provided in this complaint or in the expert review that was not already included in the original complaint filed against Respondent by their client. Respondent responded to the complaint and an expert review was conducted. It is the opinion of the expert that the information in the report at issue is generally complete and appropriate. It appears to contain apparently relevant data, and mostly the appraisal methods and techniques were followed appropriately. Counsel is proposing a Conditional Dismissal to the Respondent concerning the original complaint considering Respondent has no disciplinary history. Counsel recommends closure of this matter.

**Recommendation: Close.**

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

3.     **2021029931**  
      **Opened: 5/10/2021**  
      **License Type: Certified Residential Real Estate Appraiser**  
      **First Licensed: 7/5/1994**  
      **Expires: 6/30/2022**  
      **History: 2013 Consent Order for allegedly improperly reporting report or analyze the correct listing and sales history of a residential property; 2014 Consent Order for allegedly undervaluing a residential property by using inappropriate comparable sales data; 2016 Consent Order for three USPAP violations;**

The Complainant is an out-of-state resident. The Respondent is a licensed Resident Real Estate Appraiser with the State of Tennessee.

The Complainant submitted a complaint stating that many things were missing from the appraisal of their home that caused the value to be significantly lower than it should have been which caused a buyer to back out. The Complainant listed the following alleged mistakes:

- The Respondent did not include the stone fireplace in the appraisal.
- The Respondent listed the incorrect HOA fee, listing it as \$327/month when it is actually \$257/month.
- The Respondent listed the square footage as 1178<sup>2</sup> and the Complainant alleges that number is far lower than anything they have ever seen.

Complainant states that comparables which were used that have the same floorplan are listed as 1850<sup>2</sup>.

- The Respondent did not include the refrigerator, even though it was specifically requested by the buyer.
- The Respondent did not include the two patios, the balcony/flat roof with door access, or the porch.
- The Respondent listed the home as a townhome when it is actually a standalone condominium.
- The Respondent stated in the appraisal that there were no updates to the property in the past 15 years. The Complainant states that there were eight substantial updates that were done.
- The comparables used by the Respondent are not of the same quality as the Complainant's property.

The Respondent filed a response and addressed each of Complainant's allegations. The Respondent acknowledged each of Complainant's allegations as follows:

- The Respondent states that the fireplace was left off the original appraisal.
- The Respondent took the HOA fees for the subject from one of the sales in the neighborhood and not the subject.
- The Respondent alleges that square foot measurements vary from appraiser to appraiser. The Respondent states they did remeasure the space and it was slightly larger but was still lower than what the Complainant believes is the correct square footage.
- The Respondent did not include the refrigerator in the appraisal report because it was given no value.
- The Respondent admits that they did not include the two patios, balcony/flat roof, or the porch in the sketch.
- The Respondent states that they chose townhouse for the property because it was not a detached unit.
- The Respondent states that they were not provided with detailed information regarding the improvements made to the property. The Respondent states that they, as the appraiser, should have inquired as to what improvements were made.
- The Respondent admits that although the quality of the comparables is similar, the condition is different, and they should have made the appropriate adjustments to clarify the subject's superior condition.

The Complainant filed a rebuttal in which they state that the Respondent has provided an updated appraisal and willingly corrected the errors and omissions that directly resulted in the collapse of the first contract. Complainant states that they have found a new buyer who is obtaining another appraisal but notes they reserve the right to file a lawsuit against Respondent considering there is no guarantee with the new buyer and how this situation has been so financially draining and stressful. An expert review was conducted.

**Expert Conclusion:** The expert conclusion states that the appraisal is not credible due to these numerous USPAP violations:



- There is no data summary in the appraisal that supports the Property Value Trend, Demand/Supply, and Marketing Time. SR1-1(b), SR 1-1(e)(i), SR 1-2(e)(i), SR 1-3(a)(iii), SR 1-3(a)(v), and SR 2-2(a)(x)(5)
- The Highest and Best Use section did not address conformance to current zoning, there is no commentary as to whether the improvements conform to the current zoning and whether the improvements could be rebuilt if substantially destroyed. The actual Lot Size and Density are not reported, as a result there is no commentary or support. SR 1-1(c), SR 1-2(e)(i), SR 1-3(a)(i), SR 2-1(b), and SR 2-2(a)(x)(5)
- The appraisal missed many physical attributes of the subject. In the Unit Description section two areas are blank. There are no check marks or commentary for the sections on Physical Deficiencies or General Conformity to the neighborhood. SR 1-1(b), SR 1-1(c), SR 1-2(e)(i), SR 2-1(a), and SR 2-2(a)(iv)
- The appraisal missed many physical attributes of the subject in the sales comparison approach. Comparable 2 was given the most weight in the sales comparison approach. However, it is a 4-bedroom unit, the subject and all three comparables have 3 bedrooms. A bedroom adjustment has not been applied to comparable 2, there is no commentary or explanation in the appraisal as to why a bedroom adjustment was not warranted. SR 1-1(b), SR 1-1(c), SR 1-4(a), SR 2-1(a), SR 2-1(b), SR 2-2(a)(iv)
- The Reconciliation states that most consideration is given the sales comparison approach; this implies another approach to value was developed. However, the cost and income approaches were not developed. The Reconciliation also states that the cost approach was given no value, this implies that the cost approach was completed which it was not. The Reconciliation states that the income approach is given no value due to the area being predominantly owner occupied, this statement is vague and incomplete. SR 1-1(b), SR 1-6(a), SR 1-6(b), SR 2-1(a), SR 2-1(b), SR 2-2(a)(x)(2), SR 2-2(a)(x)(5)
- There is no Cost Approach in the appraisal which is typical and acceptable for condominiums. The comments included are boilerplate, none are applicable in the valuation of subject property since the cost approach was not completed. SR 1-1(c) and SR 2-1(a)
- The income approach section reports “not developed,” however the reasons for its exclusion or lack of development are not reported. SR 1-1(c), SR 1-6(b), SR 2-1(b), and SR 2-2(a)(x)(2)
- In the Project Information section under General Description it is reported that unites in the subject’s property have 1 story, however subject and all comps have 2 stories. SR 1-1(c) and SR 2-1(a)
- The Market Conditions Addendum to the Appraisal Report is blank. SR 1-1(c) and SR 2-1(b)

**Recommendation: Authorize a consent order and assess a \$1,000 civil penalty and require 14 hours of Report Writing, 14 hours of Sales Comparison, 4 hours of Reconciliation, and 4 hours of Highest and Best Use continuing education to be completed within 180 days of execution of the Consent Order and this CE will be completed in addition to the minimum for CE license renewal.**

**Commission Decision: The Commission voted to issue a Two Thousand Dollar (\$2,000.00) civil penalty, a thirty (30) hour Sales Comparison course, and a fourteen (14) hour Report Writing course. These courses are required to be completed within one (1) calendar year and is over and beyond that which is required for continuing education.**

- 4. 2021032081**  
**Opened: 5/10/2021**  
**License Type: Certified Residential Real Estate Appraiser**  
**First Licensed: 1/31/2002**  
**Expires: 5/31/2022**  
**History: None**

The Complainant is a Tennessee resident. The Respondent is a licensed Resident Real Estate Appraiser with the State of Tennessee.

The Complainant alleges that Respondent mischaracterized the current market conditions in the local area in comments written in the appraisal. The Complainant states that the in the appraisal the Respondent stated:

“My search of MLS records indicated that sales of this age, size, style, location, quality and condition were very limited, therefore, 3 of the 6 sales used in this report are over 6 months old, however, there have been no significant market changes in that time period that would cause these sales to be considered as less comparable than sales in the past 6 months. The greatest emphasis has been placed on the mid-range value which is indicated approximately between sales #1, #3, #4, and #6.”

The Complainant alleges that the comment of very limited comparables is false, and a home adjacent to the subject property which was sold in the past 3 months was omitted. The Complainant alleges that describing the real estate market in their location as “not significantly changing” is patently false. The Complainant further alleges that a home that is not comparable in fit, finish, size, or exterior quality was included while homes which were of the same radius and of equal size and finish were omitted.

The Respondent filed a response through their attorney. The Respondent states that they have prepared thousands of appraisals throughout their career and this is the first complaint and has been filed against them. The Respondent alleges that they were unable to find any homes adjacent to the property that sold within the 3 months prior to the appraisal as the Complainant suggested. The Respondent states that they were able to locate a nearby home that was sold that fits the description used by Complainant, but it would have been inappropriate to include the property as a comparable as it would have been unhelpful to Complainant’s position. The Respondent states that while industry standards only require three comparable sales, they included six to be as accurate as possible. The Respondent alleges that they chose comparable sales that were most analogous in size and features to the property. The Respondent states that the Complainant fails to identify which of the six comparable sales used is not comparable in fit, size, finish, or exterior quality. The Respondent states that in performing the appraisal they gave appropriate consideration to all homes within the relevant radius of equal size and finish. An expert review was conducted.

**Expert Conclusion:** The expert conclusion states:

- The neighborhood boundaries appear to be applicable and the price ranges, ages, etc. appear a reasonable designation. The additional comments section states sale to list price ratio to be approximately 90 percent. A calculation of the data within the work file indicates a range from 92 to 100 percent with the majority of sales being in the high 90s and averaging about 97 percent.
- The site description appears to be reasonable based on available data for indication of dimensions, lack of zoning, and utilities.
- The description of the residence, style, size, construction, etc. appears to be adequate based on the scope of the review.
- A cost approach was conducted.
- The comparables range in size from 2,874 sq. ft. to 3,967 sq. ft. and bracketed the subject's size. Prior to consideration of any adjustments or differences as to garages, one level, etc. the comparables sold on a basis of price per square foot of above grade area from \$138.89 to \$182.67 per square foot. The appraised value of the subject is lower on a main level per square foot basis than any of the other six comparables. The appraiser reviewed the location map and did not find any recent sales that would benefit complainant's argument as to value. The appraiser reviewed the background data for the comparable sales and the application of adjustment directions. The applications appear to be correct and supportable.
- The income approach is not practical in estimating the market value for this property type.

Based on the expert's review of the data there does not appear to be any violations of the uniform standards of professional appraisal practice regarding the Respondent's work. Counsel recommends closure of this matter.

**Recommendation: Close.**

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

5. **2021038551**  
**Opened: 5/17/2021**  
**License Type: Certified Residential Real Estate Appraiser**  
**First Licensed: 11/17/2014**  
**Expires: 4/22/2022**  
**History: 2020 Consent Order for incorrect assessment of appraisal**

The Complainant is a Tennessee resident. The Respondent is a licensed Residential Real Estate Appraiser with the State of Tennessee.

The Complainant was retained to represent their client in a real estate transaction and the Respondent was hired to complete the appraisal for the sale of the property. The Complainant alleges that Respondent completed an appraisal for them but submitted it after Respondent's license expired. The Complainant states that their client found several mistakes in the appraisal. The Complainant states that their client asked Respondent to submit an updated appraisal with a non-expired license and Respondent stated that they were

on leave and could not assist. The Complainant states that Respondent's behavior caused their client to lose the contract to sell their home.

The Respondent submitted a response stating that none of Complainant's allegations are true besides the fact that Respondent did go on leave. The Respondent states that although they were on leave, they still performed two revision requests. The Respondent states that their license was not expired when the appraisal was done. Respondent attached a copy of the original appraisal and their license which states that their license does not expire until April 2022, which is confirmed by our records of Respondent's license.

**Expert Conclusion:** The opinion by the expert reviewer states the appraisal is not credible as the conclusion is not supported by the presented data.:

- The appraiser failed to correctly employ the Income Approach. The subject rent is not estimated in the derivation of the Gross Rent Multiplier and does not follow a standard and reasonable allowance that reflects the relationship between a property's monthly rent and sale price. Application of a GRM using only one unit of a multi-unit property does not correlate with reasonable application for value determination and is prone to error. The Income Approach is not completed inasmuch as rent for the subject is not reported to be applied against the GRM set out. SR 1-1(a)
- The report lot frontage differs from the plat provided as well as a calculation of frontage from the listing brief. Failure to adjust for lack of garages (comparable No. 1). The appraisal concludes a value significantly higher than that reported in the Cost and Sales Comparison approaches and refers to an Income Approach. However, the Income Approach section of the appraisal report was not completed. SR 1-1(b)
- Information as to lot sizes differs between appraisal and plat and listing information. Comparable No. 1 included garages were not adjusted. In this case the appraiser completed an appraisal for a new construction property. The Cost Approach indicated a value of \$240,764 and the Sales Comparison Approach indicated a value of \$299,000. The appraisal conclusion was \$325,000 which exceeded value for completed approaches. The Income Approach was referred to but was not completed. SR 1-1(c)
- The rental income for the subject property was not estimated or stated. SR 1-3(c)
- In this instance, the value conclusion set outside of the values indicated by the completed methods is misleading. The extraction of a GRM using only one unit of a multi-unit property is not meaningful and is misleading. Failure of the report to complete the Income Approach provides a conclusion that it is not supported and therefore is misleading. SR 2-1(a)
- The Income approach is referred to but is not completed. SR 2-2(x)(2)

**Recommendation:** Authorize a consent order and require four hours of Income Approach and fifteen hours of Report Writing continuing education to be completed within 180 days of execution of the Consent Order and this CE will be completed in addition to the minimum for CE license renewal.

**Commission Decision: The Commission voted to require Respondent to take a fifteen (15) hour Report Writing course. This course is required to be completed within one (1) calendar year and is over and beyond that which is required for continuing education.**

- 6. 2021029721**  
**Opened: 5/24/2021**  
**License Type: Certified General Real Estate Appraiser**  
**First Licensed: 7/28/2011**  
**Expires: 7/31/2021**  
**History: None**

This is an administratively opened complaint. Respondent is a licensed Certified General Real Estate Appraiser, and their license expires on July 31, 2021. On or about April 11, 2019, Respondent signed a “Voluntary Revocation Consent Order” (“Order”) for a separate jurisdiction (“Jurisdiction X”). This revocation became effective in May of 2019. The Order stated Respondent failed to comply with the Uniform Standards of Professional Appraiser Practice (“USPAP”) and participate in an “act or omission involving dishonesty, fraud, or misrepresentation with the intent to substantially benefit the certificate holder or another person, or with the intent to substantially injury another.” Additionally, the Order included claims that Respondent is responsible for a “violation of any of the standards for the development or communication of real estate appraisals...failure or refusal without good cause to exercise reasonable diligence in developing an appraisal report, or in communicating an appraisal; and negligence or incompetence in developing an appraisal, in preparation of an appraisal report, or in communicating an appraisal.” The expert review report findings, including specific violations of USPAP, and Jurisdiction X’s statutes were provided in this complaint. The subject properties in the underlying complaints against Respondent span across several jurisdictions, including Tennessee.

Respondent provided a response stating that legal proceedings connected to the same underlying activity in the Order from Jurisdiction X, began in December of 2019. Respondent stated their attorney advised them to voluntarily surrender their license. Following the complaint filed in Jurisdiction X, several complaints began to generate in additional jurisdictions where Respondent was licensed. Respondent states at the time of the complaint filing in Jurisdiction X, they were facing charges and without adequate resources to defend their license. Respondent is requesting that the Commission allow their Tennessee license to expire, as they no longer desire to work as a licensee, but requests the Commission to not revoke their license as it will create complaints in different jurisdictions where Respondent holds a license.

Counsel recommends offering Respondent a consent order authorizing voluntary surrender and/or revocation of their license. Although Respondent’s license expires at the end of the month, without taking disciplinary action or flagging Respondent’s licensure file, Respondent could move their license into an active status after satisfying all requirements for renewal. Therefore, Counsel recommends that Respondent’s license be voluntarily surrendered and/or revoked for violations of Tenn. Code Ann. § 62-39-326. Counsel further recommends that the consent order include a provision stating Respondent is required to appear before the Commission prior to any renewal of their license.

**Recommendation: Revocation.**

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

7. **2021034841**  
**Opened: 6/8/2021**  
**License Type: Certified Residential Real Estate Appraiser 2829**  
**First Licensed: 3/15/2001**  
**Expires: 7/31/2021**  
**History: 2016 Consent Order for allegedly failing to report mold and structural issues – 7 hour FHA course completed**

The Complainant is a Tennessee resident. The Respondent is a licensed Residential Real Estate Appraiser with the State of Tennessee.

The Complainant states that they bought their home in 2019 and it was recently appraised by the Respondent for only \$3,000 more than what they purchased it for in 2019. The Complainant alleges that they made many improvements to the home that should have raised the price from the original purchase price. The Complainant states that they lost a buyer due to this low appraisal. The Complainant alleges that the Respondent used comparables that were not of the same quality as their home. The Complainant listed comparables that their realtor used and stated that those were much closer to their home than the comparables used by the Respondent.

The Respondent filed a response stating that the comparables used in the report are the most similar to the subject and recently sold. The Respondent states that all of the upgrades made by the Complainant were taken into consideration. The Respondent alleges that the Complainant's real estate agent was pressuring them to use higher sales and was trying to impact their independence as an appraiser. The Respondent alleges that the buyers were not lost due to the appraisal as the appraisal was not requested by the buyer, but rather by a financial institution. The Respondent alleges that there were not rule violations, rather just a difference in opinion as to what is considered comparable to the Complainant's property. An expert review was conducted.

**Expert Conclusion:** The expert review states:

- The Property Value Trend is reported to be Stable; however, verification of data is beyond the scope of work for this assignment. It was observed, however, that there are no missing check boxes or blank fields with missing commentary. In addition, the 1004MC report also reports the Median Comparable Sales Price as Stable. We assume the Neighborhood section is based on accurate information.
- The quality of construction and whether it is superior to the neighborhood cannot be verified by the reviewer. In addition, since subject is not new construction, the upgrades included in the original base prices is no longer relevant. It also cannot be determined by the reviewer, and is outside the scope of the review, to address whether the items added since purchase contribute to value. It is noted by the reviewer that an adjustment for the fence was applied to comparables 1, 2, 3, & 4.
- The site value is not supported. There is no summary of the land sales utilized for the determination of the site value. The appraisal refers to the work file; however, an Appraisal report requires a summary of data for supporting conclusions. Work file reference applies to Restricted reports only. Per the Addendum after the Signature Page the Appraisal correctly identifies the report as an Appraisal Report which is to be prepared in accordance with Standards Rule 2-2(a). However, it was

not per the violations listed below. This observation reflects non-compliance with 2020/2021 USPAP Standards: SR 1-1(c); SR 2-1(b); SR 2-2(a)(x)(5).

- The Income Approach was not developed. Comments in the Scope of Work and in the Income Approach section state it is not applicable. However, the comments do not say why it is not applicable as required by USPAP. This observation reflects non-compliance with 2020/2021 USPAP Standards: SR 1-1(c); SR 2-1(b); SR 2-2(a)(x)(2).

**Recommendation: Authorize a consent order and require four hours of General Report Writing continuing education to be completed within 180 days of execution of the Consent Order and this CE will be completed in addition to the minimum for CE license renewal.**

**Commission Decision: The Commission voted to issue a Five Hundred Dollar (\$500.00) civil penalty and a fifteen (15) hour Site Cost Approach course. This course is required to be completed within one (1) calendar year and is over and beyond that which is required for continuing education.**

### **REPRESENTS:**

8. **2019090411**  
**Opened: 11/1/2019**  
**License Type: Certified Residential Real Estate Appraiser**  
**First Licensed: 7/5/2011**  
**Expires: 3/1/2020**  
**Disciplinary History: None**

Complainant is an out-of-state representative for the lender. Respondent is a licensed real estate appraiser.

Complainant states that based on the photos submitted with the report, it does not appear that the appraiser inspected the subject property.

To date, Respondent has not provided a response to the complaint.

### **REVIEWER CONCLUSIONS**

- **Zoning has not been adequately or accurately supported – Non-compliance with SR 1-2(e)**
  - The appraisal shows the zoning classification to be “Residential”, while the zoning map shows R-1 low density
- **Sales Comparison Approach – Non- Compliance with SR 1-1(a,b,c); SR 1-4(a); SR 2-2(a)(viii)**
  - Five sales were utilized within the sales comparison approach. There appears that some of the information was not accurately reported.

- Some explanations were provided in the appraisal; however, no supporting documentation was found showing any analysis on how the noted adjustments were derived, and no workfile was provided by the Respondent
- Due to the lack of support and analysis for the adjustments utilized, the report does not provide sufficient information to enable the clients and intended users to understand the rationale for the adjustment amounts, which in turn limits the support for the opinions and conclusions provided in the sales comparison approach to value
- **Cost Site Approach – Non-Compliance with SR 1-4(b)(i); SR 2-2(a)(viii)**
  - A \$40,000 opinion of site value was reported in the cost approach section of the 1004 appraisal report. The appraiser included the following comments: “The subject’s site value is based on land area sales analysis and sales comparison method. The subject’s land to improvement ratio is typical for the area.” Although these are considered to be appropriate methods (or techniques), no evidence or support documentation was found in the report, and a work file was not provided.
- **Record Keeping Rule and Ethics Rule – Non-Compliance**
  - Per USPAP the work file must be in existence prior to issuance of any report. Respondent has failed to provide the requested work file and therefore is in violation of the Record Keeping Rule and the Ethics Rule

**Recommendation: \$1,000 civil penalty for failure to respond.**

**Decision: The Commission voted to issue a \$1,000 Consent Order for failure to respond and \$1,000 Civil Penalty for each of the four (4) USPAP violation, for a total of \$5,000 civil penalty for the combined violations.**

**New Information: The Respondent’s license is expired and Respondent is no longer practicing.**

**New Recommendation: Close and Flag**

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

**9. 2020041821**

**Opened: 7/20/2020**

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

**First Licensed: 6/13/2002**

**Expires: 7/31/2022**

**History: 2007 Consent Order with a \$1000.00 civil penalty that was paid; 2010 Consent Order with a \$1500.00 civil penalty and 15 Hours of CE**

The Complainant is a Tennessee resident and the Respondent is a licensed Tennessee Certified Residential Real Estate Appraiser.

The Complainant alleges the Respondent came to conduct an appraisal of the Complainant’s home on March 27, 2020. The Respondent’s appraisal was below the offer price and the Complainant stated the



square footage was incorrect on the appraisal and the Respondent had failed to include two fireplaces. The Respondent refused to make any changes to the appraisal and the lender would not allow the Complainant to retain the services of another appraiser.

The Respondent provided a response and stated the Buyer's representative contacted the Respondent to discuss the results of the appraisal and disputed the Respondent's findings. The Respondent indicated the appraisal could not be discussed with anyone other than the client and would be happy to reevaluate and consider if there was new information presented to the Respondent. The Respondent is aware builder plans are not always reliable and can change. The GLA provided by the Respondent was the Respondent's own measurements at the time of the appraisal and only 59 square feet less than the MLS listing and the agent records. The Respondent's GLA was only 123 more than the tax records. The Respondent is not sure why the GLA is being disputed. The fireplace count is understandable. The Respondent included both fireplaces in the sketch. The Respondent did not include the fireplaces in the sale comparison approach. The home had one indoor fireplace and this fireplace was included in the valuation and sales comparison grid. The value was not too low as it was supported by the best comparable sales. The Respondent was very professional during the entire process and with all communications. The client was satisfied with the report and the Respondent did not hear from any of the parties after the initial contact by the Complainant.

**EXPERT REVIEWER:** The appraisal was submitted to the expert reviewer for review and analysis of the appraisal report and the allegations contained in the complaint. The expert reviewer determined there were deficiencies with the appraisal report and the Respondent has not complied with the Uniform Standards of Professional Appraisal Practice ("USPAP"). The Reviewer concluded there were concerns with the Site/Highest and Best Use. The site dimensions reported 121' X 210' result in a site size of 25,410 square feet not 16,988 as reported in the appraisal. There was no explanation for the discrepancy. The shape of the site is irregular. This results in non-compliance of USPAP Standards SR 1-1(c), SR 1-2(e)(i) and SR 2-1(b). The sales comparables and the analyses, opinions, and conclusions in the Sales Comparison Approach, including adjustments, are not adequately supported, or based on accurate information. The appraisal provides five comparables and they are within the neighborhood boundaries. The lack of inclusion of the outdoor fireplace results in non-compliance with USPAP Standards SR 1-4(a). However, the lack of inclusion in subject's valuation is minor and does not affect the credibility of the appraisal.

**Recommendation:** Authorize a contested case proceeding with authority to settle by Consent Order and payment of a civil penalty in the amount of \$1,000 for violations of USPAP Standards SR 1-1(c), SR 1-2(e)(i), SR 1-4(a), and SR 2-1(b).

**Commission Decision:** The Commission accepted counsel's recommendation.

**New Information:** Prior Counsel previously sent Respondent a proposed Conditional Dismissal requiring them to complete 7 hours of Online Sales Comparison Approach continuing education coursework and 8 hours Highest and Best Use continuing education coursework within 90 days of the execution of the Conditional Dismissal. Respondent's attorney reached out to prior Counsel and explained that Respondent never received the proposed Conditional Dismissal and will agree to it if it is still available.

**New Recommendation:** Conditional Dismissal requiring Respondent to complete 7 hours of Online Sales Comparison Approach continuing education coursework and 8 hours Highest and Best Use

**continuing education coursework within 90 days of the execution of the Conditional Dismissal and this CE will be completed in addition to the minimum for CE license renewal.**

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

**10. 2017081031**

**Opened: 1/09/2018**

**Type of License: Certified General Real Estate Appraiser**

**First Licensed: 10/4/1991**

**Expires: 10/31/2021**

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

Complaint filed on December 27, 2017 by licensee Complainant. Complaint alleges errors in appraisal resulted in gross overvaluation of two parcels of land "that comprise approximately 83.649, of which approximately six acres along the highway frontage is zoned for commercial use with the remaining 77.65 acres zoned for agricultural use." Complainant alleges Respondent allocated +/- 25 acres to commercial use, inappropriate comparable land sales were utilized, and that Respondent "disregarded recent and relevant market information proximate to the subject property that was available which reflected substantially lower indicators of value." Respondent appraised property for \$5.3 million. Respondent submitted a written response refuting the allegations of Complainant and avers that zoning regulations permitted the larger commercial acreage.

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

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

**SR1-3a**

The subject property in the appraisal review is split zoned. In addition, there appears to be a city and county zoning jurisdictions. Based on the zoning map included in the report it appears a small portion (less than 10 acres) is zoned C-3 with the remainder zoned A-1. There is little information in the report identifying the two zoning classifications, permitted uses, bulk regulations, and legal conformity of the improvements. The appraisal estimates a commercial component within the valuation section of 25 acres, but there is no discussion or reference as to how this relates to the identified C-3 or A-1 zoning classifications in the Zoning Section. The appraisal discusses a B-3 zoning classification in summary; however, no other information on this B-3 district is found. The respondent confirms in the rebuttal to the claim that the zoning map within the original report is inaccurate. The information

in the report is misleading and not consistent with the valuation. It is my opinion the appraisal committed substantial error of omission that significantly affects the appraisal.

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

The appraisal fails to provide a meaningful Highest & Best use analysis primarily with legal permissibility. The report states, the zoning districts provide a wide range of “commercial and retail uses.” The permitted uses are imperative to the Highest & Best Use summary, and conclusion of an ideal improvement of which was not provided. In addition, it is unknown if the comparable set have a similar H&BU conclusion as no mention of legally permitted uses was identified within the report.

### **SR2-2x**

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

### **SR2-1b**

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

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

The H&BU section states the maximally productive use as vacant is for commercial development along the frontage and residential development along the rear of the site. In the valuation section, the report contains a conclusion for each component of the property but does not discuss value discounts of lack thereof when split zoned properties are sold to a single buyer with separate highest and best use conclusions. The appraisal does not correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

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

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

***Recommendation: Consent Order for thirty (30) hours of coursework, comprised of fifteen (15) hours of Highest and Best Use courses and fifteen (15) hours of Report Writing. Such courses must be completed within one hundred eighty (180) days of execution of the Consent Order and the CE must be above and beyond the minimum CE required for license renewal.***

***Decision: The Commission voted to authorize a Consent Order for sixty (60) hours of coursework, comprised of thirty (30) hours of General Highest and Best Use courses and thirty (30) hours of Report Writing. Such courses must be completed within one hundred eighty (180) days of execution of the Consent Order and the CE must be above and beyond the minimum CE required for license renewal.***

***New Information (July 2019): Following dissemination of the consent order, Respondent hired an attorney. Counsel has communicated extensively with Respondent's attorney in hopes of a settlement agreement. Respondent's attorney has hired an appraiser to review Respondent's report. Respondent's attorney has submitted a statement and an affidavit of the appraiser reviewer for the Commission's review. Respondent's attorney is submitting a counter-offer of a Letter of Instruction requiring Respondent to take the sixty (60) hours of coursework, comprised of thirty (30) hours of General Highest and Best Use courses and thirty (30) hours of Report Writing. Such courses must be completed within one hundred eighty (180) days of execution of the Consent Order and the CE must be above and beyond the minimum CE required for license renewal.***

***New Recommendation: Discuss.***

***New Decision: The Commission voted to reinstate their original recommendation.***

***New Information:*** Since previously presented to the Commission, this matter was transferred to litigation counsel to file formal charges and bring this case to a formal hearing before the Commission. Upon further review by litigation counsel, discussions with the Respondent's attorney and Respondent's review by additional outside experts, there appears to be relevant and key information the Commission was not provided concerning the zoning of the parcel of land. As a result, this necessitated a review of both the exact language of the county and city zoning ordinances. Also, the Appraisal Report did not clearly delineate the zoning nuances or provide the specific zoning information language and the reviewer did not have the actual zoning ordinances applicable to the parcel in question. Both city and county zoning ordinances are applicable in this matter because of the location of the parcel. The city portion of this parcel is zoned commercial and the county portion of the same parcel is

zoned agricultural. Although zoned agricultural, the language of the ordinance does not use this term strictly. The county parcel zoned agricultural falls under Article 9 of the county zoning ordinance, specifically, the zoning is B-2 – Central Business District and permitted uses allow for zoning of this land for commercial uses. It provides additional non-traditional definitions for agricultural use. The county zoning ordinance refers to the classification of this land as Agricultural-Forestry District, however, this is classified to allow for Convenience Commercial Activities which includes retail establishments such as grocery stores, drug stores, etc. Therefore, the appraisal conducted in this matter was proper and correct and the parcel meets the legally permissible uses as identified in the appraisal report. Finally, the bank reviewed the appraisal and accepted and relied upon it. Additionally, the bank submitted the appraisal for a second review and no errors were found in the appraisal each time it was reviewed by the bank.

**New Recommendation:** Dismiss and Close.

**New Decision:** The Commission voted to reinstate their original recommendation.

**New Information:** Prior Counsel submitted this for an additional expert review. The expert reviewer was asked to focus on the zoning, site sections and assumptions made in these sections as they pertain to the indicated Market Value. The expert concluded the following:

- The Site Description section did not contain sufficient information to describe the subject's two sites shapes adequately.
- The Zoning section did not contain sufficient detail information to describe the subject's two sites zoning adequately.
- The Sales Comparison Approach did not discuss the selected of the 25 commercial acres, limited analysis and reconciliation of the listed sales.
- It is the expert's opinion the information in the sections of the report reviewed are generally technically complete but were considered inadequate, which in some cases, affected the credibility of the section.

**New Recommendation:** Discuss.

**New Commission Decision:** The Commission voted to reinstate their original recommendation.

11. 2020083561  
Opened: 11/17/2020  
License Type: Certified Residential Real Estate Appraiser  
First Licensed: 11/14/2003  
Expires: 3/31/2022  
Disciplinary History: 2016 Letter of Warning

The Complainant is a Tennessee resident and property owner of the subject property. The Respondent is a Tennessee licensed Certified Residential Real Estate Appraiser.

The Complainant received an appraisal report on October 7, 2020 for an appraisal performed by the Respondent on September 28, 2020. The appraisal report received a listed value of \$166,500. The Complainant purchased the property in October 2019 for \$175,000 and the appraisal represented a significant depreciation in a short period of time in an area that had a robust housing market. The Complainant later found the subject property did not have proper comparables to recent sales that had occurred in the area and there were more accurate comparables available that were not used. Comps #1 and #2 were units built over 25 years earlier than the Complainant's unit and there was no adjustment for the age of the property. Comp #3 was a condominium located in another area and a historically less desirable area. Also, the properties do not have the same amenities and are less desirable to buyers. There was no adjustment made for the location. Comp #4 sold about a year before the subject property and there was no adjustment made for market improvement or property appreciation. The Complainant stated the subject property is considered the "penthouse" condominium of all the units in the building and there is additional closet space and other unique features such as vaulted ceilings in the master bedroom. The Complainant's lender submitted a request for review and supplied recent sales in the neighborhood and submitted additional comparables to the Respondent. The Respondent refused to consider the properties because they were not one bedroom and one bathroom.

The Respondent provided a response and stated the Respondent did not agree to using comparable sales provided for consideration which were two-bedroom condos. There was a 5th comparable used which was the same floorplan as the subject property that sold for \$166,000. The definition of the data pool used for comparable sales at the end of Additional Comments within USPAP Addendum page of the report, the number of comparable sales used was seven (7), the same floor plan in the same building as the subject property, same GLA, condition, quality, etc. for \$166,000.

**EXPERT REVIEWER:**       **The appraisal was submitted to the expert reviewer for review and analysis of the appraisal report and the allegations contained in the complaint. The expert reviewer determined there were deficiencies with the appraisal report and the Respondent has not complied with the Uniform Standards of Professional Appraisal Practice ("USPAP"). The expert reviewer made the following findings:**

**Conclusions:**

1. Previous sales of subject property not properly analyzed.
2. Sales Comparison adjustments are not properly supported.
3. Final reconciliation is not properly supported.

The report does not properly analyze or reconcile the subject's previous sales price within the report. There was no adequate reasoning or analysis found in the report, or subsequent work file to indicate how the sales comparison adjustments were derived or supported. The lack of support and/or analysis does not allow the clients and intended users to properly understand the rationale for the opinions and conclusions presented. The quality and quantity of data available and analyzed within the approaches used to arrive at the value conclusion were not properly reconciled. This lack of analysis and insufficient information can reduce the capability of any clients, and /or intended users, the ability to rely on, or understand the report.

**Sales History:**

The report indicates that the subject property previously sold on 10/24/2019 for \$175,000. A review of RTMLS #2080054 and Assessor's information (exhibit #2) confirms this information. Comments provided in the report state, "*Prior transaction subject (10/24/2019) appears to be arm's length transaction, bought by current owner, warranty deed*". The report indicates the market is stable in the neighborhood section, but the indicated value is \$8,500 less (\$166,500) than the purchase price (\$175,000) 11 months earlier. The report does not properly analyze or reconcile the subject's previous sales price within the report.

SR 1-5(b) requires when market value is being developed that the appraiser must analyze all sales of the subject property that has occurred within the past three (3) years to the effective date of the appraisal, if the information is readily available in the normal course of business. Based on information presented in the report, the previous sales information was available to be analyzed and reconciled in the development of this report. Further guidance on this issue can be found in *Advisory Opinion #1*. (SR 1-5 (b); SR 2-2 (a)(x-3))

**Sales Comparison Approach:**

Five sales and two listings were utilized in the sales comparison approach. A review of data accessed from MLS was utilized to confirm the sales information used in the appraisal report.

Sale #1 – Confirmed with MLS #2161164. Based on the information acquired through the MLS, physical characteristics appear to be appropriately reported. This property sold for \$168,900 on 7/24/2020, according to MLS, which is shown as the data source in the report. Verification source noted in the report as tax records.

Sale #2 – Confirmed with MLS #2148479. Based on the information acquired through the MLS, physical characteristics appear to be appropriately reported. This property sold for \$166,425 on 6/25/2020 according to MLS, which is shown as the data source in the report. Verification source noted in the report as tax records.

Sale #3 – Confirmed with MLS #2101349. Based on the information acquired through the MLS, physical characteristics appear to be appropriately reported. This property sold for \$160,000 on 6/2/2020, according to MLS, which is shown as the data source in the report. Verification source noted in the report as tax records.

Sale #4 – Confirmed with MLS #2135740. Based on the information acquired through the MLS, physical characteristics appear to be appropriately reported. This property sold for \$167,500 on 5/15/2020 according to MLS, which is shown as the data source in the report. Verification source noted in the report as tax records. It was noted in MLS that this property was on the ground floor. According to the report it is on the second floor. It is unknown if floor location influences value.

Sale #5 – Confirmed with MLS #2072719. Based on the information acquired through the MLS, physical characteristics appear to be appropriately reported. This property sold for \$166,000 on 10/1/2019, according to MLS, which is shown as the data source in the report. Verification source noted in the report as tax records.

Listing #1 – This was confirmed with MLS #2180951. Based on the information acquired through the MLS, this property was pending, as of the effective date of the report, with a list price of \$175,000. MLS comments indicate that this property was being sold "as is".

This information was not discussed or analyzed in the report. All other physical characteristics appear to be appropriately reported. MLS is shown as the data source in the report, with verification source noted in the report as tax records.

Listing #2 – This was confirmed with MLS #2186768. Based on the information acquired through the MLS, physical characteristics appear to be appropriately reported. This property was listed for \$144,900 as of the effective date of the report, according to MLS, which is shown as the data source in the report. Verification source noted in the report as tax records. It should be noted that the MLS shows the Unit for this property to be #32. Reviewer is unable to determine why Unit A is shown in the report, but all other relevant physical information has been verified, and appears to have been reported appropriately. While there appears to have been some minor inconsistencies in the information reported and/or lack of discussion, the sales and listings used appear to have been adequately researched and reported overall.

The appraiser was asked to consider three sales that were two-bedroom sales with 1 or 2 baths. The appraiser addressed this issue in the revised report, with the explanation being reasonable and appropriate. This item was included in the complaint and addressed in the response. There were adjustments made in the report.

No recognized methods or techniques for deriving adjustments are mentioned or utilized in the report or the work file. The report does not provide enough 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. There is a lack of analysis of the comparable sales data to support the conclusions presented. (SR 1-1 (a)(b)(c); SR 1-4 (a); SR 2-2 (a)(viii) and (x-5))

**Reconciliation:**

The reconciliation should address the approaches used to arrive at the noted value conclusions. The comments do not reconcile the quality and quantity of data available and analyzed within the approaches used to arrive at the value conclusion. (SR 1-6 (a); SR 2-2(a)(viii)(x-5))

**Recommendation:** Authorize a Consent Order with a \$1,000 civil penalty and to require thirty (30) hours of Sales Comparison and (7) hours of Report Writing continuing education to be completed within 180 days of execution of the Consent Order and this CE will be completed in additional to the minimum CE for license renewal.

**Commission Decision:** The Commission elected to issue a Consent Order requiring Respondent to complete a 15-hour Sales Comparison course and a 15-hour Report Writing in addition to the required CE for license renewal. The Respondent is to complete the course within 180 days of the execution of the Consent Order.

**New Information:** Respondent states they cannot find a 15 hour Sales Comparison course and all courses are only offered in 7 hour increments. Respondent is unsure of how to complete the 15 hours of Sales Comparison continuing education requirement.

**New Recommendation:** Discuss.



**New Commission Decision: The Commission voted to amend the recommendation for a thirty (30) hour Sales Comparison course. Thirteen (13) of the hours including the two (2) hours for examination shall count toward Respondent's discipline, the remaining fifteen (15) hours shall count toward Respondent's continuing education for their next licensure renewal cycle.**