



Alabama Real Estate Appraisers Board

VOLUME 18 NO. 2

# THE APPRAISER BULLETIN

WINTER 2016

## BOARD SPONSORED EDUCATION COURSE

At their September 18, 2014 meeting the Board began discussions regarding a Board sponsored course that would be presented by the Board investigators. This course would cover the most common mistakes the investigators find during their investigations.

After many months of preparation by the investigators and Board members the first offering was August 25, 2016 in Montgomery. We had great attendance with positive feedback. We were also given suggestions that will be incorporated into the next offering. This is 7 Hour course, the cost is \$50 per person and will be offered throughout the state. The next offering will be after the 1<sup>st</sup> of the year.

The Board hopes that this course will help appraisers understand what the Board looks at during an investigation and the mistakes that the investigators report to the Board. The ultimate goal is to produce more credible reports by Alabama licensees and reduce the number of cases where the Board imposes discipline against appraisers. Below are a few pictures of our first offering.

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## **IMPORTANT E-MAIL ADDRESS NOTICE**

We have received many requests for our office to make e-mail addresses of our appraisers public and list on our website. After much discussion, the Board has elected to publish appraiser e-mail addresses. However, they want to give each appraiser the option of publishing their e-mail address or not.

If you wish to opt out of having your e-mail address published, you must send an e-mail to [Carolyn.greene@reab.alabama.gov](mailto:Carolyn.greene@reab.alabama.gov) indicating you **DO NOT** want your e-mail address published. Unless we receive this e-mail your e-mail address **WILL** be published.

With this being said it is extremely important that we have correct e-mail addresses for all appraisers to insure accuracy.

**REMEMBER IF YOU DON'T WANT YOUR E-MAIL ADDRESS PUBLISHED, E-MAIL CAROLYN AT THE ABOVE E-MAIL ADDRESS.**

As always please feel free to contact our office with any questions.

## **CALENDAR**

The Alabama Real Estate Appraisers Board meets on the third Thursday every other month unless there is a need to reschedule. If committee meetings are scheduled they will be held on the Wednesday afternoon before the meeting on Thursday. If a disciplinary hearing is scheduled, the regular meeting and hearing is typically scheduled on Thursday. Meeting notices are now published in advance on the Secretary of State's website at [www.sos.state.al.us/aloma/](http://www.sos.state.al.us/aloma/). Continuing education credits are available for Board meeting attendance. Most meetings and all disciplinary hearings are held at the Board offices in Montgomery. All licensees are urged to attend Board meetings. When you plan to attend a meeting please call the Board office in advance to confirm the particulars of time and location.

### **2017 TENTATIVE MEETING SCHEDULE**

January 19, 2017

March 16, 2017

May 18, 2017

July 20, 2017

September 21, 2017

November 16, 2017

## DISCIPLINARY REPORT

***The Alabama Law requires the Board to regulate the conduct of appraisers in Alabama. The Board's Administrative Rules outline the procedure for handling complaints. The Uniform Standards of Professional Appraisal Practice provide the basic ethical standards for which appraisers must comply. Appraisers should carefully note the following violations, which resulted in disciplinary action of the Board.***

**AB 14-15** On March 17, 2016, the Board approved a negotiated Consent Settlement Order with Certified General appraiser Milton W. Holley, G00248 wherein Holley agreed to restrict his appraisal practice to 1-4 residential appraisals and other types of properties where the transaction value is less than \$250,000. Holley will pay an administrative fine of \$1,375.00. The violations are as follows: Licensee did not identify a scope of work for an income approach even though he stated in the report that the subject property is a recreational and hunting property currently being operated as a commercial fishing and hunting property. This is not consistent with Licensee's statement that the income approach is not applicable. Licensee's scope of work was less than what would be performed by his peer group for the same assignment. There were a number of factors which would suggest that an analyses of the legal, physical and economic factors to support the licensee's opinion of the highest and best use of the site should have been made and reported or at least documented in the work file: the location of the subject at Interstate system interchange and a connector road to a US Highway; property located between the Interstate and US Highway approximately 7 miles from a midsize city downtown business district;. There is nothing in the report or in the work file to support that Licensee's adjustments to the comparable sales are credible. Adjustments for improvements in the sales comparison approach appear to be dollar for dollar cost adjustments without market support in the report or the work file for the very large adjustments; Licensee considered a number of factors: the location of the subject at Interstate system interchange and a connector road to a US Highway; property located between the Interstate and US Highway approximately 7 miles from a midsize city downtown business district when making adjustments for site in the sales approach but there is no data in the report or in the work file to indicate that the amount of the adjustments are derived from the market; Licensee identified a purpose of the appraisal but not its intended use. Licensee failed to develop a site value from an appropriate appraisal method or technique, instead the licensee used sales of improved properties and unsupported adjustments to arrive at the site value used in the report. Licensee used an unsupported estimate of physical depreciation and did not address the question of functional or economic depreciation. Licensee stated in his report that the subject is operated as a commercial recreational hunting and fishing operation. Although this type of property is income producing property and is leased frequently licensee failed to develop the income approach to value and did not give a reason for excluding the income approach. Licensee used a Land Appraisal Report form to report the appraisal of an improved property. There was not enough data in the appraisal report to enable a reader of the report to understand what improvements were on the subject site, to understand what improvements were on the comparable sales and what the licensee did to develop the estimated value of the subject. The licensee's report on page 40 under Intended Use the licensee stated "The purpose of this report is to provide the client with an estimate of the fair market value of the subject property." It was apparent that the intended use was for mortgage purposes but an appraiser is required to state the intended use. Licensee utilized a canned statement on the form for Scope of Work and did not actually disclose those things that were considered and more importantly what

was not considered in developing the appraisal. Licensee failed to summarize the appraisal methods and techniques that were used in the appraisal. Licensee did not explain how he mixed the Cost Approach with the Sales Comparison Approach to make adjustments for improvements in the Sales Comparison approach. The licensee also failed to state his reasoning to support the analyses, opinions and conclusions for making the adjustments which are not supported by data contained in the report or by data in the work file.

**AB 15-08, AB 15-21** The Board approved a Consent Settlement Order from Dillard Richardson, Saitillo, Mississippi where Licensee agreed to a revocation of his Certified Residential appraiser license R01230. The violations in the two appraisal reports were: The assignment was for a Fannie Mae compliant appraisal with licensee as the only approved appraiser to complete the assignment. The assignment was appraiser specific and required that the interior and exterior inspections and all conclusions and opinions be by the assigned appraiser. Licensee did not inspect the subject property yet signed a certification that said the licensee had inspected the property. Also licensee certified that he “preformed this appraisal”, “developed my opinion of the market value” and all the other parts of the appraisal certification when in actuality this is false. Licensee’s office was located more the 100 miles from the subject property and licensee did not have access to the local MLS for the area. Licensee having this information did not inform the client of this lack of geographic competency and did not take steps to become geographically competent by joining or accruing access to the local MLS and spending time in the areas of the subject and comparable sales to become knowledgeable with the different market perspectives that influence sales price. Without having access to the local MLS licensee utilized comparable sales that were located more than 60 miles from the subject in a completely different market area without making adjustments or discussing the difference in market area. The assignment was a Fannie Mae appraisal assignment and therefore had to conform to the appraisal assignment conditions found in the Fannie Mae Guidelines to meet the expectations of parties who regular users of Fannie Mae appraisals. During the review it was also noted that in the sales comparison approach under the area titled Verification Source, the Licensee reported Revenue Commissioner as the verification source and did not explain the efforts undertaken to verify the data used in the report. This was a Fannie Mae appraisal performed in 2015 and the Fannie Mae guidelines states, “Examples of verification sources include, but are not limited to, the buyer, seller, listing agent, selling agent, and closing documents in certain situations. Regardless of the source(s) used, there must be sufficient data to understand the conditions of sale, existence of financing concessions, physical characteristics of the property and whether it was an arms-length transaction.” There was no exclamation as to any steps licensee took in trying to meet the Fannie Mae requirement. Licensee had no location adjustment made or no discussion on why none was needed for the comparable sales that were located over 60 miles away in different tax bases, different school systems, different governments and so on. It was also noted that there were several large adjustments made in the Sales Comparison Approach with no justification or explanation for these adjustments in the report or in the work file. Licensee’s failure to acknowledge the lack of geographic competency and not taking efforts to become geographically competent by joining or accruing access to a local data source, along with stating in the report that the comparable sales utilized in the report were the closest, most comparable sales for the subject even though the sales utilized were located more than 60 miles away in a different market area. These facts make this report misleading.

## LICENSE NON-RENEWAL

**Below is a complete listing of appraisers who did not renew their license for the period 10-1-16 through 9-30-17. *These appraisers are not authorized to do appraisals after September 30, 2016 without a current license. Appraisals made without a current license may be subject to disciplinary action or prosecution as a Class "A" Misdemeanor under State Law.***

### APPRAISERS WHO HAVE NOT RENEWED

For the License Year 10-1-16 through 9-30-17

Mark D. Bedsole	T01883	Don P. Bozeman	T01974
Cassandra Chandler	T01520	Thomas L. Gantt	T01830
Jerry D. Gerritsen	T02067	Travis Y. Harris	T01542
Donald G. Haynes	T01813	Beth Henderson	T00217
William H. King	T02085	Thomas W. Little	T02002
Macky L. Outlaw	T02091	Steven S. Pace	T02055
Steven A. Pharr	T02070	Thomas P. Price	T02045
Jeremiah Roberson	T02051	Matthew P. Rowan	T02058
Jason S. Sumners	T01954	Marvin L. Underwood	S00151
Michael C. Bisig	L00391	Crystal B. Daw	L00409
Dustin D. Key	L00376	Charles D. Rogers	L00197
Richard L. Bailey, Jr.	R00690	Preston L. Chase	R01184
Donald Conn, Jr.	R01284	Kathy Crone	R01237
Kevin Haefner	R01236	Grant D. Hyde	R01253
Dennis M. Joseph	R00583	Barbara Kennedy	R01141
Larry G. Landers	R01119	Brian R. Messer	R01279
Kenneth S. Newton	R01047	Brandon T. Owensby	R01241
Jay C. Parker, Jr.	R01044	Camille B. Posey	R00937
Ross Rutledge	R01161	James W. Smith	R00897
Paul N. Stallings	R00631	Robert R. Swank	R01203
Elmus M. Washburn	R00389	W. Gregory Weiss	R00737
Jamison W. Allen	G01223	Roxanne Barron	G00929
M. Whitman Beasley, Jr.	G00003	Clinton F. Bogart	G01199
Lisa D. Bradley	G00797	William F. Cantrell	G00350
Mark C. Cartin	G01103	Roger D. Casson	G00001
Stephen Cheng	G01096	Susan K. Christman	G01182
Jesse E. Clanton	G00684	Brian B. Clemens	G00841
Shelita K. Compton	G01077	Matthew D. Curl	G01175
Timothy F. Curran	G00414	Michael D. Da Kroob	G01221
Cindy J. Dickinson	G01088	Gregory O. Faler	G01258
Blake P. Fine	G01031	Lynda A. Gallagher	G01254
David S. Gronik, Jr.	G00340	Sharon W. Guntherberg	G00059
Adam J. Hardej	G01078	Stephen S. Holcombe	G00851
Mark J. Holmes	G01079	Timothy P. Huber	G01269
Hiew K. Kang	G01092	Walter W. Kennedy, Jr.	G00061
Christopher T. Larkin	G01181	Sung Lee	G01247
Glenda Lenart-Michaels	G01250	James E. Lester, Jr.	G01286
Edwin W. Litolff, Jr.	G01282	Virginia Lord	G01008
Steven L. McNair	G01066	Duane V. Miller	G00869

Edward R. Mitchell	G01192	Von W. Moody, III	G01057
Robert B. Moore	G01288	Robert M. Moorman	G01193
Thomas D. Mullins	G01190	Michael R. Nelms, Sr.	G01158
Mark F. Pomykacz	G01248	Randy W. Rahlmann	G01231
Joseph H. Rexroat	G00601	Teddy W. Reynolds	G01228
Matthew K. Reynolds	G01273	Joseph E. Rigsby	G00166
Robert K. Ruggles	G00921	Lawrence H. Saucer	G01239
Bradley E. Schuetze	G00939	William A. Solt	G00736
Mark M. Strouse	G01201	Ellen D. Sullivan	G01093
James P. Sumners	G00037	Diana Svedics	G01292
Raymond C. Walton, III	G01202	Henry F. Williamson	G00507
Dale R. Winslette	G00904	John Kenton Wyatt	G01265

### EXPERIENCE CREDIT CHANGE

At their November 21, 2013 meeting the Board voted to adopt the following changes to the Administrative Code, which became effective on January 1, 2014.

“Applicants may claim the full experience credit allowed for an appraisal, regardless of the number of signing appraisers, for all appraisals signed on or after January 1, 2014.”

This change eliminates the proration of experience points between Trainee’s and Mentors. **This change is not retroactive.**

Alabama Real Estate  
Appraisers Board

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**Editor: Lisa Brooks**

Board Members  
**Edmond (Buddy) Eslava, III**  
1st Congressional District  
**Billy Cotter**  
2nd Congressional District  
**Carroll (Lew) Watson**  
3rd Congressional District  
**Dennis Key**  
4th Congressional District  
**Richard (Rick) Pettey**  
5th Congressional District  
**Chris Baker**  
6th Congressional District  
**Robert Butler**  
7th Congressional District  
**Patrice E. McClammy**  
State At Large  
**Angela Frost**  
State At Large  
**Lisa Brooks**  
Executive Director

**CHANGE OF ADDRESS FORM**

In accordance with the Code of Alabama, 1975, §34-27A-16, which requires **IMMEDIATE** written notification to the Board of changes in business and resident addresses, **PLEASE CHANGE MY ADDRESS TO:**

Business: (Preferred Mailing ____)	Home: (Preferred Mailing ____)
_____	_____
_____	_____
Telephone No.: _____	Telephone No.: _____
Signed: _____	License Number: _____
Date: _____	