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2010

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# MISSISSIPPI REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD

Official Publication Of The Mississippi Appraisal Board



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We hope this newsletter finds our appraisers healthy and surviving what appears to be an extremely stressful time in our profession. This board is committed to improving our communication with Mississippi license holders and associated peers by developing this new newsletter and updating our website with modern standards. It has been an uphill battle to get the website completely updated since this work cannot be done in house, but must be accomplished by a another state agency. The MAB asks for website updates at every meeting. Hopefully by the end of the year it will be functional and current.

Your MAB members have been extremely busy with the flurry of activities concerning our profession.

### The hot topics have been:

- Federal appraisal regulation changes that have been fueled by the volatile mortgage failures, fraud, and economic recession.
- Educational and experience requirements that were changed beginning in 2008.
- Proposed BPO and AMC legislation
- Federal law changes that directly affect our Mississippi license holders
- A steady flow of complaints regarding appraisers.

One of the most disconcerting things I have learned about our MAB and the other states regulatory boards is that the fees collected from licenses are subject to the general budget of the states. This means that the state budget makers can sweep the agencies capital and can set a budget that includes only a portion of the fees collected and leaves little funding to carry out the federal mandates passed down to the states and the requirements to investigate and function as a quality regulator. Mississippi has been generally treated very fairly compared to some states, but we have been limited by our state's general budget crunch.

Another major concern is our aging appraisers and the lack of replacements for those retiring from the profession. There are some very interesting statistics regarding the certified appraisers. See the licenses update in this newsletter for more information.

We meet usually every fourth Thursday at our office on Lakeland Drive in Flowood and we start at 9 a.m. Feel free to come at any time and see your MAB in action.

Yours truly,

Gerald R. Barber  
Chairman, MAB

## Common Mistakes Found During Review Of Complaints – Danielle Morales

- The appraiser does not have a complete (accurate) Work File:

A work file is very important to an appraiser. It can save a life (so to speak). It is the essential documentation and analysis which is central to the appraiser's conclusion of the market value. This file is **VERY IMPORTANT** and should not be taken lightly. It should include everything an appraiser would need to complete a Summary Appraisal Report. (Ethic Rule – Record Keeping – Line 297 through 299 on page U-9 states: all other data, information, and documentation necessary to support the appraiser's opinion and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation.) An appraiser may not use everything that is in the work file to complete the assignment but, in the event the clients ask for any further information, the work file is readily available for the appraiser to use. (Ethic Rule – Record Keeping – Line 316 through 319 page U-10 states: A work file in support of a Restricted Use Appraisal Report must be sufficient for the appraiser to produce a Summary Appraisal Report.)

A work file should consist of all documentation and the analysis of how the appraiser actually reached their conclusion as to the final opinion of market value. Some of the most common shortcomings with the work file include, to wit:

- No copies of contracts of sale or copies of warranty deeds on a refinance
- No evidence that the appraiser actually verified the Comparable Sales

- No analysis indicating how the Site Value was determined

- No Letter of Engagement from the Client or a signed acceptance

- No list of repairs to the subject property or analyses of repairs and, if any the effect

of any repairs to the subject-- complete or incomplete



Work files being submitted to the MAB typically contain very few documents. This is a concern because it is apparent that the appraiser is not reviewing their report or any of the documentation and analyses which are included with the file sent to the Board

- No disclosure of previous sales for the Subject Property or for the Comparable Sales:

Subject should be analyzed for the past three years. This review will include any transfers of title; including but not limited to Warranty Deeds, Quit Claim Deeds, Substitute Trust Deeds and Trust Deeds which indicate foreclosures--see Standard

Rule 1-5(b). The MAB is finding that many appraisers do not realize that a Substitute Trustee Deed or a Trust Deed is a conveyance which actually transfers the title.

Comparable Sales should be analyzed for the past year unless either the Client or a set of Supplemental Regulations require a three year history. The work file should include evidence of any transfers of title which include typical conveyances including Warranty Deeds, Quit Claim Deeds, Substitute Trustee Deeds and Trust Deeds which show foreclosures (Fannie Mae/Freddie MAC/FHA/Va, etc)

- Site sells on new construction – many appraisers do not realize this is also a transfer of title even though it is just the land with no improvements, it still should be stated (FAQ #198 page F-95)

Appraisers **MUST** go to the Court House to complete the research if the information is not available online

- The appraiser should visit the comparable sales and take photographs of the comparables---do not rely on the MLS Picture. Often times an appraiser will rely on the MLS picture and it may not be the correct photograph

The analysis of current sale of subject property should include the impact of any seller's concessions according to Standards Rule 1-5(a). Many times the MAB finds that Seller Concessions indicated by the verification of the comparable sales are neither analyzed nor disclosed in the report.

The number of days that a property has been exposed to the market is a very valuable piece of information to

*cont'd from page 2*

most clients but, unfortunately, this information is normally missing from both the report and the work file.

One of the primary areas of concern occurs when a property has been "listed for sale" multiple times or with multiple agencies and the appraiser only mentions (analyzes) the most recent marketing. The appraiser should analyze all MLS data (even though the listing may have been cancelled or withdrawn) and disclose this information to the Client.

- The "number" of Comparable LISTINGS which are currently being offered for sale in the market area and information concerning "OTHER SALES" which have sold in the past twelve (12) months but are NOT being used in the actual report are not being properly reported. The appraisers have a tendency to indicate (in the sales comparison approach) that there has been little market activity in the area and the sales from which they chose to complete the report were very limited but then they list as many as 20 COMPARABLE LISTINGS or 25 COMPARABLE SALES CLOSED IN THE PAST 12 MONTHS. If this is, in fact, the case, why were the sales so limited for the Comparison Approach?

- Failure to properly explain/document Hypothetical Condition.

Appraiser MUST comply with the disclosure requirements outlined for completing a report using hypothetical conditions---Standards Rule 1-2(g)

- When repairs are involved, either for the subject or comparables, many appraisers are failing to document or analysis (in the report or work file) exactly what was the nature of the repairs that were considered---Standards Rule 2-2(a)(b)(c)(x)

Appraisers are failing to indicate whether or not the repairs mentioned in the report actually impact the market value or the marketability of the subject and do not indicate whether or not an adjustment is warranted

- Failure to properly develop/explain the Sales Comparison Approach (Analysis):

Work files have a tendency to be void of any information indicating the verification of the comparable sales used in the report. Just printing an MLS data sheet is not a valid verification of all information.

Similarly, appraisers have an obligation to check the public records to verify any deed transfers or conveyances on the comparable sales. A local MLS is not a source by which public records can be verified. This is especially true when the appraiser indicates that the source of his data was from both MLS Property Data Sheets and tax records

Many times the appraiser fails to explain of how the various adjustments were actually calculated

- When a report has "Excessive adjustments" the appraiser should satisfy any Supplemental Standards by issuing a statement of explanation as to the reasoning behind the excessive adjustments and why they are warranted

- Frequently there is no analysis of foreclosure sales in the subject market area when an appraiser is actually using such sales as a basis of comparison

- Failure to properly explain/develop the Cost Approach:

- No evidence in work file to indicate the method of verifying/calculating the site value

If the site value is calculated using a market extraction from home/site sales in the subject market area there should be an analysis in the work file

If the site value is based on data retrieved from the county tax records there needs to be documentation in the work file indicating the appraisers concurrence with the value

If the site value is based on information from local builders/developers there needs to be documentation in work file indicating the appraisers concurrence with the value

If the appraiser is using the Marshall Valuation Service to determine the replacement cost there should be documentation in the work file referencing the location of the data

- Concerning the Zoning Information:

If it is not possible to put a zoning map in your work file it should be documented how the appraiser verified this information.

In the majority of the instances, it is not proper to list the zoning by simply stating "SINGLE FAMILY RESIDENTIAL"

- Failure to complete the Market Conditions Addendum to the Appraisal Report:

Many appraisers do not know how to properly complete this form

Some appraisers are not noting that the subject is in a declining area even when the information included in the report indicates a declining market--and the appraiser will state that the lender could not make the loan if the market area is declining.

## FROM THE DEPUTY DIRECTOR – Mike McGee

Title XI provides that an individual who is not a State certified or licensed appraiser may assist in the preparation of an appraisal if the assistant is under the direct supervision of a licensed or certified appraiser and the final appraisal is approved and signed by that appraiser. The ASC believes that this provision should not be used to legitimize situations where one or more uncertified or unlicensed persons are not actively and directly supervised by a certified or licensed appraiser during the preparation of the significant aspects of the appraisal process, and the certified or licensed appraiser does not substantively review the appraisal in accordance with USPAP's requirements. The ASC believes that any cursory review should not qualify as direct supervision and that such activities would violate the intent and purposes of Title XI. The ASC, therefore, urges State agencies to ensure that their appraiser regulatory programs can identify situations where direct supervision is not present and to take appropriate steps to remedy them.

Fannie Mae defines “the appraiser” as the individual who personally inspected the property being appraised, inspected the exterior of the comparables, performed the analysis, and prepared and signed the appraisal report as “the appraiser”. An Appraiser Intern cannot sign an appraisal.

To comply with the ASC’s direction, the Mississippi Appraisal Board is considering

amending MAB Rule 11 3. B. to be more definitive of a Supervisory Appraiser’s qualifications, responsibilities and liabilities. The points under consideration for the amendments include:

- Continuing Education courses covering 4 hours Training an Appraiser Intern (Trainee) and 7 hours Appraisal Review. These hours could be applied to the 28 hrs. CE required for one license renewal period.
- The years of experience required as a State Certified Appraiser to be a Supervisory Appraiser.
- The Supervisory Appraiser must be compliant with the USPAP Competency Rule for the property that is the subject of the appraisal.
- The Certified Appraiser’s history relating to any disciplinary action imposed on the appraiser by any State’s Board.
- The number of Appraiser Interns a Supervisory Appraiser can have under their direct supervision.
- Registering with the MAB as a Supervisory Appraiser and identifying the Appraiser Interns under their direction.
- Documentation of the hours the Supervisory Appraiser worked directly with the Appraiser Intern on each appraisal. This would be the hours the Supervisory Appraiser was present with the Appraiser Intern on an assignment.



- The “required appraisal log” that will be compliant with the ASC and AQB regulations.

These regulations will apply to Certified appraisers signing as the Supervisory Appraiser for Licensed Appraisers (LA). MAB Rule 11 3. B. would not apply to appraisers who co-sign an appraisal as an “appraiser”, not as a Supervisory Appraiser.

All appraisers should read Fannie Mae’s letter @ [www.efanniema.com](http://www.efanniema.com). This letter list and explains changes required to Fannie Mae appraisals that will become effective September 1, 2010.

Announcement SEL-2010-09 June 30, 2010 Selling Guide Updates and Additional Guidance on Appraisal-Related Policies

Fannie Mae’s post-purchase reviews of mortgage loan files have identified issues with appraisals. As a result of those reviews, new policy requirements and clarifications concerning existing lender requirements are being added to a number of appraisal sections of the Selling Guide, including:

Inclusion of interior photographs in the appraisal report

Lender changes to the appraised value and guidance on addressing appraisal deficiencies

Appraiser selection criteria  
Sources of comparable market data  
Selection of comparable sales  
Communication under the HVCC  
Seller concessions  
Treatment of personal property  
*Market Conditions Addendum to the Appraisal Report (Form 1004 MC)*

# TOTAL ACTIVE APPRAISERS

Non-Resident General Appraiser	208
Certified Residential Appraiser	413
Licensed Appraiser	362
Non-Resident Residential Appraiser	68
Certified General Appraiser	313
Non-Resident Licensed Appraiser	6

Grand Total 1370

# TOTAL CLOSED APPRAISERS

LICENSE TYPE	NUMBER
Non-Resident General Appraiser	191
Certified Residential Appraiser	179
Licensed Appraiser	712
Non-Resident Residential Appraiser	69
Certified General Appraiser	105
Non-Resident Licensed Appraiser	35

Grand Total 1291

## Total Tests Taken January 2008 - August 2010

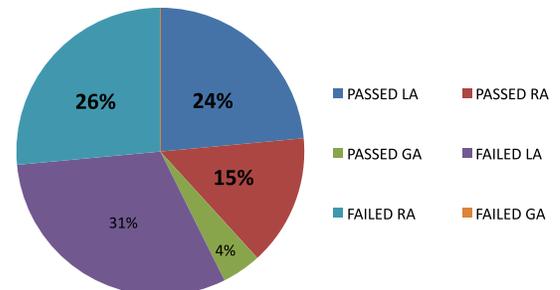
TOTAL TESTS TAKEN	67
TOTAL GA EXAMS TAKEN	3
TOTAL RA EXAMS TAKEN	24
TOTAL LA EXAMS TAKEN	36
TOTAL GA'S PASSED	3
TOTAL RA'S PASSED	10
TOTAL LA'S PASSED	14
TOTAL GA'S FAILED	0
TOTAL RA'S FAILED	14
TOTAL LA'S FAILED	22

# TOTAL INACTIVE APPRAISERS

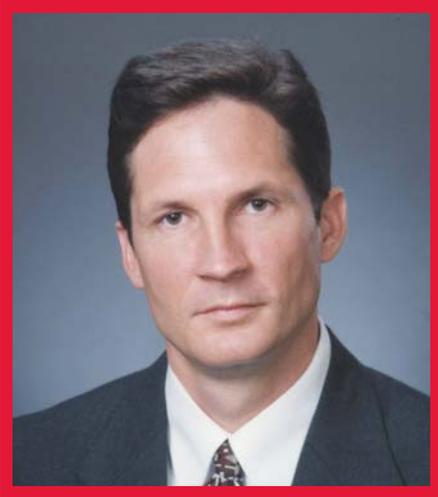
LICENSE TYPE	NUMBER
Non-Resident General Appraiser	1
Certified Residential Appraiser	25
Licensed Appraiser	80
Non-Resident Residential Appraiser	2
Certified General Appraiser	14
Non-Resident Licensed Appraiser	4

Grand Total 126

### TESTS



## Appraiser Job Market and Appraisal Experience – *Everette Ladner*



We all know the national and local real estate market has weakened significantly during the past 18 to 24 months. The number of real estate transactions is down, and, as a result, demand for real estate appraisals has dipped. With the weakened demand for real estate appraisals, the Mississippi Real Estate Licensing and Certification and Board has seen a steady decline in the number of new appraisers registering with the Mississippi Appraisal Board (MAB). Along with the decline of new applicants, there has also been a steady decline in the number of appraisers renewing their license. This steady decline includes not only licensed appraisers, but, certified appraisers as well.

According to the *Occupational Outlook Handbook* published by the Bureau of Labor Statistics, employment of real estate appraisers and assessors of real estate is expected to grow more slowly than the average over the 2008-18 decade, increasing by only five percent. Demand for real

estate appraisers' services is strongly tied to the real estate market, which can fluctuate in the short term. Over the long term, employment growth will be driven by economic expansion and population increases (factors that generate demand for real estate). The increased use of automated valuation models to conduct real estate appraisals for mortgage purposes might also shift work away from appraisers.

To repeat the cliché "only the tough will survive" could really apply to the current state of the real estate appraisal market. I think that with good appraisal practice, ethics, and quality continued education, we appraisers in Mississippi can make it through this downturn. Because of the stiffer requirements to become a certified appraiser, we may not see the volume of appraisers as in the past, but, certainly, the current and future appraisers will be ready to handle future challenges expected in the ever changing real estate appraisal profession.

Probably the most challenging task for new appraisers entering the appraisal profession today is the ability or inability to acquire hands-on appraisal experience. Most appraisal offices throughout Mississippi do not have the capacity to hire and train new, inexperienced appraisers. Some may not be willing to hire inexperienced appraisers because of the future competition it may create. This is particularly evident in small towns and communities throughout Mississippi.

It has been a long-time problem with both the MAB and new appraisers of how to gain the necessary and required experience to eventually become a certified appraiser in the State of Mississippi and other states. The MAB recognizes this problem; it is discussed at most our meetings. The ideal answer to the problem has not yet been discovered by the MAB or other State Boards throughout the United States, but, some ideas have surfaced. The most discussed idea that is gaining traction is creating hands-on classes taught by qualified appraisers. These classes can be a combination of in-the-field hours requiring the students to actually appraise a property with the help of the instructor. With good-quality instructors and curriculum, up to 50% of the required experience points or hours could be accumulated by the student.

In summary, sure the market is slow and demand for appraisal services is not as strong as it could be, but it will get better. Like the real estate market, demand for appraisal services is cyclical and demand for our services will eventually rebound. Along with good appraisal practices, strong ethics, and continued education, real estate appraisers in Mississippi will survive this dip in the market. As always, the Mississippi Appraisal Board is always welcome to ideas that improve our profession.

## ITEMS OF INTEREST FROM THE APPRAISAL BOARD

The Appraisal Board will be instituting “on-line” license renewals and fee payments in January, 2011. This will be accomplished in conjunction with an update of the MREC/MAB website ([www.mrec.ms.gov](http://www.mrec.ms.gov)). The online services will be protected from unauthorized access and the security of all online sessions will be enhanced. The new system will also require that you submit an e-mail address for verification so that you may be noticed of any online activity.

### LICENSE STATUS:

Inactive licensees are required by state statute to renew their licenses the same as active licensees. However, an inactive licensee is not required to pay the separate fee (\$25.00 per year) to be listed on the Federal Registry. Before an inactive license can be activated, the appraiser must submit proof that they have completed all continuing education requirements; including any deficient Continuing Education credits from previous licensing

periods. If any appraiser renews a license but does not complete all continuing education requirements by the renewal date, the MAB will place the license on inactive status.

License renewals will be accepted “without penalty” as long as the envelope in which they are mailed is postmarked no later than the renewal date.

Licensees may verify all Continuing Education credits by accessing the MAB portion of the website ([www.mrec.ms.gov](http://www.mrec.ms.gov)), using your login/password and using the link labeled “CE” to view the information that has been posted.

CE courses taken in another state may be used to satisfy the CE requirements but the documentation must include a course approval, the number of hours for which the course was approved and verification of 100% attendance.

There are no exemptions from Continuing Education for appraisers and no way for an active appraiser to

become “grandfathered” for education.

### BOARD MEETINGS:

All MAB meetings are open to the public. The Board Members welcome and encourage attendance and observation by all licensees. Meetings are held monthly at 2506 Lakeland Drive (Suite 300) in Flowood, Mississippi and the typical meeting date is the fourth Thursday of each month.



Robert E. Praytor  
Administrator

## Testing Information

For all inquiries please contact:

Penny Jones  
Phone: (601) 932-6770 ext. 107  
Fax: (601) 932-3880  
[pjones@mrec.state.ms.us](mailto:pjones@mrec.state.ms.us)

There are additional fees for the National portion of the exam.

Application Fee: \$225.00  
This includes the application fee and the fee for the State portion of the exam.

**\*Please notify us with any address, phone numbers, or email changes as soon as possible.**

## DISCIPLINARY ACTIONS



Michael Bret Kirk  
RA-838  
Case #32-0809

Violations: Effective Date of report misleading; failed to disclose or analyze previous deed transfers for the subject and comparables; failed to stipulate the intended use and the intended user;

Settled by Consent Order on January 14, 2009, with appraiser admitting to violating 2008 USPAP. Appraiser agrees to complete forty (45) hours of Education not to be counted toward the mandatory 28 hours of Continuing Education. All mandated courses as part of this agreement must be completed prior to appraiser being reactivated with the Mississippi Appraisal Board.

David W. Smith  
LA-1259  
Case #09-0606A & 14-0606

Violations: **09-0606A** - Failed to properly state the property characteristics; failed to disclose why property taxes were so high; contradictive information in report stating the condition of subject property; did not analyze or obtain a copy of the sales contract; incorrectly stated subject property not in flood zone but was located in AE flood zone; failed to analyze sufficient information or have documentation in work file which describes the scope of work necessary to develop the appraisal; did not disclose or analyze why all three

comparables sold for more than their list price; inconsistent with adjustments to the comparables with no disclosure or explanation why these adjustments were warranted; did not identify or analyze all deed transfers for the subject or comparables; no documentation in work file on how appraiser developed the Cost Approach; failed to analyze or disclose the hypothetical condition of the repairs on subject property; failed to identify the intended use of report; **14-0606** - Failed to properly state the property characteristics; failed to disclose why property taxes were so high; failed to identify or obtain documentation necessary for the scope of work to complete report (work file); did not analyze or obtain a copy of the sales contract; failed to disclose or analyze previous sales for the subject and comparables; failed to analyze or disclose the hypothetical condition of the repairs on the subject property; no documentation in work file how appraiser developed the Cost Approach; failed to reconcile the quality and quantity of data available within the approaches developed;

Settled by Consent Order on January 22, 2009, with appraiser admitting to violating 2005 USPAP for both cases. Appraiser agrees to a one (1) year suspension followed by a one (1) year probation period which includes a monthly log submitted to the Board for review. Appraiser must also meet January 1st 2008 educational requirements for licensure as a Certified Residential Appraiser, take and pass the National Certified Residential Examination and a fifteen (15) hour 2010 USPAP course prior to licensure as a Certified Residential Appraiser.

Thomas Elliot Ruffin  
GA-71  
Case #17-0606 & 18-0606

Violation: **17-0606** - Failed to analyze contract which includes analysis of the seller's concessions; appraiser did not

state legal description correctly as well as leaving certain areas blank in the subject section of report; failed to analyze previous listings on the subject; failed to reconcile the applicability or suitability of the three approaches; **18-0606** - failed to analyze the contract which includes analysis of the seller's concessions; incorrectly identify the effective date and signed data of the report with no explanation; appraiser did not state legal description correctly as well as leaving certain areas blank in the subject section of report;

Settled by Consent Order on February 26, 2008, with appraiser admitting to violating 2005 USPAP for both cases. Appraiser agrees to a one (1) year probation period which includes a monthly log submitted to the Board for review. Appraiser must also complete sixty (60) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and agrees not to function as a Supervising Appraiser for Appraiser Interns or Licensed Appraisers who are designated as TRACK II Licensed Appraisers. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Wesley Stephen Crawley  
RA-767  
Case #01-0901

Violations: Failed to identify the relevant economic attributes for the increasing trend of property values; failed to analyze the seller's concessions for the subject and comparables; failed to analyze or disclose previous sells for the subject property which included a foreclosure sell; failed to analyze, document or verify those recognized methods and techniques for the Income Approach;

Settled by Consent Order on July 23, 2009, with appraiser admitting to violating 2008 USPAP. Appraiser agrees to forty five (45) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education

and further agrees to complete these Qualifying Educational courses within ninety (90) days. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Ginny L. Mitchell  
RA-803  
Case #25-0511

Violations: Report shows several violations that within themselves would not have affected the report but in aggregate affect final results; failed to verify comparable sales; incorrectly identify the effective date and signed data of the report with no explanation; failed to state the correct flood zone; failed to document or analyze the site value by an appropriate appraisal method or technique;

Settled by Consent Order on July 23, 2009, with appraiser admitting to violating 2006 USPAP. Appraiser agrees to forty five (45) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational course within one hundred twenty (120) days. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Funmilayo Bannerman-Tilden  
LA-585  
Case #22-0807

Violations: Report shows several violations that within themselves would not have affected the report but in aggregate affect final results; failed to document or analyze the site value by an appropriate appraisal method or technique; failed to analyze the contract or receive a copy; failed to document or analysis the previous sales of the subject; failed to reconcile the quality and quantity of data available to analyze correctly within the three approaches;

Settled by Consent Order on August 3, 2009, with appraiser admitting to violating 2006 USPAP. Appraiser agrees

to sixty (60) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational course within one hundred twenty (120) days. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Mark Hamilton – GA-459  
Case #36-0810-1

Jody W. Wooten – LA-896  
Case #36-0810-2

Violations: Failed to document or analyze previous sales of the subject; failed to recognize the HOA and dues; appraisers used comparable sales located over 39 miles from subject with no disclosure or explanation of why they felt these comparables were necessary; failed to analyze previous sales for comparables; failed to disclose an explanation of large adjustments; incorrectly identified bedrooms and baths for the subject and certain comparables; failed to verify comparable sales data; failed to document their explanation of the cost approach; incorrectly stated license expiration date of appraiser Wooten;

Settled by Final Order on July 23, 2009 where the Board orders and directs, for the violations cited herein (separately and jointly) that: Both appraisers are hereby placed in a probationary status for a period of one (1) year in which a log of appraisal reports be submitted to the Board at the first of each month; Both appraisers to complete thirty one (31) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education.

Carol Ann Smith  
RA-707  
Case #04-0902

Violations contained in Tennessee Final Order: Failed to correctly state the accuracy the description for subject and comparable sales (missing the correct site size, misstating the GLA, omitting the GLA of the 2nd story for comp 3, ect.);

failed to provide support or rationale for age adjustments; failed to be consistent with depreciation figure in the cost approach; failed to research or analyze sales history; misstating correct owner of subject property; failed to analyze or disclose the rational for adjustments in the Sales Comparison Approach; miss-reported rental payments in the income approach; \*\*see Consent Order for further violations;

Settled by Consent Order on September 24, 2009 where appraiser was directed by the Tennessee Appraisal Board Final Order that her TN License be suspended through May 10, 2010. Appraiser is to complete seventy five (75) hours of Education as well as a nine (9) month probation period in which a log of appraisals performed in the State of Mississippi is submitted to the MAB Board. Appraiser is not allowed to have or supervise any trainees, Tract II licensed appraiser or sign any report as a supervisor appraiser. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

John T. Jordan  
Non-Resident Appraiser GA-411  
Case #06-0902

Violations contained in Tennessee Consent Order: Appraiser was acting as a Certified General Appraiser for commercial appraisal reports that were submitted for experience audit by an applicant who is currently a Certified Residential Appraiser;

Settled by Consent Order on September 24, 2009 where appraiser was directed by the Tennessee Appraisal Board Consent Order to complete a fifteen (15) hour USPAP course. If the educational courses are not completed as directed by the Tennessee Board, Appraiser's Mississippi License will be suspended.

Silas Williams  
Non-Resident Appraiser RA-617  
Case #03-0902

Violations contained in Alabama Consent Order: Failed to report mobile home on the subject property, make any analysis or adjustments; failed to adequately reconcile the cost approach; failed to develop and report the Scope of Work; failed to consider functional depreciation for subject when over built for the neighborhood; failed to adequately reconcile the indicated value of cost approach with estimated value;

Settled by Consent Order on September 24, 2009 where appraiser was directed by the Alabama Appraisal Board Consent Order to complete a fifteen (15) hour USPAP course. Appraiser agreed to sixty (60) days of probation and to submit a log at the 1st of each month of appraisal performed in the State of Mississippi. If the educational courses are not completed as directed by the Alabama Board, Appraiser's Mississippi License will be suspended.

David D. Ross  
RA-650  
Case #13-0805

Violations contained in Tennessee Consent Order: Failed to analyze previous listings on the Subject; Failed to analyze the contract of sale and seller concessions; inaccurately reported the subject's GLA; inaccurately reported characteristics of the comparables; failed to analyze or disclose the rationale of adjustments in the Sales Comparison Approach; failed to reconcile the three approaches to value; committing numerous errors of commission and omission within the report;

Settled by Consent Order on September 24, 2009 where appraiser was directed by the Tennessee Appraisal Board Consent Order to complete forty five (45) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education. If the educational courses are not completed as

directed, Appraiser's Mississippi License will be suspended.

Ronald C. Vaughn, Jr.  
Non-Resident Appraiser RA-672  
Case #05-0902

Violations contained in Tennessee Consent Order: appraised agricultural land in which the value exceeded his licensed limit; failed to enclose signed certification;

Settled by Consent Order on September 24, 2009 where appraiser was directed by the Tennessee Appraisal Board Consent Order to complete a fifteen (15) hour USPAP course. If the educational courses are not completed as directed by the Tennessee Board, Appraiser's Mississippi License will be suspended.

Mark D. Goodwin  
RA-711  
Case #26-0808

Violations: Failed to properly identify the property characteristics of the subject property; failed to analyze previous deed transfers for the subject property; failed to disclose the exclusion of the income or cost approach; failed to provide documentation or analysis of site value; failed to analyze or disclose the construction proposal contract; failed to analyze or disclose previous sale and current listing for comparable #3;

Settled by Consent Order on September 24, 2009 with appraiser admitting to violating 2008 USPAP. Appraiser agrees to forty five (45) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational course within ninety (90) days. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Stacey Webb  
RA-866  
Case #39-0810

Violations: Failed to develop an opinion of site value with an appropriate appraisal method or technique; failed to document, analyze and disclose how he developed the Cost Approach; failed to analyze or disclose previous sales for the subject including a foreclosure sale; failed to analyze or disclose hypothetical condition with repairs to the subject; failed to document the scope of work sufficient to develop an appraisal report;

Settled by Consent Order on September 24, 2009 with appraiser admitting to violating 2008 USPAP. Appraiser agrees to sixty five (65) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational course within ninety (90) days. Appraiser also agrees to probation for a period of one (1) year in which a log of appraisal reports will be submitted to the Board at the first of each month. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Ajax J. Morris Jr.  
GA-182  
Case #01-0801

Violations: Three reports were prepared showing the same effective date of value but stated different opinions of value with no explanation of the differences in report or work file; Scope of Work written in these reports were not consistent with what these reports contained; failed to contain sufficient information to enable the intended users of these reports to understand them properly; failed to correctly complete research and analysis necessary to produce an accurate report;

Settled by Consent Order on September 24, 2009 with appraiser admitting to violating 2006 USPAP. Appraiser agrees to one hundred (100)

hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational courses within ninety (90) days. Appraiser also agrees to six (6) months Suspension with three (3) months of said Suspension held in abeyance as well as one (1) year probation following said suspension. During the probation period the appraiser must submit a log of appraisal reports to the Board at the first of each month. If mandated courses are not completed within the ninety (90) days, appraiser will not be able to reinstate his license until mandated courses are completed.

Karen L. Delk  
RA-607  
Case #25-0511

Violations: Report shows several violations that within themselves would not have affected the report but in aggregate affect final results; failed to verify comparable sales; incorrectly identify the effective date and signed data of the report with no explanation; failed to state the correct flood zone; failed to document or analyze the site value by an appropriate appraisal method or technique;

Settled by Consent Order on September 29, 2009 with the appraiser admitting to violating 2006 USPAP. Appraiser agrees to sixty (60) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational courses within one hundred and twenty (120) days. Appraiser will not be allowed to function as a Supervising Appraiser for Appraiser Interns or Licensed Appraisers for one (1) year. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Carolyn O. Chapuis  
LA-1420 Tract II  
Case #11-0903

Violations: Failed to analyze or disclose previous sales and listings of the subject property; Failed to analyze seller concessions; Failed to analyze or explain why the subject market value was higher than the two comparable sales used in the report that were located in the subject neighborhood; incorrectly stated the sales price for comparable #1; failed to analyze or provide any documentation of how the site value was derived; failed to state License Obtained with NO Appraisal Experience for License Tract II;

Settled by Consent Order on January 25, 2010 with the appraiser admitting to violating 2006 USPAP. Appraiser agrees to forty five (45) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational courses within ninety (90) days. Appraiser also agrees to six (6) months probation in which the appraiser must submit a log of appraisal reports to the Board at the first of each month. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Harold D. White  
GA-738  
Case #29-0910

Violations: No verified documentation in work file to analyze sufficient information for the report; no analysis or disclosures of the sales comparison approach; failed to develop the income approach;

Settled by Consent Order on May 18, 2010 with the appraiser admitting to violating 2008 USPAP. Appraiser agrees to one hundred and twenty five (125) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational courses within one hundred and eighty (180) days. Appraiser voluntarily

agrees not to appraiser commercial real estate until all education has been completed. If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

Todd Glidewell  
GA-51  
Case #32-0911

Violations: Co-signed as supervisor for appraisal reports in which the appraisals were performed in Mississippi with signers not holding a Mississippi License;

Settled by Consent Order on June 1, 2010 with the appraiser admitting to violating the Miss. Code Ann. Sections 73-34-35(1)(l) and 73-34-5(1). Appraiser agrees to a one (1) year probation period of performing appraisals in the state of Mississippi. During the probation period, appraiser must submit a log of appraisal reports performed in Mississippi at the first of each month. Appraiser will not be allowed to function as a Supervising Appraiser for Appraisals performed in Mississippi for one (1) year.

Russell W. Taylor  
LA-1437  
Case #27-0908

Violations: Failed to verify, analyze or disclose information concerning the comparable sales data for the sales comparison approach; failed to analyze or disclose the cost and income approaches;

Settled by Consent Order on June 1, 2010 with the appraiser admitting to violating 2008 USPAP. Appraiser agrees to seventy five (75) hours of Education not to be counted towards the mandatory 28 hours of Continuing Education and further agrees to complete these Qualifying Educational courses within one hundred and eighty days (180). If the educational courses are not completed as directed, Appraiser's Mississippi License will be suspended.

### Notes from the Spring 2010 AARO Conference: – *Leslie R. North*



I had the privilege of attending the Spring AARO conference as a representative of the MAB in April. AARO is the national organization for State Appraisal Regulators across

the country. This meeting was packed with key players from all aspects of the Appraisal Profession. Many of the topics were presented by individuals on different sides of the table and at times these discussions became lively. Some of the topics included BPO's, Federal Agency Updates, Legislative updates, AMC's, USPAP updates, and Appraiser Coalitions.

- The discussion on BPO's and AMC's were two of the liveliest. According to several speakers there are reported to be 10 million BPO's ordered in 2009. There were 3.9 million foreclosures in 2009; another wave is coming with 7.9 million non-current loans and REO's in 2009. BPO's are being used for information and non-origination purposes. Since that meeting, the Wall Street Reform and Consumer Protection Act (Title

XIV having a great impact on the appraisal profession) was signed into law. The role of BPO's and AMC's is further clarified.

- An interesting piece of information came from FHA, their market share increased from 3% to 30%-40%.

LIA – Liability Insurance Administrators. Litigation against Appraiser is another form of regulation. They are seeing more discipline complaints by borrowers since HVCC regarding values. These suits affect how appraiser performs appraisals both good and bad. New reality is that an appraiser is a lot less likely to be sued for “coming in low”

- Borrower complaints have increase since HVCC about values. Borrowers are a new source of pressure for appraisers. Borrowers are over 50% of the litigation, lenders are the second source

- Mortgage insurance rescissions and forced mortgage repurchases is fueling the lenders. Forensic Reviews is a problem, no oversight. An example given of a licensed appraiser who reviewed an MAI report, it was a quality report and it was forced back by the GSE. LIA has not seen lenders reporting appraiser for ethics violations. The big issue is “over valuations”.

- FDIC is emerging as a new source, they are filing more complaints – against good appraisers. FDIC has full teams now handling these complaints. FDIC has two groups- institutions in operation and institution that failed. In the case of the ones that failed they are looking at all individuals who contributed to the failure. Mortgage Asset Research Institute estimates 33% of mortgage fraud involves appraisal fraud.

- ASC – The number of appraisers is down 6% since the peak, projections are this number will drop from 100,000 to between 80,000 and 90,000.

- AQB- At the time of the meeting, since 2008 there have been 104 Certified Generals, 435 Certified Residential credentials issued in the country. The pass rate for first time takers is 50% for the exam, 40% had post 08 education. The exam is based on 300 hours of education; the pre 2008 education is based on 108.

Lastly, did you know, the Appraisal Foundation will provide free to every appraiser brochures on “Why Engage a Professional Appraiser”, see the link below.

<https://netforum.avectra.com/eWeb/DynamicPage.aspx?Site=taf&WebCode=Brochures>