



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
REAL ESTATE APPRAISER COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-1166
615-741-1831

January 17, 2012
Second Floor Conference Room, Andrew Johnson Tower

The Tennessee Real Estate Appraiser Commission met January 17, 2012 at 8:00 a.m. in Nashville, Tennessee, at the Andrew Johnson Tower in the second floor conference room. Chairperson, Nancy Point, called the meeting to order and the following business was transacted.

COMMISSION MEMBERS PRESENT

James E. Wade, Jr.
Nancy Point
Rosemarie Johnson
Norman Hall
Michael Green
Timothy Walton

COMMISSION MEMBERS ABSENT

Dr. Edward A. Barylka
Erik Sanford
Herbert Phillips

STAFF MEMBERS PRESENT

Nikole Avers
Aminah Saunders
Eman Youssef

ADOPT AGENDA

Mr. Hall made the motion to accept the agenda and it was seconded by Mr. Walton. The motion carried unopposed.

MINUTES

The November 14, 2011 minutes were reviewed. Mr. Hall made the motion to accept the minutes as written. It was seconded by Ms. Johnson. The motion carried unopposed.

Experience Interviews

Julia K. Thayer made application to upgrade from a license real estate appraiser to become a certified residential real estate appraiser. Mr. Hall was the reviewer and recommended to table the application to next meeting. The applicant shall send an additional appraisal showing proficiency in the Cost Approach. No vote taken.

Andrew M. Gibson, made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Green was the reviewer and recommended approval of his experience request. Mr. Wade made the motion to accept the recommendation and Mr. Walton seconded the motion. The motion carried unopposed. Mr. Hall recused from vote.

Kenneth Brown, made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Walton was the reviewer and recommended approval of his experience request. Mr. Hall made the motion to accept the recommendation and Mr. Green seconded the motion. The motion carried unopposed.

Stephen J. Hutchison, made application to upgrade from a registered trainee to become a certified general real estate appraiser. Mr. Wade was the reviewer and recommended approval of his experience request. Mr. Hall made the motion to accept the recommendation and Mr. Walton seconded the motion. The motion carried unopposed.

Education Committee Report

Dr. Baryla reviewed the education and submitted his recommendations electronically to the Real Estate Appraiser Commission, as seen below. Mr. Hall made a motion to accept Dr. Baryla's recommendations. Mr. Wade seconded the motion. The motion carried unopposed.

January 17, 2012 Education Committee Report

Course Provider	Course Number	Course Name	Instructors	Hours	Type	Recommendation
The Columbia Institute	1542	Interactive Valuation Modeling & Case Studies, No. 226	James E. Jacobs Mark Linne	16	CE	For
NAIFA	1544	FHA Current Appraisal Requirements	Mike Orman	7	CE	For
NAIFA	1545	Appraising in the Foreclosure Market	Mike Orman	7	CE	For
Memphis Appraisal Institute	1547	Mortgage Fraud and the TN Real Estate Appraiser Commission	Nikole Avers	2	CE	For

Individual Course Approval

Name	File #	Provider	Course Name	Hours	Type	Recommendation
Carol A. Croft	733	International Right of Way Association	Legal Aspects of Easements	8	CE	For
Maynard Leeman	1077	Tennessee Society of Certified Public Accountants	Forensic & Valuation Services, Conference	20	CE	For 18 hours. Two modules appear to be unacceptable under 1255-2-.06(4)(b)5. business topics *see below

10/20/11 Marketing made easy for business valuation practices
 10/20/11 Opportunities in Forensic and Valuation Services

Under 1255-4-.01 (6) The purpose of continuing education....maintains and increases... skill, knowledge or competency in real estate appraisal.

LEGAL REPORT:

1. 2011022371 Mr. Michael Orman was the reviewer in this matter.

This complaint was filed by a lender and alleged that the Respondent over valued a residential property in a 2007 appraisal report.

In response to the complaint, the Respondent states that the complainant's reviewer was biased and unfair in performing the review and arrived at an inaccurate fair market value conclusion. The Respondent states predominate value range was well supported and only sales that could be categorized as fair market value were included. The Respondent states that the prior sale of the subject occurred ten (10) months prior to the appraisal and any inadequacies had been remedied by the owner and the subject's condition was similar to other sales in the market area. The Respondent states that the complainant's review was so inadequate that had the name not been redacted the Respondent would have file a complaint. In conclusion, the Respondent states that an accurate market supported value conclusion is the goal in all appraisals performed and that the Respondent has taken a market sales course and that as of the effective date of the report, the appraisal was well supported.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The sales contract was not analyzed. [Scope of Work Rule; SR 1-5 (a)]
- The subject's previous listing was not analyzed and the previous transfer was not reported or analyzed. [SR 1-5 (a);SR 2-2 (b)(viii)]
- Neighborhood housing trends not adequately described or analyzed. [SR 1-2 (e)(i);SR 1-3 (a);SR 2-2 (b)(iii)]
- Subject zoning not correctly identified. [SR 1-2 (e)(i)]
- Sales used not properly verified and analyzed. [[SR 1-4 (a); SR 2-2 (b)(viii)]
- Site value and cost approach data was unsupported. [SR1-1 (a)(b)(c); SR1-4 (b)(i)(ii); SR2-2 (b)(viii)]

- No analysis of income and exclusion of the Income Approach not explained. [SR 1-1 (a)(b)(c); SR 2-2 (b)(viii)]
- Reconciliation does not address the quality or quantity of data in arriving at the final value. [Scope of Work Rule; SR 1-1 (a)(b)(c); SR1-6 (a)(b); SR 2-2 (b)(viii)]

License History: Licensed RE Appraiser 05/31/2001 – 05/31/2008 (expired)
 Certified Residential 08/11/2001 – Current

Prior Complaint / Disciplinary History: 200501950 (closed w/ no action)
 200902234 (closed and flagged)

Reasoning and Recommendation: The Respondent has been licensed since 2001 and has no prior discipline however the errors noted above diminish the reliability of the report and undermine the credibility of the value conclusion therefore Counsel recommends the imposition of a five hundred dollar (\$500.00) civil penalty, a five hour (5) hour data verification course, a fifteen (15) hour Site Valuation & Cost course and a thirty (30) hour Sales & Income Approach course to be completed within one hundred and twenty (120) days of execution. Counsel is of the opinion that the civil penalty would act as an economic deterrent while the corrective education should assist the Respondent in becoming a more competent appraiser. Mr. Hall made a motion to reconsider the counsel recommendation and Mr. Green seconded the motion. Mr. Hall made the motion to remove the thirty (30) hour Sales & Income Approach and left the rest of the recommendation as it reads. Mr. Wade seconded the motion. The motion carried unopposed.

2. 2011022991 Mr. Michael Orman was the reviewer.

This complaint was filed by the subject property owner's neighbor and alleged that the Respondent undervalued a residential property and was biased in the appraisal. The complainant further states that the Respondent had an undisclosed interest in the property.

The Respondent states that he has been a real estate broker for 33 years and an appraiser since 1992. Respondent was hired by the complainant – neighbor, who was acting as conservator. The Respondent states that the allegations by the complainant are not based in fact and that at the time of the appraisal a large employer announced significant layoffs in the subject area leading to a negative effect on properties in the area. The Respondent states that he met the owner of the property seven (7) months later when he was contacted to list the subject property. The owner executed a Personal Interest Disclosure Form and affidavit indicating that owner felt the listing price was optimistic and a few months after listing the Respondent purchased the property. The owner indicates complete satisfaction with the way the transaction was handled.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The report indicates this appraisal assignment is, "*For a mortgage finance transaction*". Reviewing the complaint and other work file documentation, the intended use appeared to be for asset valuation to settle an estate for a, "*future sale*". This lack of clarification appears to be a proofreading issue. [SR 1-2 (b); SR 2-2 (b)(ii)]
- Neighborhood boundaries were not adequately defined. [SR 1-1 (b); SR 1-2 (e)(i)]
- Site value presented was not supported. [SR 1-4 (b)(i)]

License History: Certified General

12/21/1992 - present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed since 1992 and has no prior discipline. The errors noted above appear to be primarily proofreading issues. Counsel recommends a Letter of Instruction regarding the issues noted. Counsel is of the opinion that a letter should act to sufficiently bring the errors to the Respondent's attention thereby protecting the interests of the public. Mr. Wade made the motion to accept the recommendation and Ms. Johnson seconded the motion. The motion carried unopposed.

3. 201101874 There was no reviewer in this matter.

A trainee filed this complaint against former Supervisor alleging that the Supervisor failed to provide copies of seven hundred and fifty (750) reports in which the trainee made significant contributions. The trainee states that only fifty three (53) appraisal reports were made available. The trainee further alleges that the Supervisor removed trainee's signature from appraisals which were submitted to clients so the client would not know that trainee had worked on the assignment. In addition, trainee states that Supervisor owes almost four thousand dollars (\$4000.00) for services provided.

The Respondent states that the relationship with trainee ended April of 2011 due to economic demands and personal/work issues and that Complainant has behaved in an unprofessional manner since that time. The Respondent states that Complainant failed to maintain the work log and are now attempting to reconstruct the experience hours. The Respondent states that he is uncomfortable signing the experience log as he has some doubts about the experience hours being claimed. The Respondent denies removing Complainant's name from any appraisals and identified in all reports that Complainant contributed significant appraisal assistance. In May of 2010 the Respondent's office was flooded and twenty (20) years of appraisal documents were destroyed and that trainee maintained records off site. Respondent states that he asked Complainant to provide copies of the reports.

TREAC staff directed the parties to submit reports and both parties complied with the request; however complainant continued to allege that the Respondent did not turn over all reports.

License History: Certified General 01/13/1992 – Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed since 1992 and has had no prior discipline. Counsel recommends a Letter of Warning regarding record retention requirements and the necessity of monitoring trainee experience logs. Counsel is of the opinion that the recommended disposition should sufficiently educate the Respondent as to Supervisor obligations thereby protecting the interests of the public. Mr. Walton made the motion to accept the recommendation and Mr. Hall seconded the motion. The motion carried unopposed.

4. 2011023351 Mr. Sam Pipkin was the reviewer in this matter.

This complaint was filed anonymously and alleged that the Respondent over valued the subject property in a January 23, 2007 land appraisal. The Complainant alleged that the adjustments made were unsupported and the sales comparison approach reconciliation was absent. The Complainant further states that the Highest and Best Use analysis was insufficient. The Complainant states that the appraisal is not credible.

The Respondent states that all comparable properties are vacant acreage in the subject's county. The Respondents states that the adjustments were made due to acreage differences and the superior location of two (2) of the comparable properties while in two (2) other comparable adjustments were made due to an easement and road frontage. The Respondent concedes that as to the Highest and Best Use analysis was not sufficiently elaborated on. The Respondent states that upon receiving the complaint, Respondent contacted the client and was advised that the client is happy with Respondent's work and that the loan secured will be paid off very soon.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal does not include any discussion of development potential and only states that the Highest and Best Use is the proposed use. The absence of an explanation regarding the proposed use of the subject, the utility of the property for development and restriction due to the lack of road frontage are significant errors whose omission adversely affect the credibility of the report. [SR 1-1(c), 1-2(e)]
- The unexplained excessively large adjustments made to the comparable properties and create significant doubt as to the credibility of the value conclusion. [SR 1-4]

License History: Certified General 03/23/1992 – Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed since 1992 and has no prior discipline, the current complaint matter relates to a 2007 appraisal. The review alleges significant USPAP violations which undermine the credibility of the value conclusion, therefore Counsel recommends the imposition of a civil penalty in the amount of five hundred dollars (\$500.00) and successful completion of a fifteen (15) hour Site Valuation course and a thirty (30) hour Sales Comparison Approach course within one hundred and eighty (180) days of execution. Counsel is of the opinion that the civil penalty should act as a sufficient economic deterrent while the corrective education should aid the Respondent in becoming a more competent appraiser thereby protecting the interests of the public. Mr. Wade made the motion to accept the recommendation and Mr. Green seconded the motion. The motion carried unopposed.

5. 2011023161 Mr. Michael Orman was the reviewer.

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property. The complainant states that the real estate agent provided the value needed to come in as close to the purchase price as possible and the Respondent obliged.

The Respondent stated that the real estate agent was present at the time of the appraisal and that no one else was present. The Respondent states that a predetermined value was

not discussed by either party. The Respondent states that a structural issue which was causing the floor to slope was discussed and the Respondent requested and received a copy of the structural engineer report and included the report in the appraisal.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The contract was not included in the work file. [Ethics: Recordkeeping, SR 1-5 (a), SR 2-2 (b)(viii).
- The relevant characteristics and Sales Comparison analysis was not properly addressed or analyzed. [Scope of Work Rule; SR 1-2 (e)(i), SR 2-2(b)(iii)]
- The site value and cost approach was not properly supported. [SR 1-1(a); SR 1-4(b), SR 2-1(a)(b), SR 2-2(b)(viii)]
- The reconciliation does not address the quality or quantity of data in arriving at the final value. [SR 1-6(a), SR 2-2(b)(viii)]

License History: Registered Trainee
CR RE Appraiser

2/11/2004 to 8/24/2006
8/24/2006 to Present

Prior Complaint / Disciplinary History: None

Reasoning and Recommendation: The Respondent has been Certified Residential since 2006 and has no prior discipline. The violations noted above tend to have an adversely affects the overall credibility of the report therefore Counsel recommends that the Respondent complete a fifteen (15) hour Site Valuation and Cost Approach course and a seven (7) hour Report Writing Course within one hundred and twenty (120) days of execution. Counsel is of the opinion that corrective education should serve to assist the Respondent in becoming a more competent and effective appraiser thereby protecting the interests of the public. Mr. Hall made a motion to discuss the recommendation and seconded by Mr. Green. After discussion, Mr. Hall made a motion to accept the recommendation with the amendment to complete the courses within (180) days and Ms. Johnson seconded the motion. The motion carried unopposed.

6. 2011019111 Mr. William Wilson was the reviewer.

This complaint was filed by a consumer and alleged that the Respondent omitted many items of deferred maintenance and listed several items as repaired when they were not repaired or poorly repaired.

The Respondent states that the appraisal contained a list of several recommended repairs and the repairs were made sufficient to comply with FHA requirements. The Respondent indicates that the Complainant is confused about the role of an appraiser versus that of a home inspector. The Respondents states that many of the issues the complainant points to are outside the scope of an appraiser and the Respondent included a disclosure indicating that Respondent is not a structural engineer and the report provided does not constitute a home inspection.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The analysis of the sale contract and closing cost paid does not contain sufficient information. [SR 1-1(c) , SR 2-1 (b)]

- Neighborhood section has very little information about the neighborhood or area. [SR 1-1(b) & (c), SR 1-2(e)(i), SR 2-1(a) & (b)]
- Sales Comparison Approach did not discuss changes in listing prices which could be an indication of seller concessions, errors in reporting of prior sales [SR 1-1(a)(b)(c), SR 1-4(a), SR 1-5, SR 1-6, SR 2-1(a)(b), SR 2-2(b)]
- Sales Comparison Approach did not discuss any reconciliation that derived the indicated value. [Scope of Work: Problem Identification, SR 1-1(b)(c), SR 1-5]
- The Cost approach was developed on a fifty year old property and no explanation for the lack of a functional obsolescence adjustment. [SR 1-1(a)(b)(c), SR 1-4(b), SR 2-1(a)(b), SR 2-2(b)(viii)]

License History: Registered Trainee 01/16/2002 – 04/21/2005
CR RE Appraiser 04/22/2005 - Present

Prior Complaint / Disciplinary History: None

Reasoning and Recommendation: The Respondent has been Certified Residential since 2005 and has no prior discipline. The findings above are significant and collectively undermine the credibility of the value conclusion. As such Counsel recommends the imposition of a five hundred dollar (\$500.00) civil penalty and successful completion of a thirty (30) hour Sales Comparison Approach course and a fifteen (15) hour Site Valuation and Cost Approach course within one hundred and eighty (180) days of execution. Counsel believes that the civil penalty will act as a sufficient deterrent while the corrective education should assist the Respondent in becoming a more competent and effective appraiser thereby protecting the interest of the public. Mr. Green made the motion to revise the recommendation and Mr. Walton seconded the motion. After discussion, Mr. Green amended his motion to accept the recommendation with the exception to remove a fifteen (15) hour Site Valuation and Cost Approach. Mr. Hall seconded the motion. The motion carried unopposed.

7. 2011026821 Mr. Sam Pipkin was the reviewer.

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property. The Respondent states that the report is USPAP compliant and provides a credible and well supported value opinion.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- No apparent violations of USPAP found.

License History: Registered Trainee 01/16/2002 – 04/21/2005
CR RE Appraiser 04/22/2005 - Present

Prior Complaint / Disciplinary History: None

Reasoning and Recommendation: Counsel recommends the **DISMISSAL** of the complaint matter as no violations of USPAP were found. Mr. Hall made the motion to accept the recommendation and Mr. Green seconded the motion. The motion carried unopposed.

8. 2011023441 Mr. Sam Pipkin was the reviewer.

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property and acted unfairly in the appraisal of the subject.

The Respondent denies the allegations and indicates that the appraisal report speaks for itself.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- No apparent violations of USPAP found.

License History: Registered Trainee 08/30/1999 – 01/08/2004
CR RE Appraiser 01/09/2004 - Present

Prior Complaint / Disciplinary History: None

Reasoning and Recommendation: Counsel recommends the **DISMISSAL** of the complaint matter as no violations of USPAP were found. Mr. Wade made the motion to accept the recommendation and Mr. Hall seconded the motion. The motion carried unopposed.

9. 2011023891 Mr. Michael Orman was the reviewer.

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property by using inappropriate comparable and misreported subject property information.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Analysis of the adjustments made in sales comparison was inadequate. [SR 2-1(b), SR 2-2(b)(viii)]
- The weighting of the sales was not adequately defined. [SR 1-6(b), SR 2-1(a), SR 2-2(b)(viii)]
- The exclusion of the cost approach was inadequately supported. [SR 1-6(b)]

In response to the specific allegations as noted above the Respondent states that he appreciates the opportunity to have his work critiqued by the reviewer and the experience has been educational. The Respondent states that there has been no indication of dissatisfaction from the intended user. The Respondent states that in the future Respondent will strive to do a better job of including more detailed explanation and analysis in future reports.

License History: Licensed RE 03/05/2003 – 12/26/2007
CR RE Appraiser 12/27/2007 – Present

Prior Complaint / Disciplinary History: None

Reasoning and Recommendation: The Respondent has been licensed since 2007 and has no prior discipline and acknowledges error in the report. While the reviewer found that the analysis in the report was lacking - the report was found to be credible overall therefore Counsel recommends a Letter of Caution regarding the allegations as listed above.

After discussion, Mr. Walton made the motion to revise the recommendation to close the complaint and Mr. Hall seconded the motion. The vote was called. Mr. Green voted "no"; all the other members voted for the recommendation. The motion carried.

10. 2011021912/2011021911 Mr. Michael Orman was the reviewer.

This complaint was filed by a lender and alleged that the Respondent communicated a misleading appraisal report by appraising a duplex as single family, utilizing inappropriate comparable sales and omitting the income approach without adequate explanation and ultimately over valuing the subject.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Previous listing and sale was not analyzed. [SR 1-5(a)(b), SR 2-2(b)(viii)]
- Property type incorrectly identified. [Competency Rule; Scope of Work Rule; SR 1-3(a)(b), SR 2-2(b)(ix)]
- Zoning incorrectly reported. [Scope of Work Rule, SR 1-1(a)(b)(c), SR 1-2(e)(i), SR 1-3(a)(b), SR 2-2(b)(ix)]
- Highest and Best Use analysis inadequately summarized. [Scope of Work Rule, SR 1-1(a)(b)(c), SR 1-2 (e)(i), SR 1-3(a)(b), SR 2-2(b)(ix)]
- Description of improvements failed to adequately address relevant characteristic for subject. [SR 1-2(e), SR 2-1(b), SR 2-2(b)(iii)]
- Sales Comparison not properly completed for subject. [SR 1-1(a)(b)(c), SR 1-4(a), SR 2-2(b)(viii)]
- Site valuation and cost approach not supported. [SR 1-1(a)(b)(c), SR 1-4(b), SR 2-2(b)(viii)]
- Exclusion of the income approach was not adequately explained. [SR 1-1(a)(b)(c), SR 1-4(c), SR 2-2(b)(viii)]
- Reconciliation improperly developed. [Competency Rule, Scope of Work Rule, SR 1-6(a)(b), SR 2-1(a)(b), SR 2-2(b)(viii)]

In response to the specific allegations, the Trainee Respondent through Counsel advises that there was no indication from the client that the subject was not a single family residence. The Respondent concluded that the subject was single family after physically inspecting and researching the subject. As the Respondent concluded that the subject was single family the prior listing and sale was not located. Upon personal inspection, the Respondent found that the residence did not have two (2) separate entrances and according to Respondent the real estate dictionary defines a duplex as "a structure that provides housing accommodations for two families and supplies each *with a separate entrance*." The Respondent states that the subject was accessible from the main entrance and there is no external stairwell that would provide a private entrance for the second floor. The Respondent states that although there were two meters at the subject only one was operational at the time of the appraisal and only one (1) water meter was at the property. The Respondent states that the CRS report indicated that the property was a duplex and that data was considered but based on the totality, including the property record card from the Assessor's office the property was correctly classified as a single family residence.

License History: Registered Trainee: 11/19/2004 -08/17/2008
Certified Residential 08/18/2008 – Present

Supervisor: Licensed RE 09/25/2001 – 10/03/2002
Certified Residential 10/04/2002 – 01/07/2008
Certified General 01/08/2008 - Present

Prior Complaint / Disciplinary History: Trainee: None; Supervisor 200504504 (Closed), 200801992 Closed with Order imposing \$2700.00 civil penalty plus costs & thirty (30) hours corrective education.

Reasoning and Recommendation:

Trainee: The Respondent has been licensed Certified General since 2008, at the time of the appraisal the Respondent was a trainee. The Respondent failed to properly identify the subject property type resulting in an unreliable appraisal of diminished credibility. As such Counsel recommends the imposition of a five hundred dollar (\$500.00) civil penalty and thirty (30) hour Sales Comparison and Income Approach course and a fifteen (15) hour USPAP course.

Supervisor: The Respondent has been licensed since 2001. In 2010 a complaint matter involving a May 2007 land appraisal was resolved with a thirty (30) hour Report Writing course and a civil penalty of two thousand seven hundred dollars (\$2700.00). In the instant case, the Respondent was a Supervisor and the errors noted were found to diminish the overall the credibility of the report. As the most recent education sanction was imposed in 2010 and the appraisal at issue was in October 2007 Counsel recommends the imposition of a civil penalty of one thousand five hundred dollars (\$1500.00), a thirty (30) hour Sales Comparison course and Income Approach course and a fifteen (15) hour USPAP course to be completed within ninety (90) days of execution. The Respondent would be required to submit the work log to the Administrative Director one hundred and twenty (120) days from execution and *no fewer* than one (1) appraisal report will be selected for review for a determination of USPAP compliance. Counsel is of the opinion that a review of the Respondent's current work product would serve the Commission in determining whether the corrective education has had the desired impact on the quality of the Respondent's work.

Mr. Wade made the motion to accept the recommendation and Mr. Green seconded the motion. The motion carried unopposed.

11. 2011019451 Mr. William Wilson was the reviewer.

This complaint was filed by a lender and alleged that the Respondent's appraisal report was misleading and the comparable sales were inappropriate and inadequately analyzed and adjusted.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The site information was inadequately reported. [SR 1-1(b)(c), SR 2-2(b)(iii)]
- The sales comparison approach had significant errors in the reporting of the GLA, and room count. [SR 1-1(a)(b)(c), SR 1-6, SR 1-1(e)(iii), SR 2-2(b)(viii)]

- No analysis of the prior year sales of the comparable properties. [Scope of Work: Problem Identification. SR 1-1(b)(c)]
- The cost approach was not developed and there was no explanation. [SR 1-1(a)(b)(c), SR 1-4(b), SR 2-1(a)(b), SR 2-2(b)(viii)]
- The income approach was not developed for a rental, income producing property and there was no explanation. [Competency Rule, 1-1(a)(b)(c), SR 1-4(c), SR 2-2(b)(viii)]

The Respondent states although the comparable properties had a wide range of square footage and sale prices the comparable properties were close in proximity to the subject and similar in appeal and quality. The Respondent states that the sales information was reported according to the public records and that the adjustments made was for acreage. The Respondent stated that the view should have been reported as "good" and that all comparable properties had similar views. The Respondent states that the sales provided by the complainant were disqualified sales and the presence of short term rentals in the area had neither a positive or negative so it was not addressed in the analysis. The cost and income approach were not completed as the client did not request or require either approach.

License History:	Registered Trainee:	01/31/1995 – 02/11/1998
	Licensed RE Appraiser	02/11/1998 – 08/09/2001
	Certified Residential RE	08/09/2001- Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed for thirteen (13) years and has no prior discipline. The allegations as noted above are significant and collectively undermine the credibility of the value conclusion therefore Counsel recommends the imposition of a consent order imposing a five hundred dollar (\$500.00) civil penalty and a thirty (30) hour Sales Comparison Approach course and a fifteen (15) hour Site Valuation and Cost Approach course. Counsel is of the opinion that the civil penalty should act as sufficient economic deterrent while the corrective education should serve to assist the Respondent in becoming a more competent and effective appraiser thereby protecting the interests of the public. Mr. Green made a motion to revise the recommendation and Mr. Wade seconded the motion. After much discussion on the course work, Mr. Green made the revised recommendation to remove the fifteen (15) hour Site Valuation and Cost Approach course to complete the courses within 180 days. Mr. Hall seconded the motion. The motion carried unopposed.

12. 2011021771 Mr. Michael Orman was the reviewer.

This complaint was filed by a consumer and alleged that the Respondent performed a flawed appraisal. The complainant states that the Respondent misreported the number of bedrooms in the subject and deliberately failed to include living space in the calculation of GLA.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The relevant characteristics of improvements are not adequately identified. [SR 1-1(e)(i), SR 2-2(b)(iii)]

- Sales were not properly verified and reported. Adjustments in sales comparison approach were inadequately supported. [SR 1-1(a)(b)(c), SR 1-2(c), SR 1-4(a), SR 2-1(a), SR 2-2(b)(viii)]
- Site value and cost approach inadequately supported. [Ethics Rule: Recordkeeping, SR 1-1(a)(b), SR 1-4(b)(i)(ii), SR 2-2(b)(viii)]
- Reconciliation does not address the quality or quantity of data in arriving at the final value. [SR 1-6(a)(b), SR 2-2(b)(viii)]

The Respondent states that an interior and exterior inspection of the property was performed and that the complainant was not the client for the assignment. The Respondent states that the subject has an average constructed sun room and laundry area addition and that it is not standard appraisal practice to value those areas identically to the main living area. The Respondent states that the public records indicate that the property is a three (3) bedroom however after the physical inspection the Respondent found that there was no closet and no door that can be closed off from the rest of the property, therefore the room was valued as a den. The Respondent states that the room would suffer from 'extreme obsolescence' given that the only ingress two and from the other two bedrooms are through the room in question.

License History: Certified Residential RE 05/20/2010 - Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed since 2010 and has no prior discipline. The errors noted diminish the overall credibility of the report therefore Counsel recommends a fifteen (15) hour Sales Comparison Approach course and a seven (7) hour USPAP course which should assist the Respondent in becoming a more effective appraiser thereby protecting the interests of the public. Mr. Green made the motion to revise the recommendation to remove a seven (7) hour USPAP course to complete the course within 180 days and Mr. Hall seconded the motion. The motion carried unopposed.

13. 2011025211 Mr. Michael Orman was the reviewer.

This complaint was filed by an AMC and alleged that in an appraisal report the Respondent failed to adequately analyze the comparable sales.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Inconsistent contract information was reported. The contract was not attached to the report or found in the work file.
- Three years sale history was inadequately reported.
- Neighborhood boundaries and market trends were inadequately described.
- Subject zoning not properly identified.
- Subject improvements not adequately analyzed and supported.
- Sales used not properly analyzed or supported.

- Site value was not supported.
- Cost approach data was unsupported and depreciation improperly calculated.
- Reconciliation does not address the quality or quantity of data at arriving at the final value conclusion.

In response to the specific allegations, the Respondent acknowledges error in the report and states that at the time of the appraisal the Respondent was a newly licensed and very inexperienced. In the four years since the appraisal, the Respondent states that through education and experience the quality of work product has significantly improved.

License History: Registered Trainee 06/06/2003 – 04/17/2006
 Certified Residential 04/18/2006 - present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The appraisal at issue was performed in 2007, at the time the Respondent had been Certified Residential for eighteen (18) months. The allegations as noted above are significant and the value conclusion was not developed in compliance with applicable standards thereby reducing the credibility of the conclusion. As such, Counsel recommends the imposition of a civil penalty in the amount of five hundred dollars (\$500.00) and a thirty (30) hour Sales Comparison Approach course. The civil penalty and corrective education should serve the dual purpose of acting as an economic deterrent and assisting the Respondent in becoming a more competent appraiser. Mr. Green made the motion to revise the recommendation/motion for a Letter of Warning and Mr. Wade seconded the motion. The motion carried unopposed.

14. 2011028011 Mr. Michael Orman was the reviewer.

This complaint was filed by a consumer and alleged that the Respondent failed to include finished attic space in the GLA and misreported the subject's condition and undervaluing the subject.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Zoning was improperly identified or described. [SR 1-2(e)(i)]
- Sales were inadequately verified and the explanation for adjustments was inadequate. [SR 1-4(a), SR 2-2(b)(viii)]

License History: Certified Residential 12/27/1991 - Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed since 1991 with no prior discipline. Although errors were observed in the report the reviewer found that the appraisal report was conveyed in an appropriate manner and contains sufficient information to enable the intended user to understand and rely on the report therefore Counsel recommends a Letter of Caution regarding the issues noted by the reviewer.

Mr. Walton made the motion to accept the recommendation and Mr. Green seconded the motion. The motion carried unopposed.

15. 2011030081/2011032181 There was no reviewer in this matter.

The first complaint was filed against a registered AMC by the Administrative Staff upon receipt of a Notice of Cancellation of the surety bond.

A second complaint was opened against the AMC alleging that the Registrant failed to pay an appraiser's fees.

License History: Registered 07/01/2011 - Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: Counsel recommends the imposition of a Consent Order imposing revocation of the AMC's registration. Mr. Hall made the motion to accept the recommendation and Mr. Wade seconded the motion. The motion carried unopposed.

16. 2010032701 Mr. Michael Orman was the reviewer.

This complaint was previously presented at the November 2011 Commission meeting. This complaint was filed by a lender and alleged that the Respondent overvalued a residential property by failing to accurately report the condition of the property in a 2007 appraisal report.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The prior listing was not analyzed. [1-5(a), 2-2(b)(viii)]
- The sales utilized were not properly verified and the analysis and conclusions of the Sales Comparison Approach was not adequately supported. [Ethics Rule: Recordkeeping, SR1-1(a)(b)(c), SR 1-4(a), SR 2-2 (b)(viii)]
- The site value was not supported. The Cost Approach data was inconsistent and the conclusions were inadequately supported. Physical depreciation was not calculated property or explained. [SR 1-1(a)(b)(c), SR 1-4 (b)(i)(ii), SR 2-2 (b)(viii)]
- The exclusion of the Income Approach is not adequately explained. [SR 2-2(b)(viii)]
- Reconciliation failed to address the quality/quantity of data in arriving at the final value. [SR 1-1(a)(b)(c), SR 1-6 (a)(b), SR 2-1(b), SR 2-2(b)(viii)]

The Respondent states that the subject was not listed on the effective date of the appraisal and in support provided a MAAR data "Comparable Sales Analysis" sheet dated August 2005. As to the verification and analysis of the comparable properties the Respondent states that analysis is throughout the appraisal report and that all sales were considered of equal value and have been appraised by fellow appraisers. The Respondent states that the review was unnecessarily nitpicky and many of the issues noted have very little to do with real world HUD and FNMA appraisals. The Respondent further states that he understands that USPAP is open to interpretation and believes that the opinion of value is well supported by the

appraisal report. The Respondent states that he has 32 years of professional appraiser experience and several college degrees and believes that the collapse of the real estate market is due to the use of skewed statistical data and averaging median value accompanied by prolific subprime no document mortgages.

License History: Certified Residential 11/27/1991 - present

Prior Complaint / Disciplinary History: 200317448 (closed w/Consent Order imposing 500.00 civil penalty)

Reasoning and Recommendation: A Consent Order imposing a one thousand dollar (\$1000.00) civil penalty, a fifteen (15) hour USPAP course and a fifteen (15) hour Sales Comparison Approach course was approved at the November meeting.

Updated Recommendation: Counsel and the Administrative Director met with the Respondent on December 19, 2011. In response to the specific allegations the Respondent provided a thoughtful and reasonable response to several specific allegations. The Respondent conceded error on other points and was amenable to education regarding the necessity of properly summarizing the income approach and the proper reconciliation of data. Counsel is of the opinion that the remaining errors could be sufficiently addressed with a fifteen (15) hour Residential Report Writing course to be completed within one hundred and eighty (180) days of execution. The Respondent has signed the revised proposed consent order. Mr. Hall made the motion to accept the recommendation and Mr. Wade seconded the motion. The motion carried unopposed.

17. 2011027141 There was no reviewer in this matter.

This complaint was filed by an AMC and alleged that the Respondent overvalued a residential property and misreported comparable sales data.

License History: Certified Residential 03/07/2001 - 2011

Prior Complaint / Disciplinary History: 200800016, 200800874 and 200800863 (Closed w/Consent Order imposing suspension and \$1000.00 civil penalty), 200800963, 200801113, 20100287, 201100024 (revoked)

Reasoning and Recommendation: The Respondent's license was REVOKED in October of 2011. Counsel recommends the complaint matter be CLOSED and FLAGGED should the Respondent reapply for licensure. Mr. Hall made the motion to accept the recommendation and Mr. Walton seconded the motion. The motion carried unopposed.

18. 2011019131 Mr. Michael Orman was the reviewer.

This complaint was previously presented at the October/November 2011 Commission meeting. This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property by utilizing inappropriate comparable properties. The complainant further alleges that in the supplemental addendum the Respondent misreported the predominant neighborhood value.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- In the sales comparison approach the reviewer alleged violations of the SR 1-1(a)(b)(c); SR 1-4(a); SR 2-1(a) & SR 2-2(b)(viii).
- In the neighborhood value section predominate neighborhood value was inaccurately reported. [SR 1-1(c)]

License History: Registered Trainee 10/31/2005 – 12/12/2007
 Certified Residential 12/13/2007 - present

Prior Complaint / Disciplinary History: 200901251 Closed w/ Consent Order (\$1000.00 civil penalty and forty five (45) hours of corrective education).

Reasoning and Recommendation: A Consent Order imposing a one thousand five hundred dollar (\$1500.00) civil penalty payable within one hundred and eighty (180) days of execution and a fourteen (14) hour Residential Report Writing course, a five (5) hour Data Verification Methods course and a seven (7) hour Scope of Work and a one (1) year probation was approved at the November meeting.

Revised Proposed Recommendation: The Respondent SURRENDERED the appraisal credential and signed a Consent Order Surrendering the license in lieu of further disciplinary proceedings. Counsel recommends that the complaint matter be CLOSED AND FLAGGED should the Respondent reapply for licensure. Mr. Wade made the motion to accept the recommendation and Mr. Hall seconded the motion. The motion carried unopposed.

19. 2011026581 Mr. Michael Orman was the reviewer in this matter.

This complaint was filed by a consumer and alleged that the Respondent performed an unethical appraisal. The Respondent denies the allegation of unethical conduct and indicates that the report is professional and the conclusion well supported.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Neighborhood and market area was inadequately described.
- Zoning was not properly identified and described.

License History: Certified Residential 10/18/1993 - Present

Prior Complaint / Disciplinary History: 941774 (closed w/ agreed citation), 948670 (closed w/ LOW), 950972 (closed), 9901545 (closed w/ LOW), 200418224 (closed w/ 7500.00 civil penalty) and 200706812 (closed w/ 4,000.00 civil penalty).

Reasoning and Recommendation: With the exception of the relatively minor issues noted above the appraisal report was conveyed appropriately and contains sufficient information to enable the intended user to understand and rely on the report. Counsel notes the Respondent's significant disciplinary history however given the nature of the allegations and the time that has elapsed between the prior discipline and current complaint matter Counsel recommends a **Letter of Warning** regarding the issues noted above. Mr. Wade made the motion to accept the recommendation and Mr. Green seconded the motion. The motion carried unopposed.

20. 2011028981

Mr. Michael Orman was the reviewer in this matter.

This complaint was filed by a consumer and alleged that the Respondent undervalued a residential property by misreporting the number of bedrooms, the gross living area and using inappropriate comparable sales.

In a lengthy and detailed response the Respondent states that the complainant was not the client or intended user and that the appraisal was completed to the best of Respondent's ability. The Respondent acknowledges that mistakes could have been made in the appraisal but insists that the value conclusion is fair, reasonable and well supported.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Inconsistencies in sales comparison data not explained. [SR 2-2 (b)(viii)]
- Exclusion of income approach not explained. [SR 2-2 (b)(viii)]

License History: Certified Residential 12/27/1991 - Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed since 1991 with no prior discipline. Overall, the errors noted appear to be minor and the value conclusion appears to be well supported. As such, Counsel recommends a Letter of Caution regarding the issues noted above. Mr. Wade made the motion to revise the recommendation to **Dismiss** and Mr. Green seconded the motion. The motion carried unopposed.

Rule Making Hearing:

Board counsel, Aminah Sanders, read the Memorandum of Economic Impact Statement prepared for the Board, then read the proposed changes section by section and called for votes as follows:

Rule 1255-01-.04 (4) & (5) To remove "downgrade" from language in rule.

- (4) Any person may apply for upgrade ~~or downgrade~~ of an unexpired license or certificate by filing an application for the same on a form which may be obtained from the Commission. The appropriate application fee must be filed with the application.
- (5) Filing and Fees. Properly completed applications must be accompanied by the appropriate fees. Once the application has been filed and processed, the application fee may not be refunded. The following fees shall be charged:
 - (a) Application for initial real estate appraiser license \$125.00
 - (b) Application for initial real estate appraiser certificate \$125.00
 - (c) License or certificate issuance fee \$350.00
 - (d) Application for upgrade/downgrade \$125.00
 - (e) Letter of good standing \$ 25.00

Mr. Wade made the motion to approve the change and Mr. Green seconded the motion. The motion carried unopposed.

Rule1255-01-.07 (1) (c) To add language on evaluation of Foreign Education.

- (c) Foreign Education. An applicant seeking to satisfy the general education requirements for a state certified residential appraiser credential with college level education from a foreign institution shall have their education evaluated for equivalency by an accredited, degree granting domestic college or University, The American Association of Collegiate Registrars and Admissions Officers (AACRAO), a foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES) or a foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree - granting domestic college or University or by a state licensing board that issues credentials in another discipline.

Mr. Wade made the motion to approve the change and Mr. Walton seconded the motion. The motion carried unopposed.

Rule1255-01-.07 (1) (h) 2. & 3. To add upgrade language for persons that hold the State Licensed credential.

2. An applicant applying for a State Certified Residential Appraiser certification who holds a current State Licensed Appraiser may satisfy the educational requirements for the State Certified Residential Real Estate Appraiser credential by completing the following additional educational hours:
 - (i) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;
 - (ii) Successful completion of a fifteen (15) hour course in Advanced Residential Applications and Case Studies; and,
 - (iii) Successful completion of twenty (20) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.
3. An applicant applying for a State Certified Residential Appraiser certification pursuant to subsection (2) must also satisfy the college-level educational requirements as specified in 1255-1-.07(1)(a).

Mr. Wade made the motion to approve the change and Mr. Walton seconded the motion. The motion carried unopposed.

Rule1255-01-.08 (1) (c) To add language on evaluation of Foreign Education and (h) 2. & 3 To add upgrade language for persons that hold the State Licensed credential or Certified Residential Real Estate Appraiser credential.

- (c) *Foreign Education. An applicant seeking to satisfy the general education requirements for a state certified general appraiser credential with college level education from a foreign institution shall have their education evaluated for equivalency by an accredited, degree granting domestic college or University, The American Association of Collegiate Registrars and Admissions Officers (AACRAO), a foreign degree credential evaluation service company that is a member of the National Association of Credential Evaluation Services (NACES) or a foreign degree credential evaluation service company that provides equivalency evaluation reports accepted by an accredited degree - granting domestic college or University or by a state licensing board that issues credentials in another discipline.*
- (h) 2. An applicant applying for a State Certified General Appraiser certification who holds a current State Licensed Appraiser credential may satisfy the educational requirements for State Certified General Appraiser by completing the following additional educational hours:
- (i) Successful completion of a thirty (30) hour General Appraiser Market Analysis and Highest and Best Use course;
 - (ii) Successful completion of a thirty (30) hour General Appraiser Site Valuation and Cost Approach course;
 - (iii) Successful completion of a thirty (30) hour General Appraiser Sales Comparison Approach course;
 - (iv) Successful completion of a thirty (30) hour General Report Writing and Case Studies course;
 - (v) Successful completion of a fifteen (15) hour Statistics, Modeling and Finance course;
 - (vi) Successful completion of a sixty (60) hour General Appraiser Income Approach course; and ,
 - (viii) Successful completion of fifteen (15) hours of Appraisal Subject Matters electives.
3. An applicant applying for a State Certified General Appraiser Certification who holds a current State Certified Residential Appraiser credential, and completed the educational component

may satisfy the educational requirements for State Certified General Appraiser by completing the following additional educational hours:

- (i). Successful completion of a thirty (30) hour General Appraiser Market Analysis and Highest and Best Use course;
 - (ii) Successful completion of a thirty (30) hour General Appraiser Sales Comparison Approach course;
 - (iii) Successful completion of a thirty (30) hour Site Valuation and Cost Approach course;
 - (iv) Successful completion of a sixty (60) hour General Appraiser Income Approach course; and,
 - (v) Successful completion of a thirty (30) hour General Appraiser Report Writing and Case Studies course.
- (e) An applicant applying for a State Certified Residential Appraiser certification pursuant to subsection (h) must also satisfy the college-level educational requirements as specified in 1255-1-.08 (1) (a).

Mr. Green made the motion to approve the change and Mr. Walton seconded the motion. The motion carried unopposed.

1255-01-.11 (5) To change the late renewal language from six (6) months to twelve (12) months.

- (5) No late renewal will be granted if over ~~six (6) months~~ twelve (12) months have passed since the expiration of the license or certificate.

Mr. Wade made the motion to approve the change and Mr. Hall seconded the motion. The motion carried unopposed.

Rule 1255-01-.12 (g) To move the instructor allowance for continuing education from the Registered Trainee section of the rules to the continuing education section of the rules.

- ~~(g) The Commission may grant up to one half (1/2) of an individual's continuing education credit for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which the Commission determines are equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.~~

1255-2-.01 (2) To change the requirement for Educational Logging to remove authentication by signature.

- (2) ~~The log shall be certified by the applicant and authenticated by signature. An applicant may be required to provide additional information on education if deemed necessary by the Commission.~~

Mr. Wade made the motion to approve the change and Mr. Green seconded the motion. The motion carried unopposed.

Rule 1255-2-.03 Course Provider Applications is amended by deleting the text of the rule in its entirety and substituting instead the following so that as amended the rule shall read:

1255-2-.03 To clean up language and remove redundancy.

- (1) All applicants shall obtain qualifying education credit by successfully completing courses that are approved by the Commission ~~from course providers who are approved by the Commission.~~ The Commission shall approve qualifying education courses and course providers based on the qualifications of the providers and the content of the courses. The Commission shall consider the following providers for approval:
- (a) colleges or universities
 - (b) community or junior colleges
 - (c) real estate appraisal or real estate related organizations
 - (d) state or federal agencies or commissions
 - (e) proprietary schools
 - (f) other providers approved by the Commission.
- (2) The Commission shall ~~shall~~ may approve ~~all~~ any qualifying education courses on an individual basis.
- (3) Anyone seeking approval as a real estate appraisal course provider, and any real estate appraisal course provider seeking approval of a course or courses, shall submit the following with an application provided by the Commission:
- (a) a resume outlining the education and experience of the instructor(s) of such course(s);
 - (b) a detailed description of the content of each course and the appropriate module(s) for education credit;
 - (c) the projected schedule for the teaching of such course(s);

- (d) notwithstanding approval prior to July 1, 1991, all providers seeking approval of courses shall submit course outlines to the Commission for approval of each course; and
- (e) such other information as the Commission may reasonably request.

Mr. Wade made the motion to approve the change and Mr. Green seconded the motion. The motion carried unopposed.

Rule 1255-2-.04 Course Guidelines was proposed for change to allow distance qualifying education and increase the hours allowed for continuing education; however, this change was voted down by the Commission. Mr. Wade made the motion to not change these rules. Ms. Johnson made the second. The motion to not change the rules passed unanimously. Ms. Point indicated after the vote that she believes these changes will happen in the future, but that it wasn't appropriate at this time.

Rule 1255-2-.13 (3) (c) To amend part c to allow courses to be renewed up to six (6) months after expiration, instead of the current three (3) months.

- (c) If a provider fails to renew course approval within thirty (30) days or the approval's expiration date, the provider may, upon payment of a fifty dollar (\$50.00) penalty, apply for a late renewal. No late renewals or course approval will be granted if over ~~three (3)~~ six (6) months have passed since expiration.

Mr. Hall made the motion to approve the change and Mr. Wade seconded the motion. The motion carried unopposed.

Rule 1255-3-.01 Hourly Credit Guidelines is repealed.

Mr. Wade made the motion to approve the change and Mr. Green seconded the motion. The motion carried unopposed.

Rule 1255-3-.02 To amend for clarity and consistency with the Appraisal Qualification Requirements of the Appraisal Foundation.

1255-3-.02 Criteria for Standard and Review Appraisal Experience

(1) Acceptable Experience.

~~(a) The Commission may award varying amounts of credit depending upon whether a Standard Appraisal, Condemnation, Review Appraisal or Mass Appraisal was performed.~~

(a) ~~Standard Appraisal:~~ If the applicant performed at least fifty percent (50%) of the appraisal report, then the Commission shall grant full credit for that appraisal, even if this work was reviewed by a supervising appraiser who signed the

appraisal report. Except as provided below for "review appraisals," credit will not be granted for appraisals where an applicant performed less than fifty percent (50%) of the work.

- ~~(i) Experience credit for limited reports will be given one half (1/2) of the credit normally allotted for the property type. No more than twenty five percent (25%) of the total experience awarded can be derived from limited reports.~~
- (ii) Except as provided below for "review appraisals," credit will not be granted for appraisals where an applicant performed less than fifty percent (50%) of the work.

2. ~~Condemnation Appraisals:~~

- ~~(i) If a partial acquisition appraisal is performed and an valuation of both the before and after values are given then an additional twenty five percent (25%) credit will be awarded. This credit shall be rounded to the nearest hour.~~
- (b) Review Appraisals: If the applicant performed a "technical "review" of an appraisal performed by another person and the applicant prepared a separate written review appraisal report, in conformance with Standard 3 of the Uniform Standards of Appraisal Practice, the applicant will receive credit for the actual work hours performed on the assignment. fifty percent (50%) of the hours normally allotted for that appraisal.
- ~~(ii) A "technical review" includes inspecting the property appraised, verifying the data, and checking calculations. No more than seventy five percent (75%) of the total experience awarded can be derived from technical review.~~
- (c) Mass Appraisals. The Commission shall grant experience credit to appraisers who perform mass appraisals in compliance with Standard Six of Uniform Standards of Professional Appraisal Practice and who demonstrate that they:
 - 1. Use techniques to value properties similar to those used by appraisers practicing under Uniform Standards of Professional Appraisal Practice Standard One; and
 - 2. Effectively use the appraisal process as referenced in the Guidelines of Standard Six of the Uniform Standards of Professional Appraisal Practice.
 - 3. Properties which conform to the preceding definitions should be credited for the actual work hours performed on the assignment. for fifty percent (50%) of the hours normally allotted for the

appraisal. Mass appraisals shall comprise no more than twenty-five percent (25%) of the total experience hours required to become licensed or certified.

- (2) Requests for Reconsideration: If an applicant wishes to appeal the evaluation of his experience he may file a written request for individual review by the Commission. Nothing in this rule shall create the right to a formal contested proceeding (as defined by the Tennessee Administrative Procedures Act).
- (3) An applicant should also refer to Chapter 1255-1 GENERAL PROVISIONS for further delineation of experience requirements.
- (4) No experience credit shall be given for evaluations.
- (5) In appropriate circumstances, the Commission may grant partial or whole credit for demonstration reports. No more than twenty-five percent (25%) of the experience requirement may be obtained through demonstration reports from AQB approved case study courses or practicum courses or demonstration reports approved by the Commission.

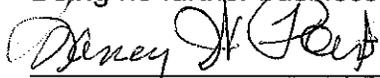
Mr. Green made the motion to approve the change and Mr. Hall seconded the motion. The motion carried unopposed.

Rule 1255-4-.01 To amend Continuing Education Requirements by adding the allowance for continuing education credit to instructors which was previously located in Rule 1255-01-.12 (g).

- (7) The Commission may grant up to one half (1/2) of an individual's continuing education credit for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which the Commission determines are equivalent to obtaining continuing education. Credit for instructing any given course or seminar can only be awarded once during a continuing education cycle.

Mr. Wade made the motion to approve the change and Ms. Johnson seconded the motion. The motion carried unopposed.

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Being no further business, the meeting was adjourned at 11:55a.m.



Chairperson, Nancy Point



Nikole Avers, Executive Director