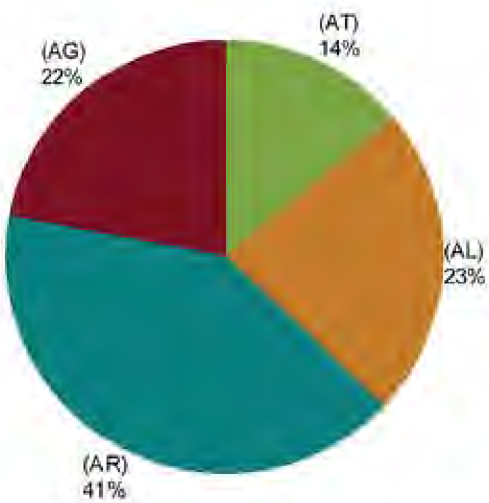
OREA

THE CALIFORNIA
Appraiser

ACTIVE LICENSES IN CALIFORNIA

As of November 30, 2009



Trainee License (AT)	2,123
Residential License (AL)	3,555
Certified Residential (AR)	6,451
Certified General (AG)	3,496
TOTAL	15,625

DIRECTOR'S MESSAGE

"These are the times that try men's souls"

These words from founding father Thomas Paine's The Crisis not only describe the beginnings of the American Revolution, but also represent the attitude of many appraisal professionals during these challenging economic times. As real estate markets languish and appraisal management companies (AMCs) garner an increasingly larger share of appraisal ordering, I am frequently asked by appraisers if the end of the profession is in sight. My reply is always an emphatic "NO."

Difficult times fall on every individual and on every business at some point in time. When such times strike, we have a choice to either view the glass as half-empty or half-full. Rather than choosing to be miserable, it is provident to seek out opportunities and to move forward in a proactive manner to successfully fill available market niches.

OREA has heard from several appraisers in recent months that the Home Valuation Code of Conduct (HVCC) has destroyed their business. Conversely, some appraisers have reported that HVCC and the predominance of AMCs was the best thing that ever happened to their appraisal practice. The difference between these examples is recognition of a business model that is well established and a realization that the use of AMCs by lending institutions continues to increase. Some appraisers have actively gone after the AMC business, resulting in a high volume of appraisal assignments. While there are some AMCs that take a large portion of the appraiser's fee for their services, there are also a number that pay appraisers their full fee, separately invoicing lender clients for their administrative role in the appraisal process. While the latter is certainly a preferred model, the amount and manner of payment for appraisal costs is not an issue for government regulation.

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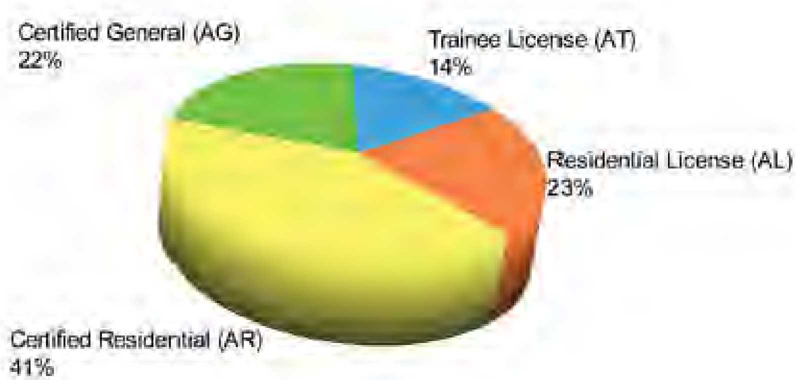
The problem that the HVCC/AMC situation presents is that AMCs have not been accountable to any jurisdictional authority for unethical/unlawful pressure on appraisers; however, this changes with the Governor's signing of SB 237 on October 11, 2009. Effective January 2010, AMCs will be required to register with OREA in order to conduct business in California. OREA is currently engaged in promulgating the regulations that will implement this new law. There are a number of prohibited actions in SB 237 that specifically address some of the concerns and problems reported by licensed appraisers. Please refer to our website (www.orea.ca.gov) for updates on the finalization of regulations and for information on the timeframe for implementation of OREA's enforcement efforts on unlawful activity committed by AMCs.

OREA's mission is to protect public safety by ensuring the competency and integrity of licensed real estate appraisers. One of our highest priorities in endeavoring to fulfill this mission is effective enforcement of the Uniform Standards of Professional Appraisal Practice. We have experienced a significant increase in our enforcement caseload in 2009, and expect to receive close to 600 complaints by the end of the calendar year. OREA's enforcement staff has made a concentrated effort to effectively address this problem, and it is anticipated that we will close over 300 enforcement cases in 2009, a 25% increase over the past several years. As I frequently comment in presentations to appraisal professionals, our enforcement efforts are primarily complaint driven, and we greatly appreciate and rely on the willingness of individuals to submit complaints against unlawful and unethical appraisal practice. It is crucial during these tenuous economic times to consistently strive for and encourage ethical appraisal practice, but also to ensure that incompetent and unethical appraisal practitioners either change their ways, or find another line of work.

LICENSE DISTRIBUTION

The economic woes in recent years have resulted in a decline in the number of appraisers. Since reaching its maximum numbers in the beginning of 2007 with approximately 20,200 licensed appraisers, that number has continued to steadily decline at the Office of Real Estate Appraisers (OREA). In November 2009, the OREA had a total of approximately 15,700 licensed appraisers; representing a 21% decline over that period of time.

It is important to note the change in licensing distribution in the last three years after the rapid increase in licensees in the early to mid-2000s. Three years ago, the trainee and residential licenses represented approximately 60% of the licensing database, while the certified levels only encompassed 40% of the licensing database. Today, those numbers have reversed; the certified levels now represent roughly 63%. In the past two years, a great number of residential licensees have upgraded to the certified residential level. The biggest factor in this trend is residential licensees upgrading to the certified residential level.



LIVING WITH AMC'S

Effective May 1, 2009, the new requirements of real estate appraisers engaging with Appraisal Management Companies (AMCs) as a result of the Home Valuation Code of Conduct (HVCC) legal agreement became effective. The Office of Real Estate Appraisers (OREA) has fielded many phone calls, comments, and other communications regarding appraiser's relationships with AMCs. There is a great deal of concern and criticism regarding this new relationship. The purpose of this article is to present the appraiser's and other market participant's concerns, discuss the business model concept presented by major long term AMCs, and draw conclusions based on these findings. Real estate appraisers, agents, and appraisal management company representatives were interviewed for this article.

The purpose of the HVCC legal agreement was to ensure the independence of the appraisal process and prohibit the improper influence on appraisers by lending brokers, agents, or representatives compensated on a commission basis upon the successful completion of a loan transaction. It was agreed upon that appraisal orders would be processed by appraisal management companies, independent appraisal companies, and correspondent lenders. The response to the legal agreement has been that most appraisal orders now are being undertaken by AMCs. Under the agreement an appraiser could report to an internal function of a lender that is independent of sales or loan production. The initial reaction, however, has been that most appraisal orders are undertaken by AMCs.

During the past several months I have interviewed selected representatives of AMCs. They have presented their business practice models for their operations. The main goal of the AMC representatives interviewed is to contract for appraisal services that result in well supported valuations in a cost effective and time sensitive manner. They accomplish these goals in part by assigning appraisals according to specific geographic zip codes that appraisers specialize in. Their theory is that by utilizing appraisers in a constricted series of zip codes, they restrict the geographical coverage of appraisers and thereby enhance geographic competency. While securing geographic competency, the AMCs strive to select the most qualified and experienced appraisers within these areas according to their business models. Appraisal fees are researched thoroughly in the various geographic areas. This research is key in determining the appraisal service fees that are contracted with lenders. Many AMCs contract with lenders for their services based on a fixed fee per order that applies to their entire service areas. In the cases of appraisal assignments in diverse and unique geographical areas, the AMCs will strive to select the most qualified and experienced appraisers and compensate them accordingly based on the business model. Most of the AMCs interviewed maintain appraisal fee panels in order to promote appraisal quality. Typically admission to the panel is based on experience, previous working relationships that demonstrated a quality work product, and the lack of published enforcement actions against an appraiser by a state regulatory enforcement agency. Appraisal assignments are reviewed internally as part of the AMC's agreement with many lenders. Changes in the fee panels occur based on these reviews. The models presented reflect AMCs in an ideal format; however, the reality is often different.

OREA receives many complaints from appraisers concerning AMCs. Many of the most experienced appraisers with reputations of quality work, have had their business greatly reduced since the HVCC agreement went into effect in May. Their primary complaint is that the AMCs are purely fee driven with little regard to the technical or geographic competency or expertise of the appraiser or the quality of the final product. There are complaints that the selection of appraisers by AMCs is based solely on fee. I have had many reported incidents where appraisers from distant geographic locations have performed assignments that have resulted in poor quality appraisals because of their lack of geographic competency. Many AMCs request that assignments be completed within a certain turnaround time that is unrealistic because of the complexity of the assignment. In one case, an experienced appraiser interviewed, said that he had been very specific about the due diligence required for a specific assignment, because it involved improvements subject to a municipality's historic register. He estimated an appraisal delivery time based on the need to contact the appropriate government agencies and research similarly impacted properties. The response from the AMC was that the property's placement on an historical register was not an issue because the assignment was only for lending. This type of interaction by an AMC is indicative, in some cases, of their lack of comprehension of appraisal issues as well as their inability to function in an independent manner. In this case, as in others, the unfortunate outcome was that the AMC selected an appraiser willing to meet their assignment guidelines. Such actions encourage appraisers to be non-complaint with the Uniform Standards of Professional Appraisal Practice.

Other complaints that I have heard concern the pressure on appraisers to appraise to predetermined values. In one recently reported incident, the appraiser was told that the opinion of value was low by a certain amount. The appraiser reviewed additional data and concluded to the same value. The AMC then withheld payment of the fee and removed the appraiser from their panel of approved appraisers.

There have also been concerns presented that some AMCs only pay appraisers at the close of escrow of the transaction which indicates an intention to only pay upon the occurrence of a subsequent event.

A common frustration, in this new AMC dominated environment, is that appraisers who had developed good clients through previous entrepreneurial business practices have now lost those clients. Some believe that they are now merely order takers and that an unnecessary intermediary has been inserted into their business resulting in lower appraisal fees. As a result many appraisers are exploring other career alternatives and planning to leave the appraisal business. A by-product of lower fees, of course, is some appraisers will attempt to complete more appraisals in a given time frame to account for the decrease in fees. During this recession, there has been great concern expressed about the role that poor quality appraisals played in the lending crisis. Appraisal compliance requirements are continually expanding and the qualifying educational requirements for appraisers are increasing. This is not the time for a new business practice that oftentimes results in a lower quality appraisal product.

Other professionals in real estate transactions have been impacted by the advent of AMCs. Two real estate brokers from a prominent real estate firm that deal in classic well-established neighborhoods in the Sacramento area were interviewed. I spoke with another broker from Southern California. They all expressed their frustration with the current AMC lender relationship. Their frustration centers around the fact that AMCs often, because they are price driven, select appraisers from distant markets for assignments. They do not take the time to become geographically competent in these markets. The neighborhoods in the Sacramento area are difficult for appraisers under normal circumstances because of the older unique custom quality residences. In one case the agent had sold a home that was on the market for less than 45 days and had several back-up offers. The appraiser selected for the assignment concluded a value significantly lower than the sales price and used comparable sales located nearby the subject property but in an inferior neighborhood. The appraiser did not understand the neighborhood boundaries, and was not at all accountable for the quality of the appraisal. The real estate agent attempted to contact the appraiser to provide relevant sales comparables that were not considered in the appraisal. The AMC informed the agent that they were not permitted to talk with the appraiser. That was not the intent of HVCC, nor is it prohibited. An agent can often be a source of the most relevant market data. It is important that appraisers be willing to benefit from the research developed by knowledgeable brokers or agents for a specific market area or property type.

At the present time AMCs are not regulated. On October 11, 2009, Senate Bill 237 was signed which will require that AMCs register with the Office of Real Estate Appraisers effective January 1, 2010. OREA is currently developing the regulations that the AMCs must be in compliance with. The regulations will state the requirements for registration with OREA. Registrant applications will be reviewed, and there will be an issuance fee which is yet to be determined. The backgrounds of registrants will be reviewed. For example, an applicant who has been recently convicted of a felony will not be eligible for registration. Also, appraisers who have had significant licensing disciplinary actions imposed by a state regulatory organization would not be eligible for registration as a principal of an AMC. Such disciplinary actions include revocation and surrender of license. The regulations will codify a series of prohibitions that AMCs must adhere to. The pressuring of appraisers to conclude at specified values, the withholding of appraisal fees because of the failure of the appraiser to conclude at a set value, and the payment of fees based on a stipulated event, i.e. close of escrow, will be prohibited based on the draft regulations. There must be valid cause to remove an appraiser from an approved panel. Valid cause must be based on appraisal quality issues. The draft regulations should be available for public comment in the very near future.

The lending and appraisal professions are in the initial implementation phase of the HVCC legal agreement. There are AMCs with positive business plans that should ensure appraiser independence. Unfortunately there are numerous AMCs in operation now that, according to feedback received by OREA, are abusive of the appraisal process. With registration it is likely that many AMCs will initially shut down because of the fees necessary in all states. The remaining AMCs will be large companies with the ability to operate nationally or smaller AMCs that specialize on a regional basis. Upcoming AMC regulations will enhance the overall competency and reliability of AMCs. Continue to view the OREA website for information on the registration of AMCs.

Greg Harding

MANUFACTURED HOME APPRAISAL CONSIDERATIONS

Manufactured Home appraisals involve special considerations not encountered in site built housing assignments. The Scope of Work problem identification in any appraisal assignment necessitates an understanding of the subject of the assignment and its relevant characteristics. So, what is a "Manufactured Home"?

In general terms, there are several types of homes at least partially manufactured in a factory setting:

- Panelized or "pre-cut" homes leave the factory as flat wall units or pre-measured and cut components that are transported to the building site where considerable assembly is required.
- Modular homes are factory-built as essentially complete homes or in sections that can be quickly assembled at the building site. Unlike Manufactured homes, Modular homes are built to the local or state codes where the home is ultimately sited. They do not have HUD Certification Labels (see below). Modular homes may be built without a permanent chassis, which would distinguish one so built from a Manufactured home.
- Mobile homes were factory built prior to the June 15, 1976, effective date of the HUD Code (see below). Mobile homes may consist of single or multiple sections and are often referred to as "pre-HUD Code" or "trailer" homes.
- Manufactured homes are factory-built to the Housing and Urban Development Title 6 Construction Standards, commonly referred to as the HUD Code, on or after June 15, 1976. Manufactured homes may include one or more sections, each of which must incorporate a non-removable steel chassis. A more detailed definition of a Manufactured home may be found in the Code of Federal Regulations Title 24 Part 3280. The CFR definition refers to the home itself and how it was constructed at the factory, but does not pertain to the foundation. Manufactured homes may be placed on permanent foundations or non-permanent foundations.

Verification of construction to the HUD Code may be obtained during the subject property inspection by the presence of:

- The HUD Certification Label which is a 2 inch by 4 inch red metal tag with silver lettering located on the exterior of each transportable section of the Manufactured home. Each label contains a unique label number.
- The Data Plate (or "Compliance Certificate") which is a paper document located inside the home, often near the electrical breaker box, in a closet near the washer and dryer, or on the base cabinet under the kitchen sink. The Data Plate contains the manufacturer's name, the trade/model name, year of manufacture, and other pertinent information.

USPAP compliance and credible appraisal methodology require identification of the subject's foundation system and whether the subject Manufactured home is real or personal property. If the intended use of your appraisal report is for a mortgage finance transaction subject to Fannie Mae (FNMA) purchase, underwriting, or form reporting (FNMA form 1004C), then the assignment involves the appraisal of a real property interest. To verify the real property status of a Manufactured home, find out if a California Department of Housing and Community Development (HCD) form number 433A has been recorded in the County where the home is located. A recorded form 433A confirms that a Manufactured home on private property was affixed to an approved foundation as certified by a California licensed engineer; and that the Manufactured home is no longer personal property, but is instead real property subject to real property taxes. Sources for form 433A recordation verification may include:

- Viewing the owner's copy at the time of property inspection;
- A preliminary title report;
- The local building department, County Assessor's Office, or County Recorder's Office.

A 433C form may be recorded when a Manufactured home is placed on an approved foundation in a resident-owned mobile home park.

You are obligated by USPAP and your signed FNMA Form 1004C certification (if applicable) to use the most appropriate comparable sales for the subject property. However, there are times when a scarcity of Manufactured home transactions necessitates the use of site-built home comparables. When this is the case, be extremely careful in site-built comparable selection and analysis. There may be difficulties in extracting and supporting adjustments for differences in:

- Market acceptance and a different potential buyer pool;
- Aesthetic and architectural attributes and appeal;
- Building codes;
- Quality of Construction;
- Construction costs and depreciation rates;
- Loan underwriting and availability of financing.

Because of these and other differences, Manufactured homes often perform differently in the marketplace than site-built homes.

Make sure when you accept an assignment for a Manufactured home appraisal that you comply with the USPAP Competency Rule. These appraisals are often complex due to the unique nature of Manufactured housing, which is often compounded when the subject property is located in a rural market area.

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FHFA: ADOPTION OF HVCC PROVISIONS MEANS SPIRIT OF CODE IS HERE TO STAY

While the Home Valuation Code of Conduct may be unpopular, the major changes it created were already in motion when the HVCC took effect and will continue even when it expires in November 2010. That's what Federal Housing Finance Agency General Counsel Alfred Pollard told approximately 300 attendees at Valuation Expo 2009, held Nov. 10-11 in New Orleans.

Pollard said the fact that the Federal Housing Administration and other agencies have adopted certain provisions in the agreement between the government-sponsored agencies Fannie Mae and Freddie Mac and New York State Attorney General Andrew Cuomo means regardless of what happens with the HVCC, those guidelines will still be applicable. Pollard said that while the Code is not perfect, "the fundamental issue of appraiser independence … needed to be protected," and the Code addresses that, he said.

While the proliferation of the use of appraisal management companies is often attributed to the HVCC as an unintended consequence, Pollard said the use of AMCs started taking off in 2007 and continues today. He added that AMCs are now required to comply with the same rules as banks, and that banks are responsible for ensuring that they do not accept reports from AMCs that don't comply. In addition to the new AMC requirements, Pollard said the only other major change HVCC brought about was that Fannie and Freddie were no longer allowed to accept broker-ordered appraisals. Other than that, he said, there were very few "moving parts."

The other moving part is the creation of the Independent Valuation Protection Institute , which Pollard said is coming along. One of the main components of the IVPI will be the official complaint form and process for reporting appraiser pressure. In the interim, Pollard said, Fannie and Freddie are getting input on their sample complaint form.

As reported in the October 7 issue of Appraiser News Online, an interim Web site is being created to receive and register complaints from appraisers, individuals and other entities on non-compliance with the HVCC. That interim Web site, to be located at www.ivpicomplaint.org , will be launched later this month. A sample complaint form that will be used for complaint submissions is now available for preview at www.freddiemac.com/singlefamily/pdf/IVPI-HVCC.SampleComplaintForm.pdf . However, the form may not be used to submit complaints until the interim Web site is launched.

But both GSEs, as well as the state appraisal boards, the federal bank regulators and consumer hotlines at major banks, still accept complaints, and Pollard said there should be no hesitation to do so, nor the need to wait for the official form. He added that the IVPI, when launched, is intended to be more than merely a conduit for the complaint form. "The IVPI is intended to look at other marketplace factors, not just collect complaint forms," he said.

FHFA: ADOPTION OF HVCC PROVISIONS MEANS SPIRIT OF CODE IS HERE TO STAY

Pollard said in addition to the HVCC and appraiser pressure, the other large factor continuing to plague the industry is fraud. He said there remain issues as to the ability of the state boards to fight fraud due to funding and staffing. As such, he asked if the industry can do more to assist in preventing fraudulent practices. “The degree (to which) the industry can address these issues will give confidence to the people looking at such things,” such as regulators, Pollard said.

GSEs Address Independence, AMCs, HVCC at Valuation 2009

As part of a panel discussion at Valuation Expo 2009, Jacqueline Doty, director of collateral policy at Freddie Mac, and Robert Murphy, senior business manager, enterprise risk management at Fannie Mae, presented their agency updates on the impact of the Home Valuation Code of Conduct, appraisal management companies and appraiser independence.

Doty reiterated comments made last month and earlier this month regarding the fact that her agency had received complaints about appraiser independence prior to the implementation of the HVCC and that the code has “stemmed many of these complaints” and “enhanced independence of appraisers.” Further, she said, “Our findings support we are getting higher quality of appraisals than before.” She attributes that to the fact that lenders are paying more attention to the appraisal process.

She emphasized that while Freddie Mac doesn’t regulate industry players, but rather, along with Fannie Mae, is itself regulated. As an enterprise overseen by the Federal Housing Financing Agency, Freddie has measures to deal with violators, which is its internal exclusionary list. Doty said Freddie is “beefing (that) up.” She said Freddie shares the list with the Mortgage Asset Research Institute (MARI), which lenders access to research industry participants involved in mortgage fraud.

Doty also had advice for appraisers regarding AMCs: “Make sure you are dealing with a reputable” one since they come in “all shapes and sizes” and some have been around for many years, without incident.

In his portion of the discussion, Murphy addressed myths and clarifications about the HVCC, including some located in the agency’s FAQs. Among the facts: communication between loan officers and appraisers is acceptable, to the extent that it is to clarify or correct factual information. What is not allowed, he said, is substantive communication regarding a specific value needed or any other influence. He also said that the HVCC is not causing lower values, but attributed that to the economic downturn.

Further, he clarified that the HVCC does not require the use of AMCs, but places the same requirements on them as on lenders. He also addressed geographic competency, stating that appraisers testify that they have the knowledge and tools required for local market expertise when they sign each report. And in cases where they travel out of area and lean on a real estate agent for comparables, it is up the real estate agent to report appraisers who are not compliant with USPAP.

Doty and Murphy, along with Alfred Pollard, general counsel for the Federal Housing Finance Agency, and Sue Potteiger, collateral risk manager for Fannie Mae, were also panelists on a pre-conference Collateral Risk Network meeting. The meeting allowed appraisers and agency representatives to speak off the record on updates from the FHFA and government-sponsored enterprises. Also part of the CRN were panelists Calvin Moye, SRA, president of CALMO Realty Services Inc., who gave an update of the regulatory landscape; Federal Bureau of Investigation special agent Andre Jeanfreu, who spoke on mortgage fraud; Appraisal Subcommittee Executive Director Jim Park, who gave an update on the ASC; and Santiago Herreros de Tejada, international director of Grupo Sociedad de Tasación , a group of companies involved in the appraisal business in Spain since 1982, who gave an overview of the Spanish Appraisal Market.

Due to the number of issues continuing to get clarified as debate about the code’s impact on AMCs, appraiser independence and other related issues, attendee John Cirincione, SRA, general appraiser and director of business development for JVI Solutions, in Lake Mary, Fla., said the theme presenting itself at the first day of meetings is that “a need for higher-level analytics is coming back.” He added that the need to leverage technology and new tools for analysis “are important to embrace to not only increase efficiency but more effectively analyze large data sets in providing credible appraisal reports.”

CHANGING CLIENT NAME ON AN APPRAISAL REPORT

OREA occasionally receives questions about readdressing or transferring an appraisal report to another party. USPAP Advisory Opinions 26 and 27 provide guidance on this issue.

Question: AMCs often request the change of a lender's name on the client line in an appraisal report. Is this allowed under USPAP?
Answer: No. Once a report has been prepared for a named client, the appraiser cannot readdress or transfer the report to another party. Simply changing the client name on the report cannot change or replace the original appraiser-client relationship that was established with the first client. See Advisory Opinion 26 for more information.

Question: I prepared a report for one lender, and a new lender subsequently provided a letter from the original client consenting to a change of the client name to the new lender. Since the original lender has provided a written release, does USPAP allow this?
Answer: No, this is not allowed. "Readdressing" a report is forbidden. A name change request must be treated as a new assignment.

Question: I am frequently asked to "transfer" a report from one client to another, which is not permitted under USPAP. Is there any way I can accept the assignment and comply with USPAP?
Answer: Yes. An appraiser may consider the request a new assignment and establish a new appraiser-client relationship with the second client. What you charge your client for this new assignment, however, is up to you.

Question: I recently performed an appraisal on a subject property and a new lender contacted me to request a separate but complete appraisal on the same property. Can I do this new assignment?
Answer: Yes. As long as the appraiser does not use any confidential information given to him or her by the first client, the appraiser can accept an assignment to appraise the same property for a different client. See Advisory Opinion 27 for more information.

Question: An AMC hires me to appraise a property and has me put a lender's name as the client. The AMC contacts me later and says that another lender has bought the original client, and all appraisals done for the original client have been assigned to the new owner. The AMC wants me to change the name of the client in the report to reflect the takeover. Can I do this?
Answer: No. Since identification of the client is one of the key elements in the appraisal assignment, it is a major factor that drives the appraiser's scope of work decision. These factors must be identified at the time of the assignment, and cannot be modified after an assignment has been completed.

USPAP – QUESTIONS & ANSWERS

The Appraisal Standards Board (ASB) of The Appraisal Foundation develops, interprets, and amends the Uniform Standards of Professional Appraisal Practice (USPAP) on behalf of appraisers and users of appraisal services. The USPAP Q&A is a form of guidance issued by the ASB to respond to questions raised by appraisers, enforcement officials, users of appraisal services and the public to illustrate the applicability of USPAP in specific situations and to offer advice from the ASB for the resolution of appraisal issues and problems. The USPAP Q&A may not represent the only possible solution to the issues discussed nor may the advice provided be applied equally to seemingly similar situations. USPAP Q&A does not establish new standards or interpret existing standards. USPAP Q&A is not part of USPAP and is approved by the ASB without public exposure and comment.

Appraisal Management Company as Authorized Agent for a Client

Question: I accept assignments from an Appraisal Management Company (AMC) that has informed me they are an authorized agent for the lenders they represent. The AMC does not want me to list their name as the client, and asks that I only list the name of the lender they are representing. USPAP says the appraiser's client is the party who engages the appraiser. Is it ethical to omit the AMC's name as the client on my reports?
Response: Yes. If the AMC is acting as a duly authorized agent for a lender, identifying only the lender as your client is acceptable.

Client Request to Limit Scope of Work to New Client Name

Question: An appraiser completed an appraisal for Client

A. Client B received a copy of the appraisal from Client A and finds it acceptable for their purposes, but wants to be identified as the client in the appraisal report. Client B is aware that appraisers are prohibited from readdressing (or transferring) a completed report to a different client's name. As a result, Client B would like to engage the appraiser in a new assignment, limiting the appraiser's scope of work to only identifying them as the new client. Can the appraiser complete the assignment from Client B under these terms?

Response: No. USPAP requires the scope of work performed to produce credible assignment results. USPAP clearly establishes that the scope of work is determined by the appraiser. If a client's instructions (i.e. assignment conditions) limit the appraiser's scope of work in a new assignment to simply identifying a new client, the client, not the appraiser, has made the scope of work decision.

In addition, even if the appraiser accepted the client's proposed scope of work as his or her own, that scope of work may not be adequate to produce credible assignment results as required by USPAP.

As is the case with all assignments, when a client's assignment conditions are too restrictive to produce credible assignment results, an appraiser must decline or withdraw from an assignment.

Appraiser's Obligations Under the Home Valuation Code of Conduct (HVCC)

Question 1 (HVCC): I understand that the Home Valuation Code of Conduct (HVCC) prohibits mortgage brokers or real estate agents from engaging appraisers in appraisals for loans eligible for sale on the secondary mortgage market to Fannie Mae or Freddie Mac. What are my obligations as an appraiser if a mortgage broker or real estate agent contacts me and attempts to engage me in such an assignment?

Response: Similar to the guidance provided in Advisory Opinion 25, Clarification of the Client in a Federally Related Transaction, appraisers have certain obligations when being engaged in appraisal assignments that fall under HVCC requirements.

If a mortgage broker or real estate agent attempts to engage an appraiser in an assignment subject to HVCC requirements, the appraiser is obligated to inform the mortgage broker or real estate agent that they are prohibited from engaging appraisers under provisions of the HVCC.

If the mortgage broker or real estate agent wishes to engage the appraiser despite the appraiser's disclosure, the appraiser may accept the assignment. It would be prudent to recite disclosures in the engagement letter and in the report.

Also refer to STATEMENT ON APPRAISAL STANDARDS NO. 9 (SMT-9) for additional information relating to intended use and intended users.

Question 2 (HVCC): Does an appraiser have an obligation to determine whether or not the appraisal is to be used in a transaction that is subject to the requirements of HVCC?

Response: Yes. Appraisers are obligated to identify the intended use and intended users in an assignment, along with all applicable assignment conditions.

Collecting Fee on Behalf of an AMC

Question: I am completing an appraisal assignment for which I was engaged by an appraisal management company (AMC) on behalf of a lender. The AMC has asked me to collect a fee from the prospective borrower. I am to retain my portion of the total fee as the fee for my appraisal services, and forward the balance to the AMC. The AMC requires that there is to be no disclosure in the report of the total fee, nor of the manner in which the fee is to be split. Does USPAP permit this type of fee arrangement?

Response: If there was no compensation to procure the assignment, there is no USPAP requirement that the split of the total fee paid for the assignment must be disclosed in the report.

However, in this case, more information must be known in order to make a determination as to whether you are paying a fee to procure the assignment. Consider the following excerpt from the Management section of the ETHICS RULE:

The payment of **undisclosed** fees, commissions, or things of value in connection with the procurement of an assignment is unethical. (**Bold** added for emphasis)

The Comment to the Management section goes on to say:

Disclosure of fees, commissions, or things of value connected to the procurement of an assignment must appear in the certification and in any transmittal letter in which conclusions are stated.

As you can see from this USPAP excerpt, the first step is to determine if you, as the appraiser, paid a fee to procure the assignment. The decision would depend on the specific facts of your appraisal engagement agreement with the client (for which the AMC is acting as agent).

If you did not pay a fee to procure the assignment, then no disclosure is necessary. Simply collecting funds from one party on behalf of another party is not, in and of itself, representative of paying a fee for procurement of the assignment.

Of course, if the specific facts of the appraisal engagement agreement with the client lead you or others to believe a fee was paid for procurement of the assignment, disclosure that a fee was paid is required in the certification and any transmittal letter in which your conclusions are stated.

There may be other laws or regulations that enter into this situation. You should be familiar with the any possible state regulations addressing fee arrangements in your particular jurisdiction.

Assignment Conditions, Scope of Work Acceptability, and Geographic Competency

Question: I am a residential appraiser performing work for several appraisal management companies. Often, I am asked to perform an appraisal assignment outside the areas I am most familiar with. The assignments come with a requirement that a completed report be submitted within 48 hours or less. This time frame does not permit me to adequately research the subject property market. Is it permissible for me to accept an assignment under these conditions?

Response: The COMPETENCY RULE in USPAP requires an appraiser to notify the client that he or she does not have the necessary competency to complete an assignment prior to accepting the assignment. Because your statement in the question states that the "time frame does not permit me to adequately research the subject property market," you have already made the determination that becoming geographically competent for this assignment is a concern. The client must be notified, appropriate steps must be taken to become competent, and the lack of competency, plus the steps taken to become competent, must be disclosed in the assignment report. If an appraiser is not in a position to spend the necessary time in a market area to attain geographic competency, affiliation with a qualified local appraiser may be an appropriate response to ensure development of credible assignment results. Alternatively, the appraiser must decline the assignment.

This situation is also addressed by the SCOPE OF WORK RULE in USPAP.

For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser must:

1. identify the problem to be solved;
2. **determine and perform the scope of work necessary to develop credible assignment results; and**
3. disclose the scope of work in the report. (**Bold** added for emphasis)

Scope of work is defined as the type and extent of research and analyses in an assignment. If you know that the required time frame does not permit you to adequately research the subject property market in order to complete the scope of work necessary to develop credible assignment results, you should decline the assignment.

In some situations, you may initially believe that you can complete the scope of work necessary to develop credible assignment results, but subsequently determine you are unable to do so and still comply with the specific time frame. This circumstance is specifically covered in the Scope of Work Acceptability section of the SCOPE OF WORK RULE.

An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use.

Comment: If relevant information is not available because of assignment conditions that limit research opportunities (such as conditions that place limitations on inspection or information gathering), an appraiser must withdraw from the assignment unless the appraiser can:

· modify the assignment conditions to expand the scope of work to include gathering the information; or

· use an extraordinary assumption about such information, if credible assignment results can still be developed.

Request to Modify a Completed Appraisal Report

Question: I have completed an appraisal assignment for a client. The report was completed using the 2005 version of the Uniform Residential Appraisal Report (URAR). The client has requested that I remove one of the comparable properties from the report because, in the underwriter's opinion, it is not sufficiently similar to the subject property. If I do this, will my action comply with USPAP?

Response: Such an action has the potential to be misleading. Certification item #15 of the 2005 URAR states the following:

"**I have not knowingly withheld any significant information from this appraisal report** and, to the best of my knowledge, all statements and information in this appraisal report are true and correct." (**Bold** added for emphasis)

You initially concluded that the comparable you are being asked to remove was relevant in developing and communicating the assignment results. If this opinion has not changed, and you subsequently remove a comparable listing or sale from the appraisal report and sign the certification for this specific report format, it would likely be misleading because information you consider to be significant is being knowingly withheld.

In addition, Standards Rule 2-2(b)(viii) which addresses the content of a Summary Appraisal Report includes the following requirement.

summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained; (**Bold** added for emphasis)

If the comparable is removed as requested by the client, information that was analyzed would no longer be summarized in the report as required by this Standards Rule.

ENFORCEMENT ACTIONS

The following actions against real estate appraisers involved disciplinary sanctions that warranted public reproval during the time period of March 16, 2009 to November 30, 2009. Each entry references the USPAP rules and standards violated as well as relevant statutes and regulations, if applicable. The description of the violations have been omitted due to space limitation but are available on the OREA website.

VICKY A. TRANG AL043808

10/7/09. Default Decision effective 11/6/09; License Revocation. Violations of Business & Professions Code section 11328, California Code of Regulations Title 10, sections 3721 (a)(4)(6), and USPAP Conduct section of the Ethics Rule: Failure to cooperate with an OREA investigation.

JAE S. CARRANZA AT039318

11/5/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 11/5/09, $3,000 fine, $3,000 enforcement costs, 15 hrs. USPAP, 30 hrs, basic education, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule: failure to accurately analyze relevant property characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including the selection of inappropriate sales comparables and the inadequate support for adjustments to the sales comparables; premature release of an appraisal report without appropriate supervisory review.

ERIC D. ROBBINS AG025610

10/15/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 10/15/09, $2,000 fine, $2,000 enforcement costs, 15 hrs. USPAP, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule: failure to accurately analyze a previous sale of the subject property; failure to support the adjustments to the comparable sales in the Sales Comparison Approach; Respondent created a conflict of interest in an appraisal assignment by engaging in the services of being both the appraiser and a mortgage broker in connection with the proposed financing of the subject property.

DONALD J. LIENING AR033255

10/5/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 10/5/09, $2,000 fine, $3,000 enforcement costs, 15 hrs. USPAP, 15 hrs, basic education, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct and Management sections of the Ethics Rule: failure to disclose and accurately analyze relevant property characteristics of two subject properties; commission of a series of errors in the Sales Comparison Approach including the omission of relevant proximate sales comparables and the inaccurate reporting of factual information regarding a sale; false certification of the interior inspections of two subject properties; and involvement in a predetermined value for an appraisal assignment.

LESLIE M. JONES AR042233

10/5/09. Stipulated Settlement effective 10/5/09, three year probation, public reproval, must be in compliance with court ordered sentencing and obey all laws and submit quarterly progress reports. Convicted of a felony violation of California Penal Code section 245(a)(1) effective 3/2/09; Assault With a Deadly Weapon.

BRUCE R. WILLMETTE AG001676

9/1/2009. Director adopted Administrative Law Judge's proposed decision effective 10/1/2009 revoking appraisal license. Convicted of three misdemeanor violation of California Penal Code section 311.11(a).

HUEY G. NGUYEN AR028952

9/25/09. Stipulated Surrender of License effective 9/25/09; $6,500 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Competency Rule: failure to recognize the professional assistance of another appraiser in multiple assignments; false certification of the personal inspection of a subject property; certified experience on an appraisal log of experience form for an OREA license applicant for an appraisal assignment in which applicant's participation in assignment was not disclosed.

MICHAEL B. WOOD AL040213

9/14/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 9/14/09, $2,000 fine, $2,000 enforcement costs, 15 hrs. USPAP, 30 hrs, basic education, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule: failure to analyze the listing histories and previous sales histories of multiple subject properties; commission of a series of errors in the Sales Comparison Approach including the selection of inappropriate sales comparables, the omission of relevant proximate sales comparables, and the misstatement of factual information regarding the sales.

MINH T. NGUYEN AL034157

8/12/09. Default Decision effective 9/11/09; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule: commission of a series of errors in the Sales Comparison Approach including the failure to appropriately analyze the sale comparables and the omission of relevant sales comparables; failure to analyze the current listing and a previous sale of the subject property within the past three years; placement of supervisor's signature on appraisal report without their authorization.

JENELLE K. TOLLEFSON AR026535

9/2/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 9/2/09, $2,500 fine, $16,000 enforcement costs, 15 hrs. USPAP, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule: false certification of the personal inspections of the interior of multiple subject properties; commission of a series of errors in the Sales Comparison Approach including the selection of inappropriate sales comparables and the misstatement of factual information of the sales.

RYAN D. MILLER AL030429

9/2/09. Stipulated Settlement and Disciplinary Order revoking appraisal license effective 9/2/09. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule: false certification of the interior inspection of the subject property and the failure to disclose that an unlicensed appraiser performed the inspection; series of errors in the appraisal including the failure to analyze a previous sale of the subject property during the last three years and the failure to accurately describe the relevant property characteristics of the subject property and the comparable sales.

CHRISTOPHER J. FOGLESONG AL036310

9/1/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 9/1/09, $1,500 fine, $2,500 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule: failure to identify and analyze the relevant property characteristics of the subject property; failure to analyze key property characteristics of the comparable sales used in the Sales Comparison Approach; falsely certified the interior inspections of the subject property by both the appraiser and trainee under appraiser's supervision.

ANNETTE M. GLOVER AL031814

7/28/09. Default Decision effective 8/27/09; License Revocation Violations of USPAP S.R. 1& 2, Conduct section of the Ethics Rule: failure to describe the volatile nature of the market in multiple appraisal reports; failure to describe key characteristics of the subject property to include adverse factors; ignored appropriate data and instead misused data to arrive at predetermined value conclusions.

KAYLIE K. GUIBORD AL029248

7/21/09. Default Decision and Order revoking appraisal license effective 8/20/09. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule: failure to accurately describe the declining market conditions in the subject property's neighborhood; submission of a building improvement sketch that did not accurately depict the subject property; commission of a series of errors in the Sales Comparison Approach including the inclusion of superior inappropriate sales comparables and inaccurate photographs of the sales comparables.

GEORGE KOKOTEEV AT040991

7/21/09. Default Decision and Order revoking appraisal license effective 8/20/09. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule: failure to accurately describe the declining market conditions in the subject property's neighborhood; submission of a building improvement sketch that did not accurately depict the subject property; commission of a series of errors in the Sales Comparison Approach including the inclusion of superior inappropriate sales comparables and inaccurate photographs of the sales comparables.

RASHAN C. PEARSON AL037467

8/11/09. Stipulated Surrender of License effective 8/11/09; $3,439.58 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Competency Rule: Respondent appraised a property in which she had a personal interest and bias with respect to the parties involved; the identification of the intended use and intended user of the appraisal was misleading and inappropriate; physical characteristics of the subject property were omitted or falsely stated; the comparable sales were not properly analyzed.

MICHAEL D. HOWARD AG016417

7/7/09. Default Decision effective 8/6/09; License Revocation. Violations of USPAP S.R. 1& 2, Conduct section of the Ethics Rule, Competency Rule, Business and Professions Code 11328: failure to provide the OREA with a true copy of the appraisal reports; failure to describe the subject property adequately; failure to perform a proper highest and best use analysis; failure to perform the Sales Comparison Approach in a credible manner; failure to analyze a pending sale of the subject property; failure to include a signed certification.

NOREEN C. GRUBB AR011155

7/28/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 7/28/09, $1,500 fine, $2,000 enforcement costs, 15 hrs. USPAP, 15 hrs. basic education, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule: failure to identify and analyze the relevant property characteristics of the subject property in two appraisal reports; commission of a series of errors in the Sales Comparison Approach including the misrepresentation of data for the sales comparables, the use of inappropriate sales comparable, and the lack of support for adjustments used in the analysis; failure to appropriately analyze the previous sale of a subject property.

BRETON E. VAN SLOTEN AR007966

7/7/09. Settlement Agreement effective 7/7/09 ordering stayed revocation of license, $1,500 fine, $2,500 enforcement costs, 15 hrs. USPAP, 15 hours basic education, submission of appraisal logs during probation for selection of work samples, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule: failure to accurately analyze the economic characteristics of the subject property's neighborhood; commission of a series of errors in the Sales Comparison Approach including the selection of inappropriate comparable sales and the lack of support for the adjustments to the sales.

GARY L. KILLIAN AG039198

6/30/09. Stipulated Surrender of License effective 6/30/09; $2,000 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Competency Rule: failure to employ relevant sales comparables for the subject property while utilizing inappropriate sales comparables in the Sales Comparison Approach resulting in an overvaluation; failure to analyze a previous sale of the subject property within the past three years.

DEBORAH A. JONES AR029041

6/16/09. Stipulated Surrender of License effective 6/16/09; $3,000 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Competency Rule: failure to identify and analyze the relevant property characteristics of the subject property; omission of relevant sales comparables while utilizing inappropriate sales comparables in the Sales Comparison Approach; failure to analyze a previous sale of the subject property within the past three years.

CHRISTOPHER P. FERGUSON AG008447

6/11/09. Settlement Agreement stipulating stayed revocation of appraisal license effective 6/11/09, two year probation, $3,000 fine, $12,000 enforcement costs, 60 hrs. basic education, submission of appraisal logs during probation for work sample review. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule: failure to identify and analyze the relevant property characteristics in four appraisal assignments; failure to provide sufficient analysis and support for the highest and best use conclusions in multiple appraisal assignments; failure to accurately analyze comparable sales data in the Sale Comparison Approach in multiple assignments. Parties agreed to settlement terms in order to avoid further costs and uncertainties of litigation.

NAZEH MUAYADAZEM AL033405

6/1/09. Stipulated Settlement effective 6/1/09, stayed revocation, three year probation, $2,000 fine, $3,000 enforcement costs, 15 hrs. USPAP, 30 hr basic education, public reproval. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule: falsely certified inspection of the subject property; failure to disclose significant additions to the subject property; failure to utilize more relevant comparable sales resulting in an overvaluation; failure to analyze significant remodeling to two of the comparable sales; failure to disclose the methodology used to develop the subject property's site value which was not supported by improved sales in the neighborhood.

BRIAN C. EATON AL035606

5/27/09. Stipulated Surrender of License effective 5/27/09; $3,503.57 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Scope of Work Rule; Title 10, California Code of Regulations sections 3568(e)(2), (3), (4), 3701, 3702(a)(1), (2), 3705(a), 3721(a)(2), (4), (6) & (7): falsified work samples for his appraisal license; falsely certified his level of inspection in multiple appraisal assignments; failure to acknowledge significant real property appraisal assistance; failure to maintain control of his digital signature; failure to maintain integrity over the digital signatures of other licensees in his appraisal office.

MARCUS A. RUTH

5/21/2009. 4/21/09. Director adopted Administrative Law Judge's decision effective 5/21/09 ordering stayed denial of application for appraisal trainee license and the issuance of a probationary license after successful completion of application process. The overall term of probation is three years, and the licensee must be accompanied on interior inspections of properties by a Certified Residential or Certified General licensee in good standing with OREA. Convicted of Penal Code section 242 effective 8/23/04, a misdemeanor; and Penal Code section 459 effective 5/13/05, a felony.

SANDRA E. JACKSON AR006824

4/20/09. Director adopted Administrative Law Judge's Proposed Decision effective 5/20/09, ordering license revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(2), 3721(a)(2)(4)(6), 3722(a)(2)(6), California Business and Professions Code 11321(a)(b): Committed acts involving dishonesty, fraud or deceit, with the intent to benefit herself by altering the expiration date of her license and Certificate of Good Standing; intentionally misrepresented the expiration date of her license on two appraisal reports; misrepresented herself as a state licensed appraiser when her license had expired; performed appraisal assignments when unqualified to do so.

ANNA NICOLE GRIFFITH AT031734

5/7/09. Director adopted Administrative Law Judge's decision, effective 5/7/09, to deny the application of Respondent because her criteria of rehabilitation has not been sufficiently demonstrated.

MELISSA G. GANO-SMALLEY AL039844

4/1/09. Director adopted Administrative Law Judge's proposed decision effective 5/1/2009, ordering revocation of license. Violations of USPAP S.R.1 and 2, Conduct section of the Ethics Rule, Competency Rule, Record Keeping section of the Ethics Rule, Business and Professions Code 11328: misrepresented the subject property and comparable sales in multiple reports; falsified rental data; failed to perform a proper scope of work; failure to disclose and analyze the subject property's listing history; appraised outside of the scope of her license level.

DONNIE E. RATH AR034123

4/28/09. Settlement Agreement stipulating stayed revocation of appraisal license effective 4/28/09, $2,500 fine, $3,500 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproval. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule, California Code of Regulations section 3702(a)(2): use of another apprasier's name, license number and signature without their knowledge or permission; inadequate scope of work; failure to disclose unpermitted additions; misleading and contradictory statements regarding the level of inspection performed; failure to appropriately select and properly adjust the comparable sales resulting in an overvaluation, failure to disclose and analyze the subject property's listing history, failure analyze the subject property's prior sale.

RODOLFO Y. TIRONA AL015118

3/26/09. Default Decision effective 4/25/09; license revocation. Violations of USPAP S.R. 1& 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3527(a)(2)(3)(4)(5)(6), California Business and Professions Code section 11328: inappropriate selection of comparable sales resulting in an overvaluation, failure to analyze the subject property's prior sale and listing history, failure to facilitate an OREA investigation, failure to notify OREA of any change to Respondent's contact information.

JOE R. LONGORIA AL037891

3/24/09. Default Decision effective 4/23/09; license revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Scope of Work Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), California Business and Professions Code 11328: failure to acknowledge significant real property appraisal assistance and falsely certified his level of inspection in multiple appraisal reports, non-payment of a civil judgment in the amount of $2,598.87, failure to facilitate an OREA investigation; revocation of his Oregon appraiser license.

ANDRE SLADE AL033234

3/20/09. Director adopted Administrative Law Judge's decision ordering stayed revocation of appraisal license effective 4/20/09, $5,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semi-annual appraisal logs for three years for monitoring. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule: failure to accurately disclose and analyze relevant property characteristics in multiple appraisal reports; improper analysis and selection of comparable sales; failure to analyze prior sales of the subject property; failure to analyze a current listing of the subject property; misleading certification; failure to disclose that his trainee had a personal interest with respect to the parties involved.

JAMES L. OLAGUNJU AL008955

4/7/09. Stipulated Surrender of License effective 4/7/09; $3,262.49 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Competency Rule; Title 10, California Code of Regulations sections 3702(a)(2), 3721(a)(2), (4), & (6) and 3722(a)(2) and (6): forged the name of his supervisor to his Log of Appraisal Experience and the corresponding certification, multiple errors of omission and commission in reporting and analyzing key characteristics of the subject property and comparable sales; falsely certified inspecting the interior of the subject property.

ISAIAS A. GARCIA AL029656

3/23/09. Stipulated Settlement effective 3/23/09, Revocation stayed, $2,000 fine, $3,000 enforcement costs, 15 hrs. USPAP, public reproval. Violations of USPAP S.R. 1 & 2, Conduct section of Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(1) & (2), 3721(a)(2), and 3705(a): falsely certified interior inspection of a the subject property, misrepresentation of the physical, economic, and locational characteristics of the subject property; failure to employ appropriate techniques to value the subject property.

CHRISTOPHER R. VOET AL034517

3/23/09. Settlement Agreement stipulating stayed revocation of appraisal license effective 3/23/09, $1,500 fine, $2,000 enforcement costs, 15 hrs. USPAP, semi-annual appraisal logs for two years for monitoring, public reproval. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule Title 10, California Code of Regulations sections 3702(a), 3721(a)(2) and (7), Business and Professions Code section 11321(a): involved in an act of dishonesty, fraud, or deceit with the intent to benefit himself by altering his expired state appraiser license; assumed the title of real estate appraiser without a valid license to do so.

RICHARD L. KILGORE AG007164

3/20/09. Stipulated Surrender of License effective 3/20/09. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule, Scope of Work Rule: failure to identify that the client was the homeowner; misrepresentation of the subject property; failure to identify and analyze hypothetical conditions used in the appraisal; readdressed the same appraisal to multiple clients; misrepresentation of market conditions; failure to perform an appropriate scope of work.

EVERETT L. BRUNELLE AR030515

11/10/09. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 11/10/09, $1,500 fine, $3,000 enforcement costs, 15 hrs. USPAP, 15 hrs. basic education, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule: failure to accurately analyze the relevant property characteristics of two subject properties; commission of a series of errors in the Sales Comparison Approach for two properties including the use of inappropriate comparable sales and the lack of support for the adjustments used in the analysis'.

ELI J. DONATI AL037735

10/7/09. Default Decision effective 11/20/09; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct and Management sections of the Ethics Rule: failure to accurately report and analyze the recent listing history of multiple subject properties; performed an appraisal report with a predetermined value requested by a client; failure to use relevant proximate sales comparables in the Sales Comparison Approach for multiple properties.

DAVID C. PARK AR023430

11/17/09. Stipulated Surrender of License effective 11/17/09; $3,500 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule: failure to accurately analyze the relevant property characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including the use of dissimilar superior comparable sales while omitting relevant sales and the factual misrepresentation of the comparable sales with regard to proximity to the subject property.

JAMIE SMITH AL037005

7/9/09. Stipulated settlement restricting appraiser to be accompanied on interior inspections of owner occupied residences by a certified appraiser in good standing with OREA or a licensed real estate agent/broker in good standing with DRE. Convicted of PC 273.5(a), a felony; PC 273(a)(a), a felony: and PC12021(g)(2), a misdemeanor.

RUBEN VARDANYAN AR033849

11/10/09. Stipulated Revocation of License effective 11/10/09; $6,000 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule: involvement in fraudulent activity by forging the signature of another appraiser for appraisal reports on two properties, one of which was his personal residence.