



NORTH CAROLINA APPRAISAL BOARD

APPRAISER REPORT

Volume 18

August 2008

Number 2

Legislature Amends Appraiser Act

The 2008 session of the North Carolina Legislature amended the Appraiser's Act in the closing days of the session. The amendment, which was attached to another bill, was initiated in the Legislature and not by the Appraisal Board.

House Bill 2353 is titled "An Act to Authorize the Licensure of Irrigation Contractors and to Add Two More Legislative Appointments to the North Carolina Appraisal Board." This bill gives the President Pro Tempore of the Senate one additional appointment of a person not involved in real estate brokerage, real estate appraisal or the real estate lending industry. The Speaker of the House of Representatives will have one additional appointment of a person who has been engaged in the business of real estate appraisal in this state for at least five years immediately preceding their appointment.

The Governor will continue to have five appointments to the Board; therefore the Board will consist of nine members serving three-year alternating terms.

House Speaker Joe Hackney reappointed Don Johnson to a three-year term expiring June 2011. The second appointment of the Speaker and the two appointments of Senator Marc Basnight were not named in this Legislative Session due to the fact the bill was ratified in the closing days of the session. The three additional appointments are anticipated to be made in the near future.

BOARD ELECTS OFFICERS

Henry E. Faircloth has been elected Chairman of the Appraisal Board for 2008-2009. This represents a record sixth term that Mr. Faircloth has served the Board as Chairman. He was first appointed to the Board on July 1, 1991 and has served continuously based on the appointment of the President Pro Tempore of the North Carolina Senate.

Mr. Faircloth owns a construction company, which specializes in commercial construction. He is a member of the Sampson Community College Foundation and is very active in both civic and community affairs. He and his wife, Faye, make their home in Salemburg.

John D. Lyon, Jr. has been elected Vice-Chairman of the Board for 2008-2009. Governor Michael F. Easley appointed Mr. Lyon to the Board for a three-year term ending June 2010.

Mr. Lyon graduated from the University of North Carolina with a BA degree in political science. He has been an appraiser for 17 years and is Certified General. He is a real estate broker and has a great deal of experience in both residential and commercial real estate. Mr. Lyon is a North Carolina Superior Court Mediator. Mr. Lyon also serves as a member of the North Carolina Alcoholic Beverage Control Commission. He and his wife, Dolly, make their home in Raleigh.

APPRAISER REPORT

Published as a service to appraisers to promote a better understanding of the Law, Rules and Regulations, and proficiency in ethical appraisal practice. The articles published herein shall not be reprinted or reproduced in any other publication, without specific reference being made to their original publication in the **North Carolina Appraisal Board Appraiser report.**

NORTH CAROLINA APPRAISAL BOARD

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Raleigh, North Carolina 27609
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Fax: 919/870-4859

Website:
www.ncappraisalboard.org

Email Address:
ncab@ncab.org

Michael F. Easley, Governor

APPRAISAL BOARD MEMBERS

Henry E. Faircloth
ChairmanSalemberg
John D. Lyon, Jr.
Vice-ChairmanRaleigh
J. David BrooksOxford
Donald S. JohnsonHenderson
J. Vance Thompson.Elkin
Earl M. Worsley, Jr.Wilmington
Larry N. WrightCandler

STAFF

Philip W. Humphries, *Executive Director*
Roberta A. Ouellette, *Legal Counsel*
Donald T. Rodgers, *Deputy Director*
Thomas W. Lewis, III, *Chief Investigator*
Jeffrey H. Davison, *Investigator*
Terri S. Haywood, *Investigator*
Jacqueline Kelty, *Administrative Assistant*
Deborah C. Liggins, *Administrative Assistant*
Pam A. Privette, *Administrative Assistant*
Mindy M. Sealy, *Administrative Assistant*

Board Enacts New Rules

Several changes become effective on September 1, 2008. Most of the rule changes implement changes to the Appraiser's Act made in 2007. Some of the changes are:

- References to the category of licensed residential appraiser are removed where appropriate.
- The rules refer only to pre-certification education, not pre-licensing education.
- An applicant to become a trainee must have a high school diploma or GED.
- All applicants must obtain a criminal records check at their own expense as part of the application process.
- An appraiser whose license is suspended in North Carolina may not apply for certification by reciprocity.
- If the certification was revoked, the appraiser may not apply for certification by reciprocity for five years after the date of revocation.
- Trainees and appraisers must sign their appraisals with the same name and in the same manner as it is printed on their pocket cards.

STAFF UPDATE

Pam Privette began work in March 2008 as an administrative assistant. Pam will be our communications specialist and most likely the person that will greet you if you visit us or answer the phone if you call. She has over thirty years of experience working with the North Carolina Department of Revenue. She and her husband, Wayne, make their home in Wendell.

Contacting Appraisal Board Members

Individual appraisers occasionally contact members of the Board to get information about a pending or denied application or to discuss a pending complaint or disciplinary action. Attempts to influence a Board decision by contacting a Board member are improper and may be detrimental to the individual appraiser. For example, the Board member might have voted in the individual appraiser's favor before the contact, but once such a contact is made, the Board member will have to excuse himself from voting on the matter when it comes before the Board. You should address questions regarding applications, audits, and disciplinary matters to the Board staff, who will provide information and advice on procedures and policies.

APPRAISER COUNT

(As of July 31, 2008)

Trainees	872
Licensed Residential	337
Certified Residential	2131
Certified General	1079
Total Number	4419

APPRAISER EXAMINATION RESULTS

December 2007; January – June 2008

Examination	Total	Passed	Failed
Trainee	225	146	79
Licensed Residential	19	14	5
Certified Residential	237	131	106
Certified General	131	51	80

Examinations are administered by a national testing service. To apply for the examination, please submit an application which may be downloaded from the Appraisal Board's website at <http://www.ncappraisalboard.org/forms/ApplicationForLicensure.pdf>

Certified Appraisers Can Now Have Three Trainees Under Certain Circumstances

One major change in the rules is that certified appraisers may have three trainees under certain circumstances. Effective September 1, 2008, a certified general appraiser can have three trainees at any time. A licensed residential appraiser is still limited to one trainee at any time. A certified residential appraiser can have three trainees once one of the two trainees has completed 50 % of the required appraisal experience to upgrade.

For example, certified residential appraiser Mary has two trainees working with her. One of those trainees has worked for her for 12 months and has completed 150 points of experience. She may now add another trainee.

To add a third trainee, Mary must fill out a Request form and send it to the Board, along with a copy of the trainee's log.

The Next Step

You have just received a letter from the North Carolina Appraisal Board notifying you of a complaint concerning an appraisal you performed. After reading the letter and recovering from shock, what should be your next step? First, you should read over the complaint carefully. Read it again. Retrieve the copy of the report you retain in your work file. Compare the two to see if they are the same report. Read through your report and familiarize yourself with the assignment, as some time may have passed and it may not be fresh in your mind. If additional research is necessary to respond to the items in the complaint, do the research. Then, prepare your written response, trying to be as CLEAR and CONCISE as possible. Send your response, along with a copy of the appraisal report (or reports if revisions were made after the original report was delivered to the client) and a copy of your complete work file, including ALL file notes, to the North Carolina Appraisal Board. You will have a chance to discuss the complaint in person when contacted by an investigator. No complaints are dismissed without a full investigation; all complaints will be investigated.

Writeable Forms

The forms on our website are now writeable except for the education forms for course providers. Please note that you **cannot** save or transmit data typed into these forms. You must print your completed form and mail it to the North Carolina Appraisal Board. You should make a hard copy or scan the form for your personal records. Please be sure to sign and enclose the appropriate fees when applicable. Please note that the information and application for registration or licensure are separate documents. The information continues to be required reading for all applicants.

The Board's Supervisor/Trainee Class - Useful for Everyone

Appraisers who wish to supervise a trainee must attend the Board's Supervisor/Trainee class either before or within 90 days after supervision begins. Although this course is geared to supervising appraisers, a large part of it consists of reviewing the Appraiser's Act and Appraisal Board rules. Trainees are especially urged to attend the class so that they can obtain information regarding the new education criteria and experience required to upgrade. Even if you are not planning to supervise a trainee, this course offers a good way to look at the law and rules in a more relaxed setting, while meeting some of the staff of the Board. The class is taught by Board staff, and students receive 4 hours of continuing education credit. It is generally offered every other month, usually at the Board's offices in Raleigh.

2008 Board Meeting Dates

August 12	November 18
September 16	December 16
October – No meeting	

All meetings are conducted at the North Carolina Appraisal Board building located at 5830 Six Forks Road, Raleigh.

CONTINUING EDUCATION REMINDER

All appraisers and trainees must have 28 hours of continuing education credit in order to renew their licenses in 2009, including the 7-hour National USPAP Update course. All continuing education must be taken between June 1, 2007 and May 31, 2009.

- If you took the 15-hour National USPAP course you may receive continuing education credit, but you will still have to take the 7-hour National USPAP update course in order to renew your registration, license or certificate.
- Appraisal Board rules allow you to take up to 14 hours of the 28-hour requirement as on-line courses.
- You can take a pre-certification course for continuing education, but if you use it for continuing education, you cannot use it to upgrade.

- No continuing education credit was carried over from the 2005-2007 education cycle into the 2007-2009 cycle.
- If you reside in another state and are currently licensed by the appraiser certification board of that state, you may satisfy the continuing education requirement by providing a current letter of good standing from your resident state showing that you have met all continuing education requirements in that state.
- If you were licensed in North Carolina by reciprocity and you now live in North Carolina, you must comply with the North Carolina continuing education rules. In other words, if you live here now, you cannot send in a letter of good standing from another state in order to avoid continuing education here.
- Trainees who initially register on or after January 1, 2009 will not have to obtain continuing education to renew in 2009.

Guidelines for Measuring Residential Square Footage

The NCAB has not adopted any square footage measuring guidelines; however, it is expected that all licensees understand and follow an

industry-accepted set of measuring guidelines. Two such methods are available through the American National Standard for Single Family Residential Buildings (ANSI) and the North Carolina Real Estate Commission (Yellow Book). These guidelines address many aspects of the measuring process,

including above and below grade finished areas, ceiling height requirements, finished areas adjacent to unfinished area, finished areas connected to the house, and condominiums. Both guides include helpful illustrations. The ANSI guide also includes suggested declarations when

plans of a proposed house were used or when interior spaces cannot be inspected. These publications can be ordered on line for prices ranging from less than \$1.00 to \$20.00, and can be found at www.ncrec.state.nc.us/publications and www.nahbrc.org/bookstore/bd1003w.aspx.

USPAP Q&A

This communication by the Appraisal Standards Board (ASB) does not establish new standards or interpret existing standards. The ASB USPAP Q&A is issued to inform appraisers, regulators, and users of appraisal services of the ASB responses to questions raised by regulators and individuals; to illustrate the applicability of the Uniform Standards of Professional Appraisal Practice (USPAP) in specific situations; and to offer advice from the ASB for the resolution of appraisal issues and problems.

Electronic Report Delivery

Question: I am an appraiser who has been asked by my client to submit my appraisal reports to them electronically. Assuming that I have satisfied the reporting obligations in the creation of the report, what are my obligations in the use of electronic delivery systems?

Response: USPAP does not specifically address this issue, but there are general ethical obligations that are relevant. The Conduct section of the ETHICS RULE states, in part:

An appraiser must not communicate assignment results in a misleading or fraudulent manner. An appraiser must not use or communicate a misleading or fraudulent report...

Communication in this instance means transmission of the report, which can occur through such mechanisms as U.S. mail, private courier service, fax, e-mail, or web portal. The appraiser's obligation is to not transmit a misleading or fraudulent report.

In the transmission of electronic reports, the appraiser's obligation is to ensure that the report that is transmitted is not misleading or fraudulent. Therefore, the appraiser needs to be familiar with the electronic report created by the software used in the assignment. The appraiser must have a sufficient understanding of the report generating software used in an assignment to avoid the communication of misleading reports. In order to comply with USPAP, the electronic report that will be sent to the client must be examined by the appraiser prior to transmission to ensure that it is not misleading or fraudulent.

An appraiser cannot control what a client or intended user does with his or her appraisal report. USPAP establishes requirements only for appraisers, not clients, intended users or others. Once an appraisal report has been transmitted to the client, USPAP places no further responsibility on the appraiser for the client's use of that report.

Can Appraisers Perform "Comp Check" Assignments?

Question: I'm a residential appraiser and have been asked to perform a "comp check" (or "pre-comp") assignment, where a client wants to get an idea of the value of a home prior to proceeding with a mortgage financing transaction. Does USPAP allow me to perform this type of assignment?

Response: Yes. As stated in FAQ #130 in the 2008-09 edition of the USPAP document, these types of assignments are allowed under USPAP. To understand the USPAP requirements, it is important to identify exactly what the appraiser is being asked to do. If the appraiser is asked to "provide comps," that would typically mean the appraiser would be exercising his or her own judgment to determine which sales are most "comparable" to the subject property. The appraiser may choose to include only those sales that he or she deems are most similar to the subject in size, location, quality, etc., which could mean that certain sales may be omitted. In this case, the resulting data would have been "filtered" by the appraiser's judgment, which would have the net effect of providing a range of value to the client. This range of value is defined as an appraisal under USPAP; therefore, the appraiser would be obligated to comply with STANDARDS 1 and 2.

But as FAQ #130 also states, "comp check" assignments should be contrasted to requests for an appraiser to simply provide data. For example, an appraiser asked by a client to provide "sales data of all homes located within a one mile radius" of a specific address could comply with the client's request without complying with STANDARDS 1 and 2, because the appraiser would just be providing sales data pursuant to the client's defined parameters. In this example, the appraiser must be careful not to communicate any opinions or conclusions regarding the data provided.

For additional related guidance on this topic, please refer to Advisory Opinion 19, *Unacceptable Assignment Conditions in Real Property Appraisal Assignments* and Illustration #4 "Appraisal and Market Information" in Advisory Opinion 21, *USPAP Compliance*.

Can Appraisers Perform "Comp Check" Assignments for Free?

Question: Does USPAP allow appraisers to perform "comp check" assignments for free?

Response: Yes. However, the appraiser would have to ensure that receiving a "full" appraisal assignment is not contingent upon the result of the "comp check" assignment. The Management section of the ETHICS RULE states, in part:

It is unethical for an appraiser to accept an assignment, or to have a compensation arrangement for an assignment, that is contingent on any of the following:

1. *the reporting of a predetermined result (e.g., opinion of value);*
2. *a direction in assignment results that favors the cause of the client;*
3. *the amount of a value opinion;*
4. *the attainment of a stipulated result; or*
5. ***the occurrence of a subsequent event directly related to the appraiser's opinions and specific to the assignment's purpose.*** (Bold added for emphasis)

Is Disclosure of a Free "Comp Check" Assignment Required?

Question: If I perform a free "comp check" assignment and my client subsequently requests me to perform a "full" (or more "traditional") assignment on the same property, do I have to disclose the free "comp check" assignment as having provided a "thing of value" to procure the new assignment?

Response:

No. The Management section of the ETHICS RULE states, in part:

The payment of undisclosed fees, commissions, or things of value in connection with the procurement of an assignment is unethical.

Since USPAP prohibits the second assignment from being contingent upon the first, the free "comp check" could not be considered part of "procuring" the second assignment. Therefore, disclosure of the free "comp check" assignment would not be required. Appraisers may, of course, elect to disclose the prior assignment, but it is not required by USPAP.

An appraiser can provide a free "comp check." An appraiser cannot provide a free "comp check" AND the pursuant appraisal if the engagement was contingent upon developing or reporting predetermined results.

Approved Continuing Education Courses

(As of July 28, 2008)

Listed below are the courses approved for appraiser continuing education credit as of date shown above. Course sponsors are listed alphabetically with their approved courses. Shown parenthetically beside each course title are sets of numbers [for example: (15/10)]. The first number indicates the number of actual classroom hours and the second number indicates the number of approved continuing education credit hours. You must contact the course sponsor at the address or telephone number provided to obtain information regarding course schedules and locations.

Allen Tate School of Real Estate – A Dan Mohr School

5000 Nations Crossing Road, Suite 206
Charlotte, NC 28217
704-362-2296

Mfg/Mod Homes & Real Property (7/7)
New Rules & Regs FHA/HUD Appraisal Requirements (14/14)
Residential Construction Seminar (14/14)
Staying Out of Trouble – NC App (7/7)

Allterra Group, LLC

7721 Five Mill Road
Cincinnati, OH 45230
513-659-1656

Appraisal Independence (7/7)

American Society of Farm Managers and Rural Appraisers

950 South Cherry Street, Suite 508
Denver, CO 80222
303-758-3513

16-Hr Uniform Agricultural Appraisal Report Seminar (16/16)
8-Hr Uniform Agricultural Appraisal (8/8)
A-25 Eminent Domain (19/19)
A-36 Intro to Appraisal Review (14/14)
A-370 Appraisal Review (22/21)
A-380 Appr Rev Under Uniform App Stnd for Fed Land Acq (16/16)
A-390 Advanced Appraisal Review Case Studies (16/16)
Advanced Approaches to Value for Rural Appraisal (41.5/30)
Advanced Rural Case Studies (36/30)
Advanced Sales Confirmation & Analysis (8/8)
Appraising Agricultural Land in Transition (14/14)
Appraising Agricultural Land in Transition (8/8)
ASFMR Code of Ethics (4/4)
Cost Estimating (8/8)
Dairy Facility Appraising - A Mooving Target (16/16)
Intermediate Approaches to Value for Rural Appraisal (41/30)
Intro to the Approaches to Value for Rural Appraisal (41/30)
National USPAP Update 2008 (7/7)
Valuation of Conservation Easements (33/30)

American Society of Appraisers, NC Chapter

121 SE 21st Street
Oak Island, NC 28465
910-278-7151

Appraisal of Commercial and Residential Lots (7/7)
National USPAP Update 2008 (7/7)
The Appraisal of Small Subdivisions (7/7)

AppraisalSchools by M. Curtis West

P.O. Box 947
Zebulon, NC 27597
919-404-5115

Scope of Work in the Appraisal Process (7/7)

Appraisal Institute

550 W. Van Buren Street, Suite 1000
Chicago, IL 60607
312-335-4100

15 Hour National USPAP (15/15)
330 Apartment Appr: Cncpts & (14/14)
420 Business Practice and Ethics (7/7)

530 Adv Sales Comp & Cost Appr (40/30)
600 Inc Val of Sm Mixed-Use Prop (15/15)
610 Cst Val of Sm Mixed-Use Prop (15/15)
620 Sls Comp Val Sm Mixed-Use (15/15)
700 Appraisers as Expert Witness (15/15)
705 Litigation Appr: Splcd Topics & (16/16)
710 Condemnation Appr: Basic Prin & (15/15)
720 Condemnation Appr: Adv Topics & (15/15)
810 Computer-Enhanced Cash Flow Mod (15/15)
Adv Residential Applications & Case Studies (14/14)
Adv Residential Report Writing Pt 2 (28/28)
An Introduction to Valuing Green Buildings (7/7)
Analytics with the Site to do Business (7/7)
Appraisal Challenges: Declining Markets & Sales (7/7)
Appraisal Curriculum Overview (15/15)
Appraisal Curriculum Overview (8/8)
Appraisal Review Seminar – General (7/7)
Appraising Historic Preservation Easements (18/18)
Appraising Manufactured Housing (7/7)
Business Practice & Ethics (7/7)
Condominiums Co-Ops & PUDS (7/7)
Forecasting Revenue (7/7)
General Appraiser Income Approach Part 1 (27/27)
General Appraiser Income Approach Part 2 (27/27)
General Appraiser Report Writing & Case Studies (28/28)
Gen Appraiser Sales Comp Approach (28/28)
Gen Appraiser Site Valuation & Cost Approach (27/27)
Gen Demo Appraisal Report Writing Seminar (7/7)
General Market Analysis & Highest & Best Use (28/28)
Introduction to FHA Appraising (7/7)
Liability Management for Residential Appraisers (7/7)
Office Bldg Valuation: A Contemporary Perspective (7/7)
O/L 15-Hour National USPAP Equivalent Course (15/14)
O/L 2008 National USPAP Update (7/7)
O/L 420: Business Practices & Ethics (8/7)
O/L Analyzing Distressed Real Estate (4/4)
O/L Analyzing Operating Expenses (7/7)
O/L Appraisal of Nursing Facilities (7/7)
O/L Appraising Convenience Stores (7/7)
O/L Appraising from Blueprints (7/7)
O/L Apartment Appraisal, Concepts & Applications (15/14)
O/L Appraising Manufactured Housing (7/7)
O/L Basic Appraisal Principles (28/14)
O/L Basic Appraisal Procedures (28/14)
O/L Condominiums, Co-Ops & PUD's (7/7)
O/L Cool Tools: New Technology for RE Appraisers (7/7)
O/L Eminent Domain & Condemnation (7/7)
O/L Feasibility, Market Value, Investment Timing: Option Value (7/7)
O/L GIS - The Building Case Study (14/14)
O/L GIS - The Novice Case Study (7/7)
O/L Internet Search Strategies for R (7/7)
O/L Intro to GIS Apps for RE App (7/7)
O/L Intro to International Valuation Standards (8/8)
O/L Marshall & Swift Commercial Cost Training (7/7)
O/L Marshall & Swift Residential Cost (10/10)
O/L Prof Guide to the FNMA 2-4 Unit Form 1025 (10/10)
O/L Real Estate Appraisal Operations (4/4)
O/L Real Estate Finance, Statistics & Valuation Modeling (14/14)
O/L Res Design & Functional Utility (7/7)
O/L Res Mkt Analysis & Highest & Best Use (14/14)
O/L Res Property Construction & In (7/7)
O/L Residential Report Writing & Case Studies (14/14)
O/L Res Sales Comparison & Income Approach (28/14)
O/L Reviewing Residential Appraisals and Using Fannie Mae forms (7/7)
O/L Scope of Work: Expanding Your Range of Services (7/7)
O/L Sm Hotel/Motel Val: Lmtd S (7/7)
O/L The FHA and the Appraisal Process (7/7)
O/L The Professional's Guide to the URAR (7/7)

O/L Using Your HP12C Financial (7/7)
O/L Val of Detrimental Conditions (7/7)
O/L What Commercial Clients Would Like Appraisers to Know (7/7)
National USPAP Update 2008 (7/7)
Quality Assurance in Residential Appraisals (7/7)
RE Finance, Stats, Valuation M (14/14)
Real Estate Investing & Development: A Valuation Prosp (7/7)
REO Appraisal-Appraisal of Residential Property (7/7)
Report Writing & Valuation Analysis (40/30)
Residential Demo Appraisal Report Writing S (7/7)
Residential Design: The Makings of a Good House (7/7)
Residential Market Analysis & Highest and Best Use (14/14)
Residential Report Writing & Case Stud (14/14)
Reviewing Residential Appr Rpt (7/7)
Residential Sales Comparison & Income Approaches (28/28)
Residential Site Valuation & Cost Approach (14/14)
Scope of Work: Expanding Range (7/7)
Subdivision Valuation (7/7)
Uniform Appraisal Standards for Federal Land Acquisitions (16/15)
Valuation of Conservation Easements (33/30)

Appraisal Institute NC Chapter

3717 W. Market Street, Suite C
Greensboro, NC 27403
336-297-9511

Appraisal of Local Retail Property (7/7)
Energy Star and the Appraisal Process (4/4)
Evaluating Commercial Construction (14/14)
Evaluating Residential Construction (7/7)

Bob Ipock & Associates, Inc.

1218 Heatherloch Drive
Gastonia, NC 28054
704-867-1985

National USPAP Update 2008 (7/7)

Brunswick Community College

Post Office Box 30
Supply, NC 28462
910-371-2400

Appraising Commercial & Residential Lots (7/7)
Appraising Small Subdivisions (7/7)
National USPAP Update 2008 (7/7)

BudBlack.net

903 East First Street
Cherryville, NC 28021
704-435-3567

National USPAP Update 2008 (7/7)
Sales Comparison Analyses Based on Market Data (7/7)
Value? What Value? (4/4)

Career Webschool

Cumberland Center II
3100 Cumberland Boulevard, Suite 450
Atlanta, GA 30339
800-532-7649

O/L A URAR Form Review (7/7)
O/L Appraisal Methods (14/14)
O/L Overview of Appr Process (14/14)
O/L Residential Appr Site Valuation & Cost Approach (14/14)
O/L Res Mkt Analysis & Highest & Best Use (14/14)
O/L Residential Report Writing & Cases (14/14)

CCIM Institute

430 N. Michigan Avenue, 8th Floor
Chicago, IL 60611-4092
312-321-4473

C1101 Financial Analysis of Commercial Invest. (30/30)
C1102 Market Analysis Comm Inv. (30/30)

C1103 User Decision Analysis Comm Inv. (30/30)
C1104 Invest Analysis Comm Inv. (30/30)
Intro to Com Investment RE An (12/12)

Columbia Institute (The)

8546 Broadway, Suite 165
San Antonio, TX 78217
800-460-3147

FHA, the URAR & the 1025, No. 104 (8/8)
Fundamentals of Appraisal Review No. 105 (8/8)
National USPAP Update 2008 (7/7)
O/L Residential Report Writing & Case Studies (14/14)
O/L URAR Form Review (7/7)
Scope of Work & Appraiser Due Diligence (4/4)
Survey of the Cost Approach (8/8)

Dan Mohr Real Estate Schools

1400 Battleground Avenue, Suite 150
Greensboro, NC 27408
800-639-9813

Depreciation Workshop (7/7)
Environmental Hazards-Res Prop (7/7)
Extraction of Data from Market Res (7/7)
HP 12C Course (7/7)
Intro to Residential Construction (30/30)
Mfg/Mod Homes & Real Prop App (7/7)
Res Appr & Conv Underwriting Guide (7/7)
Residential Construction Cost (7/7)
Residential Construction Seminar (14/14)
Rules & Regs FHA/HUD Rqmnt (14/14)
Staying Out of Trouble – NC App (7/7)
The Narrative Appraisal Report (7/7)

Dynasty School

2373 S. Hacienda Boulevard
Hacienda Heights, CA 91745
800-888-8827

O/L 2008 National USPAP Update (7/7)
O/L Real Estate Appraisal (14/14)
O/L Residential Report Writing (15/15)

Edgecombe Community College

225 Tarboro Street
Rocky Mount, NC 27801
252-446-0436

Appr Mfg, Mod & Mobile (A) (7/7)
Appr Mfg, Mod & Mobile (B) (7/7)
Cst Appr Marshall & Swift Res & Co (7/7)
Income Capitalization (14/14)
Income Capitalization (A) (7/7)
Income Capitalization (B) (7/7)
Mfg, Modular & Mobile (4/4)
Narrative Appraisal Report Writing (14/14)
National USPAP Update 2008 (7/7)
New FNMA Forms - Multifamily (7/7)
New FNMA Forms - Single Family (7/7)
Pricing Small Income Properties (4/4)
Principles & Techniques Val 2-4 Units Res Prop (14/14)
Principles & Techniques for Determining Market Adjustments (7/7)
RE Finance for Appraisers (14/14)
Rural Valuation Seminar (14/14)
Single Fam Res App (14/14)
Standards of Professional Practice (15/15)
USPAP & NC Board Rules & Regs for (15/15)

Erick Little & Company

Post Office Box 4267
Cary, NC 27519
919-460-8823

FHA, Fannie Mae, Today's Guidelines (7/7)
National USPAP Update 2008 (7/7)

Hignite Training Service
208 Gloria Street
Greenville, NC 28328
252-756-7288

Advisory Opinions in Depth (7/7)
Mortgage Fraud: A Dangerous Business (7/7)
National USPAP Update 2008 (7/7)

Institute of Government, UNC, Chapel Hill
Knapp Building, CB#3330
Chapel Hill, NC 27599-3330
919-966-4157

IAAO 101: Fundamentals of Real Property (30/30)
IAAO 102: Income Approach to Valuation (30/30)
IAAO 201: Appraisal of Land (30/30)
IAAO 311: Residential Modeling Concepts (30/30)
IAAO 400: Assessment Administration (30/7)
IAAO 402: Property Tax Policy (30/30)

International Right of Way Association, Ch 31
1754 Woodruff Road, #223
Greenville, SC 29607
864-918-5033

Ethics and the Right of Way Profession (8/8)
Introduction to Environmental Issues (8/8)
Introduction to Property Asset Management (16/16)
Principles of Real Estate Law (16/16)
Principles of Real Estate Negotiation (16/16)
Property Management: Leasing (16/16)

JVI
951 Market Promenade Avenue, Suite 2101
Lake Mary, FL 32746
407-531-5333

Appraising REO Properties (7/7)
O/L JVI Appraising Residential REO Properties (6/6)

Law Seminars International
800 Fifth Avenue, Suite 101
Seattle, WA 98104
206-567-4490

Land Use in North Carolina (14/14)
Waterfront Development & Permitting (8/8)

Lenoir Community College
Post Office Box 188
Kinston, NC 28502-9946
252-527-6223

Mortgage Fraud: A Dangerous Business

M.A.E. Real Estate Education
653 East Wilson
Salt Lake City, UT 84105
801-433-3022

Developing & Reporting a Defensible 1004 Form Report (8/8)

McKissock Appraisal Schools
P.O. Box 1673
Warren, PA 16365
800-328-2008

2008 National USPAP Update (7/7) Appraising REO & Foreclosure Properties (7/7)
Even Odder: More Oddball Appraisals (7/7)

Introduction to Expert Witnesses (7/7)
Mortgage Fraud: Protect Yourself (7/7)
National USPAP Update 2008 (7/7)
O/L 2-4 Family Finesse (7/7)
O/L Appr for the Secondary Market (7/7)
O/L Appraisal Trends (7/7)
O/L Appraiser Liability (7/7)
O/L Appraising FHA Today (7/7)
O/L Appraising Historic Properties (4/4)
O/L Appraising the Oddball (7/7)
O/L Art of Residential Appraisal (7/7)
O/L Construction Details & Trends (7/7)
O/L Environmental Issues for Appraisers (5/5)
O/L Even Odder: More Odd (7/7)
O/L Evolution of Finance & The Mortgage Market (4/4)
O/L Made in America (7/7)
O/L Mortgage Fraud: Protect Yourself (7/7)
O/L National USPAP Update Equivalent (7/7)
O/L Private Appraisal Assignments (7/7)
O/L Relocation Appraisal is Dif (7/7)
O/L REO & Foreclosure Properties (5/5)
O/L Residential Report Writing (7/7)
O/L Technology for Today's Appraiser (5/5)
O/L The Art of Addenda (4/4)
O/L The Cost Approach (7/7)
O/L The Evolution of Finance and the Mortgage Market (4/4)
Relocation Appraisal is Differ (7/7)

Mel Black/NCREEI
P.O. Box 7
Gastonia, NC 28053
704-864-1711

2-4 Family Properties (7/7)
Appraisal Case Law (7/7)
Appraisal Case Law II (7/7)
Board Rules and Laws (7/7)
Exam Prep for Appraisers (14/14)
FHA & VA Appraiser: Thriving & Surviving (7/7)
National USPAP Update 2008 (7/7)
O/L National USPAP Update 2008 (7/7)
O/L FHA & VA Appraisal Basics (7/7)
O/L Income Approach (7/7)
O/L Intro to Commercial Appraisal (3.5/3.5)
O/L Mortgage Fraud: A Dangerous Business (7/7)
O/L Residential Cost Approach (7/7)
O/L Sales Comparison Approach (7/7)
Reviewing Apprs on New FM Form (4/4)
Sales Comp Analy Based on Mk (7/7)
Technical Writing for Appraisers (7/7)
Trainees & Supervisors (7/7)

Mingle School of Real Estate
1201 Greenwood Cliff, Suite 200
Charlotte, NC 28204
704-372-2984

National USPAP Update 2008 (7/7)
O/L FHA & VA Appraisal Basics (7/7)
O/L Introduction to Commercial Appraisal (3.5/3.5)
O/L Mortgage Fraud: A Dangerous Business (7/7)
O/L National USPAP Update 2008 (7/7)
O/L Residential Cost Approach (7/7)
O/L Sales Comparison Approach (7/7)
O/L The Income Approach (7/7)

NAIFA
401 N. Michigan Avenue, Suite 2200
Chicago, IL 60614
312-321-6830

1.5C Residential Analysis for Sm Income Property Appraisal (8/7.5)
Easements, Profits and Licenses in Land (8/8)
Institutional Fraud (4/4)
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Scope of Work (7/7)

North Carolina Appraisal Board

5830 Six Forks Road
Raleigh, NC 27609
919-870-4854

Trainees/Supervisors (4/4)

NCDOT (ATTN: B CRIST)

1605 Westbrook Plaza Drive, Suite 301
Winston-Salem, NC 27103
336-760-1925

Elusive Comparables & Complex Property Illustrations (7/7)
National USPAP Update 2008 (7/7)

NC Real Estate Education Foundation (NCAR)

4511 Weybridge Lane
Greensboro, NC 27407
800-443-9956

Legal Issues in Real Estate (7/7)
Residential Construction (7/7)
Residential RE as an Investment (7/7)
Tax Planning for the Real Estate Agent (7/7)

Pitt Community College

PO Drawer 7007
3107 S. Memorial Drive
Greenville, NC 27835
252-493-7625

Appraiser's Role in Combating Mortgage Fraud (7/7)
Fraud Laws & The Appraiser (7/7)
Income Capitalization (A) (7/7)
Income Capitalization (B) (7/7)
Narrative Appraisal Report Writing (14/14)
National USPAP Update (7/7)
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New FNMA Forms - Single Family (7/7)
Principles & Techniques for Determining Market Adjustments (7/7)

REALETECH.COM

2520 Delaney Avenue
Wilmington, NC 28403
910-352-9693

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Advanced Appraisal Concepts - Part II (7/7)
Analysis of the AQB's FAQ's Part I (7/7)
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Fundamental Appraisal Principles Part I (7/7)
Fundamental Appraisal Principles Part II (7/7)
Introduction to Environmental Risk Screenings (7/7)
National USPAP Update 2008 (7/7)
Paired Sales Analysis (4/4)
What the NC Appraisal Board Expects From You (4/4)

Surry Community College

P.O. Box 304
Dobson, NC 27017
336-386-8121

Fannie Mae Updated Property & Appr Guidelines (8/8)
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Is the Comparable Comparable (8/8)
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Testing Highest & Best Use (8/8)
The FHA & VA Appraiser: Thriving & Surviving (7/7)

Tarheel School of Real Estate & Appraisals

237 Duncan Hill Road
Hendersonville, NC 28792
828-698-4767

National USPAP Update 2008 (7/7)

The Spearman Center, LLC

P.O. Box 526
Mountain City, TN 37683
866-484-6208

Appraiser Liability, Classroom or Courtroom (7/7)
Appraisal Report Writing: Clear, Concise & Correct (7/7)
National USPAP Update 2008 (7/7)
Tools of the Trade: Inspect & Measure (7/7)

Triangle Appraisal & Real Estate School

2801-3V Ward Boulevard
Wilson, NC 27693
252-291-1200

Manufactured Home Construction (7/7)
National USPAP Update 2008 (7/7)
New FHMA, Federal & State Rules (7/7)
North Carolina Rules (7/7)
The Cost Approach & Insurable Interest (7/7)

Van Education Center

4801 Riverbend Road Suite 203
Boulder, CO 80301
800-455-8348

Uniform Residential Appraisal (8/8)

Wachovia Appraisal Training

4101 Wiseman Boulevard
San Antonio, TX 78251
210-543-5338

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Construction to Perm Appr. Process (15/15)
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Wendell Hahn & Associates

PO Box 5245
Columbia, SC 29250
803-779-4721

Appraisal Update 2007 (7/7)
Appraising in Declining Mkts & Mortgage Fraud (7/7)
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Nuts & Bolts, Preparation and Presentation of a Residential Appraisal (7/7)
Property Inspection for Appraisers (7/7)
Residential Case Studies (7/7)
Six Critical Problems that Appraisers Face (7/7)

Worldwide Employee Relocation Council

4401 Wilson Boulevard, Suite 510
Arlington, VA 22203
703-842-3457

O/L The Relocation Appr Training Program (6/6)

Disciplinary Actions:

The following is a summary of recent disciplinary actions taken by the Appraisal Board. This is only a summary; for brevity, some of the facts and conclusions may have not been included. Because these are summaries only, and because each case is unique, these summaries should not be relied on as precedent as to how similar cases may be handled.

In many cases appraisers are required to complete additional education as part of a consent order. Please check with the Board office if you have questions regarding an individual's current license status.

Frederick W. Bell A2576 (Durham)

Following a hearing, the Board suspended for a period of one year effective June 1, 2008. Respondent must also complete a course in North Carolina Appraisal Board rules before May 31, 2009. If he fails to complete the course by that date, the suspension will continue until the course is completed. There were two cases against Mr. Bell. In the first case, the Board found that Mr. Bell performed appraisals on three properties located in Durham, North Carolina. In the second case, Mr. Bell performed an appraisal on a property located in Morrisville, North Carolina. In both complaints, Mr. Bell was sent a letter asking him to respond to the complaints and to send a copy of his appraisals and work files. When responses were not received, another letter was sent to him by certified mail directing him to respond. Despite the two letters, Mr. Bell did not file a written response to the complaints. An investigator for the Board contacted Mr. Bell on at least three occasions in October 2007, asking him to respond to the complaints, and on those occasions Mr. Bell agreed to provide a copy of his appraisals, work files, and a written response. He never sent those materials to the Board. Mr. Bell admitted at the hearing that he failed to produce the appraisals and work file as requested.

Robert P. Blumberg A5974 (Mooresville)

By consent, the Board suspended Mr. Blumberg's residential certification for a period of three months. If Mr. Blumberg completes a course in the valuation of complex properties and a course in sales comparison by December 1, 2008, the suspension will be inactive. Mr. Blumberg performed an appraisal of a property located in Charlotte, North Carolina in April 2007, finding a value of \$190,000. The subject property is a renovated and expanded 2-story dwelling built in 1965. It contains 3365 square feet and is located on a .23-acre lot in a residential neighborhood. The subject dwelling was originally a 1,014 square foot ranch. The present owners expanded it into a 2 story dwelling with 12 rooms, 6 bedrooms, and 2 baths. The subject dwelling was an over-improvement for its area, and the dwelling suffered functional depreciation in the ratio of bathrooms to bedrooms. The other homes in the neighborhood averaged 1,000 square feet. There are no other dwellings similar to the subject in the area, and there were no area sales that Mr. Blumberg could have used in the report. He chose comparable sales that were located four to five miles from the subject. These sales had 3 or 4 bedrooms and 3 bathrooms, and ranged in sales price from \$185,000 to \$282,500. These properties were not similar to the subject, and Mr. Blumberg made inadequate adjustments for the differences.

Ronald E. Cooke A5011 (Windsor)

By consent, the Board suspended Mr. Cooke's residential certification for a period of one year. The first two months of the suspension are active and the remainder is stayed until December 31, 2008. If Mr. Cooke completes a course in sales comparison, a course in appraising complex properties, and the 15-hour National USPAP course with exam by that date, the remainder of the suspension will be inactive. There were three cases against Mr. Cooke. In the first case, Mr. Cooke appraised a property located in Williamston, North Carolina in April 2005. He valued it at

\$145,000, subject to the completion of repairs. The subject is a one-story dwelling that originally was a manufactured home, but had been stripped out and was being rebuilt as a stick-built home. Mr. Cooke stated that the property contained 1535 square feet, when it actually contained a little over 1300 square feet. The immediate area of the subject consisted of old trailers, mobile homes and doublewide units, and the subject is located on a gravel/dirt road with no streetlights. Mr. Cooke failed to accurately describe the subject property and neighborhood. He used comparable sales that were superior to the subject in quality and location, but he failed to make adequate adjustments for the differences. In the other two cases, Mr. Cooke performed appraisals of two properties in Rocky Mount, North Carolina in May 2005. Both properties were appraised in April 2005 and were for the same client. The first subject property is a one story duplex with a total of 8 rooms. Mr. Cooke appraised it for \$123,000. The second subject property is a one and a half story duplex with 10 rooms. Mr. Cooke appraised it for \$145,000. The properties are next door to each other and were each converted from single-family homes. Mr. Cooke failed to accurately describe the subject properties in the appraisal reports. He used the same three comparables in both reports. These were duplexes that were newer and that were constructed as 1 – 4 family buildings. One of the sales had three other buildings included in the sales price, which was not mentioned in the appraisal. There were other sales available that would have led to lower values for the subject properties.

Lewis Davis A2653 (Charlotte)

By consent, the Board accepted the voluntary surrender of Mr. Davis's right to renew his residential certification.

Thomas Galphin A6102 (Charlotte)

Following a hearing, the Board suspended Mr. Galphin's general certification for a period of one year. If Mr. Galphin completes a course in NC Appraisal Board Rules and the 15-hour National USPAP course (with exam) within 6 months of the Board's order, only the first six months of the suspension will be active. In addition, Mr. Galphin must turn in all documents requested on this case to the Board's legal counsel by March 1, 2008, or his certification will be revoked on that date. In August 2006, Mr. Galphin performed an appraisal on a property located in Pineville, North Carolina. On April 2, 2007, the Board received a complaint regarding this appraisal. A letter was sent to Mr. Galphin on April 3, 2007 informing him of the complaint and requesting a response and copy of the appraisal and work file. He did not respond to that letter, a letter was sent to him via certified mail on May 22, 2007 requesting his response. Mr. Galphin signed for this letter on May 23, 2007. No response was received. Investigators for the Board contacted Mr. Galphin in July 2007 and again in November 2007 to make sure he had received the complaint and to tell him he had to file a response. In November 2007, Mr. Galphin stated that he would immediately send the response, appraisal and work file to the Board so that it would be received by November 20, 2007. Despite all these requests, Mr. Galphin failed to produce the appraisal and work file. At the hearing, Mr. Galphin admitted that he received the letters and had the conversations with the investigators. He also admitted that he failed to send the appraisal and work file to the Board.

Michael A. Gray A5012 (Boone)

By consent, the Board suspended Mr. Gray's residential certification for a period of six months. Mr. Gray also agrees to complete a course in appraiser liability and a course in sales comparison by July 1, 2008. If he does not complete the courses by that date, the suspension will become active on that date. Mr. Gray appraised a property located in Linville, North Carolina in April 2005 and again in March 2006. The subject property is 2570 square foot home located in a 145 acre gated subdivision. Amenities include a lodge and proposed tennis courts. The first appraisal, dated April 19, 2005, was completed for the builder/owner, and the value was \$695,000. The sales were selected from other areas, as there were no sales in the subject neighborhood. All of these properties were located in superior locations, and two were in areas with superior amenities, yet inadequate adjustments were made for these factors. The second appraisal was dated March 24, 2006 and found a value of \$650,000. This appraisal

included a recent sale in the subject neighborhood that supported a lower value. The three comparable sales all had superior mountain views, and Mr. Gray made inadequate adjustments for this factor. On both reports, had Mr. Gray made appropriate adjustments to his sales, the appraised values would have been somewhat lower.

**Barry V. Hilton A5019
(Indian Trail)**

By consent, the Board suspended Mr. Hilton's residential certification for a period of six months. The first month of the suspension is active and the remainder is stayed until September 1, 2008. If Mr. Hilton completes a course in sales comparison and a course in appraiser liability by that date, the remainder of the suspension will be inactive. Mr. Hilton performed an appraisal of a property located in Statesville, North Carolina in August 2005, finding a value of \$365,000. The subject property is a 2,419 square foot brick ranch with a basement, located on a 5-acre tract. The comparable sales used in the appraisal were all superior to the subject in location, amenity appeal, quality of construction and condition to the subject property, yet Mr. Hilton made inadequate adjustments for the differences. The subject property has a doublewide manufactured home on it as well as the brick ranch, yet this property was not mentioned in the appraisal report. There were other, more comparable sales that would have indicated a lower value for the subject property.

Nathan G. Hopper A5643 (Monroe)

By consent, the Board suspended Mr. Hopper's general certification for a period of six months. If Mr. Hopper completes a course in sales comparison and a course in appraiser liability by September 1, 2008, the suspension will be inactive. Mr. Hopper performed an appraisal of a property located in Indian Trail, North Carolina in August 2006 subject to plans and specifications, finding a value of \$393,000. The subject property is a brick 1.5 story dwelling built in 2006, with 2,417 square feet of above grade space and a 1,550 square foot basement, of which 833 square feet is finished. It is located in a 54-lot subdivision of custom homes; some of the lots border a small pond. Mr. Hopper used three comparable sales in his appraisal. One of the sales was from outside the subdivision and was a pre-sale that should not have been included in the analysis. The other two sales indicated values of \$367,209 and \$381,055 for the subject. There were other subdivision sales could have been used that would have indicated a slightly lower value for the subject property.

Vonn E. Isenhour A1247 (Gastonia)

Following a hearing, the Board suspended Mr. Isenhour's residential certification for a period of one year. If Mr. Isenhour completes courses in scope of work, residential report writing and the 15-hour National USPAP course (with exam) within 60 days of the Board's Order, the remainder of the suspension will be inactive. If he does not complete all three courses by that date, the suspension will continue until all three courses are completed. In April 2007, Mr. Isenhour was engaged by Dale Lienhart to appraise a property located in Gastonia, NC. Mr. Lienhart paid him to perform the appraisal. In May 2007, when Mr. Lienhart had not received the report, he contacted the Appraisal Board staff to ask what he could do. Staff sent Respondent an email on May 21, 2007, asking him to contact the Board office about the appraisal. Mr. Isenhour sent an email the same day stating that he had been in touch with the owners and explained the delay, and that he would deliver the report the next day. On May 22, Mr. Isenhour sent an email stating that he was transmitting the report to the owners. Mr. Lienhart sent a written complaint to the Appraisal Board that was received on June 5, 2007, stating that he had not received the appraisal and wanted his appraisal fee refunded to him. A letter was sent to Mr. Isenhour on June 6, 2007 informing him of the complaint and requesting a response and copy of the appraisal and work file. The staff sent him an email on June 25 explaining that he needed to send a response, a copy of the appraisal and a copy of the work file. Mr. Isenhour sent an email to the staff on July 6, 2007 stating that he sent the report and had not heard back from Mr. Lienhart. He also sent a copy of the appraisal and

asked the staff to forward the appraisal to Mr. Lienhart. Thomas Lewis, an investigator for the Board, had a telephone conversation with Mr. Isenhour in which he told Mr. Isenhour to send a copy of the appraisal to Mr. Lienhart and to send proof to the Board that he had done so. Mr. Isenhour did not send the appraisal as requested, nor did he refund the appraisal fee to Mr. Lienhart. Mr. Isenhour sent the Board a copy of the appraisal report. He did not send a copy of a work file. The appraisal was reported in a summary format. Mr. Isenhour admitted that the appraisal was not a self-contained appraisal report. He believed that the appraisal report contained all information necessary to constitute a work file. The report stated that the value of the land was \$20,000, but there was no documentation to support that conclusion. The report stated that there were 6 comparable sales in the subject neighborhood that were currently offered for sale and that ranged in price from \$55,000 to \$80,000. The report also stated that there were 7 comparable sales in the neighborhood that sold within the past twelve months that range in sales price from \$55,000 to \$80,000. There was no information in the report that supported those statements. The report stated that the comparable sales all had an average lot as compared to the subject's .77-acre lot, and made a positive adjustment to all three comparable sales for the difference in lot size, but there was no information in the report as to the size of the lots of the sales. There were several other statements made in the appraisal report that did not have supporting documentation. The report did not contain photographs of the subject property, tax cards, deeds, MLS sheets, or any other data, information and documentation that would support all of Mr. Isenhour's opinions and conclusions and show compliance with USPAP. Mr. Isenhour stated that he had sent the report to Mr. Lienhart via email and that he believed Mr. Lienhart had received it, but he had no proof that it was received. Mr. Lienhart lived approximately 4 miles from Mr. Isenhour's place of business, but admits that he did not hand deliver the report. He also did not mail the report to Mr. Lienhart through the U. S. Postal Service. Mr. Isenhour did not assure that his client received the appraisal report, and did not return the appraisal fee.

Lynwood B. Jackson, III A2073 (Asheville)

By consent, the Board suspended Mr. Jackson's general certification for a period of six months. The suspension is stayed until June 1, 2008. If Mr. Jackson completes a course in sales comparison, a course in the valuation of vacant land and the 15-hour National USPAP course by that date, the suspension will be inactive. Mr. Jackson appraised a property located in Asheville, North Carolina in January 2006, finding a value of \$400,000. The appraisal was made subject to completion of renovations. The subject property is a single-tenant retail building built in 1927. It has 2,400 square feet and is located on a .15-acre lot. Mr. Jackson used land sales that sold between 1990 and 1997 and determined the land value of the subject to be \$130,000. There was no comparison of the sales to the subject in the appraisal report. There were more recent land sales available that could have been used in the report. Mr. Jackson used three sales in the Sales Comparison Approach that sold in 2000, 2001 and 2003. The comparable sales were improved with buildings much larger than the subject building, and he adjusted \$60 a square foot with no support given. There were many more recent sales of improved properties available that should have been used in the report. Mr. Jackson did not use the income approach, as this approach was not required by the lender. The appraisal report did not contain adequate information and did not adequately explain the reasoning that supported Mr. Jackson's conclusions.

**Bryan Patrick Jones A5399
(Rocky Mount)**

By consent, the Board suspended Mr. Jones' residential certification for a period of one year. If Mr. Jones completes a course in USPAP and a course in appraisal report writing, the suspension will be inactive. In addition, Mr. Jones agrees that he will not appraise any property for eminent domain or condemnation purposes in the future unless he does so under the immediate, active and personal supervision of a certified general appraiser who is competent to perform such assignments, and unless he has completed a course in condemnation appraising. Mr. Jones performed an appraisal of a property located in Wilson, North Carolina in June 2006.

The subject property is a 6.04-acre tract of land improved with 3 buildings. The purpose of the report was to determine the difference between the before and after value for the subject property in connection with the city's plans to acquire .89 acres of the subject property for a permanent power line easement. Mr. Jones valued the taking at \$9,600. He reported his appraisal on a land form, which was an inappropriate format for the delivery of his results. He intended that the results of his appraisal would be used only by the client, but he stated in the report that it was a summary report. The report did not conform to USPAP with regard to the requirements of either a summary report or a restricted report. In addition to the .89 acres to be taken by the city, Mr. Jones made an extraordinary assumption that additional areas would be needed to be acquired. He did not disclose this assumption in the report. Mr. Jones did not have the required competence for this assignment and should not have accepted it.

Phillip D. Kemp A4604 (Asheboro)

By consent, the Board suspended Mr. Kemp's residential certification for a period of six months. If Mr. Kemp completes the 15 hour National USPAP course and a course in sales comparison by December 1, 2008, the suspension will be inactive. Mr. Kemp appraised four properties located in Asheboro, North Carolina in October 2005. The appraisals were to be used for determining the value of property in order to settle an estate. The first property is a vacant lot with 7,374 square feet. Mr. Kemp valued the subject at \$14,000 as of August 10, 2006. The lot is less than the minimum lot size for single-family residential properties and is one of the smallest lots in this neighborhood, which was not noted in the report. The dwelling on the adjacent lot appears to encroach on this lot, but this was not mentioned or adjusted for in the appraisal. The second property is a vacant lot zoned R7.5 with 9,395 square feet. It is located adjacent to the first property. Mr. Kemp valued the subject at \$14,000 as of August 10, 2006. The third property is a 1658 square foot ranch. Mr. Kemp valued the subject at \$59,000 as of August 15, 2006. Approximately 53 feet of the dwelling and carport extend onto the adjacent lot, yet this was not mentioned or adjusted for in the appraisal. The fourth property is a 941 square foot dwelling located near the other properties. Mr. Kemp valued the subject at \$44,000 as of August 15, 2006. The third property encroaches on the subject lot, but this is not noted in the report. The property is appraised as if there are no adverse site conditions. There were few sales that Mr. Kemp could have used in the reports. The ones he chose were located in superior areas and he made small adjustments for the differences between the subjects and the sales.

Justin D. Loebach A5380 (Raleigh)

By consent, the Board issued a reprimand to Mr. Loebach and ordered him to take a course in residential design and functional utility. If he fails to complete the course by December 1, 2008, the reprimand will be vacated and a two-month active suspension shall be imposed. Mr. Loebach performed an appraisal of a property located in Apex, North Carolina in May 2005, finding an appraised value of \$374,500. The subject property is a 9-year-old two-story transitional dwelling located on a .31-acre lot in a subdivision. Mr. Loebach stated that the subject contained 3,432 square feet when it actually contained 2,639 square feet. He included areas under eaves as well as knee walls in his total gross living area that should not have been included. Since the gross living area was miscalculated, he used comparable sales that were larger than the subject property, which resulted in a value conclusion that was high.

Seth C. Manson A4773 (Rock Hill, SC)

Following a hearing, the Board suspended Mr. Manson's general certification for a period of two years. Mr. Manson must also complete the 15-hour National USPAP course with examination and a course in North Carolina Appraisal Board rules before May 31, 2010. If he fails to complete the courses by that date, the suspension will continue until the courses are completed. The Board found that Mr. Manson was employed as a certified general appraiser at an appraisal firm in Charlotte, North Carolina, from April until September 2006. During the time of his

employment, Mr. Manson assisted other appraisers in the performance of appraisals and performed several appraisals on his own. After he left the company, Mr. Manson began working on his own as an appraiser. In order to market himself, he prepared sample appraisal reports to show to prospective client, including at least three banks. The appraisals were all prepared while Mr. Manson was employed at the company. One appraisal was performed by Mr. Manson and another appraiser, who signed the report and the certification. Mr. Manson submitted a copy of this report to prospective clients, including BB&T, but had removed the information stating that the other appraiser also prepared the report. The other appraisals were performed by different appraisers at the company. Mr. Manson submitted these reports to prospective clients, but had removed any reference to the appraisers who actually performed the appraisal, and altered it to appear as though he had done the reports. In all these appraisals, the reports were changed to remove any reference to the appraisal company. Only the Respondent's name and/or company, Provident Realty Advisors, appeared on the reports. Mr. Manson altered these reports without the knowledge or consent of the appraisers who prepared them and presented these reports to potential clients knowing that they had been altered and contained incorrect information.

Robert P. Mashburn A5116 (Morehead City)

By consent, the Board accepted the surrender of Mr. Mashburn's general certification and issued him a certification as a certified residential appraiser. Mr. Mashburn also agrees that he will perform all commercial or general real estate appraisal assignments that require the services of a certified general appraiser, under the supervision of a certified general real estate appraiser, and that general appraiser will sign the appraisal reports. He will take 97 hours of additional education as follows: 30 hours in General Appraiser Market Analysis and Highest and Best Use, 60 hours in General Appraiser Income Approach, and 7 hours in Scope of Work. Once he completes all 97 hours of education and has completed 60 points of supervised commercial real estate appraisal experience, he may file an application to upgrade to certified general. Once his application is complete, he will be issued an exam ticket to take the certified general examination. Upon passing the examination, his certification as a general real estate appraiser will be issued. His general certification will not be issued any sooner than June 30, 2009. Mr. Mashburn appraised a property located in New Bern, North Carolina in May 2005, finding an estimate of value of \$975,000. The subject property is a 16,251 square foot six-plex cinema located on a .95-acre parcel. An additional parcel of 1.25 acres was included in the appraisal. Mr. Mashburn stated that the highest and best use of the property was its current use as a movie theater and used only the cost approach to value the subject, which was built in 1972. The subject was leased as an operating movie theater and the Respondent did not utilize the income approach. There were few sales of similar properties that could have been used in the report, and the Mr. Mashburn did not utilize the sales comparison approach. Mr. Mashburn should have developed the Income Approach and considered the highest and best use of the subject to be an interim use.

Freddy W. Narron A5098 (Middlesex)

By consent, the Board suspended Mr. Narron's residential license for a period of three months. The suspension is stayed until December 1, 2008. If Mr. Narron completes a course in the valuation of manufactured housing, a course in appraiser liability and a course in sales comparison by that date, the suspension will be inactive. Mr. Narron performed an appraisal of a property located in Clinton, North Carolina in December 2004, finding a value of \$135,000. The subject property is a 2,052 square foot off-frame modular dwelling on a .27-acre site. The purchase of the subject property was a land/home package sale. Sales price for the package was \$135,000. Mr. Narron's value in the cost approach was \$135,360. There were no arms-length sales of modular dwellings in the subject area. As a result, Mr. Narron used stick-built homes as comparable sales. The comparable sales he chose were superior in condition, amenity appeal, and location, but Mr. Narron failed to make appropriate

adjustments to the sales for these factors. Had he done so, his final opinion of value would have been somewhat lower.

**B. Dean Nixon, Jr. A4367
(West Jefferson)**

By consent, the Board suspended Mr. Nixon's residential certification for a period of three months. If Mr. Nixon completes the 15-hour National USPAP courses by December 1, 2008, the suspension will be inactive. Mr. Nixon performed an appraisal of a property located in Millers Creek, North Carolina in February 2007, finding a value of \$410,000. The subject property is an off-frame modular home, with 2054 square feet. It has a full basement that is 100% finished; a two car attached garage, a swimming pool, and additional basement area under the garage. It is located on a 7.8-acre site and has a pond. The report does not state that the subject dwelling is an off-frame modular. The subject was listed for sale for \$399,900 on the effective date of the appraisal, but this is not noted in the report. The contract price of \$385,000 was reported. Mr. Nixon used four stick built sales and one modular sale in his sales comparison grid. The stick built sales were similar to the subject in amenities and appeal.

Kelly C. Nordan A4647 (Angier)

By consent, the Board suspended Ms. Nordan's residential certification for a period of one month. The suspension is stayed until August 1, 2008. If Ms. Nordan completes a course in appraiser liability and the 15-hour National USPAP course by that date, the suspension will be inactive. Ms. Nordan appraised a property located in Garner, North Carolina in June 2004, finding a value of \$305,000. The subject property was a new, two story craftsman style dwelling with 2386 square feet, located on a lot in a residential neighborhood. This was a difficult assignment, due to the size and style of the subject property. The two neighborhood sales that were included in the report were the best available. Ms. Nordan did not report the last sale of the subject lot, which occurred in June 2003 for \$35,000, although she had the information in her work file. The subject had been listed for sale since August 2003 for various amounts, and was listed at \$307,000 in June 2004, but she did not report this information. The subject was under contract for \$305,000, which was stated in the report.

John G. Tezza A5213 (Matthews)

By consent, the Board suspended Mr. Tezza's residential certification for a period of for a period of six months. The first six months of the suspension shall be active and the remainder is stayed until December 31, 2008. Mr. Tezza also agreed to complete a course in sales comparison and a course in appraising high end residential or complex properties by December 31, 2008. If he fails to do so, an additional six-month suspension will be imposed. Mr. Tezza performed an appraisal of a property located in Waxhaw, North Carolina in August 2005, finding a value of \$1,910,000. He had previously appraised the property in March 2005, finding the same appraised value. The subject property is a 2 story single-family home that contains approximately 6397 square feet of gross living area, plus an approximate 2671 square foot basement. The subject is located on a .9-acre lot, and has a 3 car attached garage. The subject was under contract for \$1,900,000 on the effective date of the appraisal. Mr. Tezza used four closed sales, a pending sale, and two active listings in the report. The closed sales are from communities with amenities that are superior to the subject; yet inadequate adjustments were made for the differences. The sketch and calculations of square footage on the sketch page of the report do not match the square footage for the GLA of the first floor. The square footage in the report is reported as 3438 on the first floor, and the sketch indicates that the first floor contains 3674 square feet. Mr. Tezza inspected the interior of the subject but did not take interior photographs. He used photographs that were taken by another appraiser but did not note in the report that the other appraiser had taken the photographs. There were other sales in the subject area in the 12 months period prior to the appraisal date. The predominant sale price range was \$650,000 to \$800,000, and the average price paid was \$774,000. Only two properties, other than the subject, sold for over \$1,000,000. Mr. Tezza's value opinion of the subject property was not supported.

Frank A. Ward A854 (Durham)

By consent, the Board accepted the voluntary surrender of Mr. Ward's right to renew his general certification.

Mission Statement

The mission of the North Carolina Appraisal Board is to protect consumers of real estate services provided by its licensees by assuring that these licensees are sufficiently trained and tested to assure competency and independent judgment. In addition, the Board will protect the public interest by enforcing state law and Appraisal Board rules to assure that its licensees act in accordance with professional standards and ethics.

EMAIL ADDRESS

We are developing an email list of all registered trainees, licensed and certified appraisers in North Carolina. In the future you will be notified of pertinent information such as rule changes, dates and locations of supervisor courses, and most important the date a new *Appraisereport* is available on our website. About 30% of appraisers have not provided their email address and will be left out of the loop. Please provide your email address by completing the email section of the change of address form or emailing the Board at ncab@ncab.org. The change of address form is available on our website at <http://www.ncappraisalboard.org/forms/addrchange.pdf>

NORTH CAROLINA APPRAISAL BOARD

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