



APPRAISER REPORT

BOARD APPOINTMENTS

Governor Roy Cooper appointed Darius R. Chase to the Appraisal Board for a three-year term ending on June 30, 2025. A 20-year veteran of the banking and finance industry, Mr. Chase is a Relationship Manager with SouthState Bank specializing in Healthcare Finance, Commercial Lending, Credit Analysis, and Home Lending Products. He joined South State Bank in 2017 after holding the position of Private Banker, and Retail Market Executive with First Citizens Bank. He is a Board Member for ZABS Place, an organization supporting children with special needs and for Loaves & Fishes, an organization with a mission to nourish our neighbors with food and compassion. He also served as President of the Charlotte Regional Mortgage Lenders Association in 2016. Mr. Chase is a graduate of UNC Charlotte with a bachelor's degree in Financial Management. Darius, his wife Renia, and their two daughters make their home in Waxhaw, NC, where he enjoys golfing and watching UNC Charlotte 49ers and Carolina Panthers games with his family.

Governor Roy Cooper has reappointed Claire M. Aufrance to the Appraisal Board for a three-year term ending on June 30, 2025. Ms. Aufrance is a graduate of the University of North Carolina at Chapel Hill and began her appraisal career immediately following graduation in 2002. She is a Certified General Appraiser residing in Guilford County, and is a MAI and SRA, a member of the IRWA, PTCREW, and a Realtor. She was president of the NC Chapter of the Appraisal Institute in 2016 and is currently a member of the Appraisal Institute Board of Directors. She and her husband, Jeremy, have two children.

Governor Roy Cooper has reappointed Lynn Carmichael to the Appraisal Board for a three-year term ending on June 30, 2025. Ms. Carmichael is a Certified General Appraiser based out of Buncombe County. She operates her own business called ACE Appraisals and does primarily commercial work, operating in the Western NC counties. She obtained her MAI designation in 2014, and her AI-GRS designation in 2019.

BOARD ELECTS OFFICERS

Michael R. Warren of Indian Beach has been elected Chairman of the Appraisal Board for 2022-2023. Governor Cooper first appointed Mr. Warren to the Board in 2018 and he was reappointed in 2021.

Timothy N. Tallent of Concord has been elected as Vice-Chairman of the Appraisal Board for 2022-2023. House Speaker Thom Tillis originally appointed Mr. Tallent to the Board in 2011 and he was reappointed by House Speaker Tim Moore in 2020.

APPRAISER REPORT

Published as a service to appraisers to promote a better understanding of the Appraiser's Act and Board rules, as well as proficiency in appraisal practice. Information in the articles published herein may be superseded by changes in laws, rules, or USPAP. No part of this publication may 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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Roy Cooper, Governor

APPRAISAL BOARD MEMBERS

Mike Warren	
Chair	Indian Beach
Timothy N. Tallent	
Vice-Chair	Concord
Claire M. Aufrance	Greensboro
Sarah J. Burnham	Hickory
Lynn Carmichael	Arden
Darius R. Chase	Waxhaw
Jack C. (Cal) Morgan, III	Wilmington
Viviree Scotton	Chapel Hill
H. Clay Taylor, III	Raleigh

STAFF

Donald T. Rodgers, *Executive Director*
Sondra C. Panico, *Legal Counsel*
Jeffrey H. Davison, *Investigator*
Randall L. Echols, *Investigator*
H. Eugene Jordan, *Investigator*
Jacqueline Kelty, *License and Renewal Coordinator*
Deborah C. Liggins, *Enforcement and AMC Specialist*
Pam A. Privette, *Public Information Specialist*
Mindy M. Sealy, *Office Manager*

APPRAISER COUNT (As of August 31, 2022)

Trainees	726
Licensed Residential	115
Certified Residential	1784
Certified General	1300
Total Number	3925

AMC COUNT 139

APPRAISER

EXAMINATION RESULTS

January 1, 2022 – August 31, 2022

Examination	Total	Passed	Failed
Licensed Residential	17	9	8
Certified Residential	34	17	17
Certified General	12	8	4

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.html/forms.htm>.

APPRAISAL BOARD AMENDS RULES

The North Carolina Appraisal Board amended several rules effective July 1, 2022. Here are a few highlights:

Qualifying Education

- All prelicensing education may be taken online.

Continuing Education

- The minimum number of classroom hours has been reduced from 3.5 hours to 2.
- Requests for equivalent approval may be less than 7 hours.
- Out of state licensees may renew by affidavit in lieu of providing a letter of good standing.

Reinstatement

- The time period for reinstatement has been increased from 24 months to 5 years.

A complete set of the rules are available on the Board's website at www.ncappraisalboard.org.

Rules on Hold -

The following proposed rules were approved by the Board and the Rules Review Commission; however, since they received at least 10 letters of objection from the public, they are on hold for Legislative Review in early 2023.

The following rules were proposed to allow PAREA:

- 21 NCAC 57A .0201
- 21 NCAC 57A .0601
- 21 NCAC 57A .0604 (Also removes the 75 percent requirement)
- 21 NCAC 57A .0605
- 21 NCAC 57A .0405 Appraisal Reports
Removes the requirement of the seal on appraisal reports.
- 21 NCAC 57A .0407 Supervision of Trainees
Added language to allow PAREA, allows residential and general appraisers to supervise three trainees, reduces the requirement to accompany on 50 inspections/1500 hours of supervision, and removes the 50 mile and the 75% performance requirement. Requires trainees to sign or assistance noted in report.

REQUESTS TO PERFORM MASTER APPRAISALS

The Board periodically receives questions regarding client requests for a “master appraisal” or “generic appraisal”. These requests are usually performed for a lender/client and involve an assignment where the appraiser is asked to provide an opinion of value for a model of a home or plan on a typical lot within a new or proposed subdivision. Generally, the purpose of this type of assignment is for a lender that might be underwriting or determining the feasibility and collateral pertaining to a builder/developer’s development of a residential project that will include the construction of single-family homes.

In some instances, the appraiser is given the specifications for the improvements and indications as to what plan(s) are to be constructed on what type of lot within the project. For example, an appraiser may be told something like what follows:

“We want you to appraise the Norton Model on a typical lot within the proposed Sandbury Development”. Please perform the appraisal on the FNMA 1004 URAR form.

The Board recommends that before you proceed with such a request that you conduct a thorough scope of work analysis, taking into account the following:

- the extent to which the property is identified;
- the extent to which tangible property is inspected;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.

2020-2021 USPAP EXTENDED

The Appraisal Foundation recently announced that the current edition of USPAP will be extended for one more year. This version will be effective until December 31, 2023. To view this Frequently Asked Questions regarding the Extension, please click [here](#).

An important question to ask after considering the above scenario is “has a specific property been identified?” No, there is no specific property identified.

In NC, the Appraisers Act N.C. Gen. Stat. 93E-1-4(1) defines an appraisal as an analysis, opinion, or conclusion as to the value of identified real estate or specified interests therein performed for compensation or other valuable consideration. As such, the Board does not consider the above an actual appraisal assignment but more like a consulting assignment or feasibility analysis. The Board notes that this type of assignment constitutes appraisal practice and that the licensee that provided this service is required to comply with the PREAMBLE, the DEFINITIONS, the ETHICS RULE, the COMPETENCY RULE, and the JURISDICTIONAL EXCEPTION RULE of the Uniform Standards of Professional Appraisal Practice (USPAP). This is well explained in Advisory Opinion 21 of the 2020-2021 edition of USPAP.

Further, to develop an opinion of value as requested and to communicate that opinion on the FNMA 1004 form is not appropriate and possibly misleading due to pre-printed scope of work, assumptions, and limiting conditions applicable to that form.

On the other hand, a request from a lender that specifically identifies the specifications of the improvement to be constructed on a specific lot would constitute an appraisal assignment. In this instance you are required to comply with Standards 1 and 2 of USPAP as well as all other applicable portions of USPAP. The appropriateness of using the FNMA 1004 Uniform Residential Appraisal Report could be questionable if the purpose of such an assignment specified that it was something other than to evaluate the subject property for a mortgage finance transaction. In closing, the Board recommends that appraisers thoughtfully consider the request from a client to perform a “master appraisal” or a “generic appraisal” and thoroughly analyze the assignment in such a way as to develop an appropriate scope of work that will lead to credible results.

Can you appraise this property?

Often appraiser licensees are asked by potential clients if they can appraise a certain type of property. In some cases, the question is not so easily answered. Appraisers licensed or certified in North Carolina may appraise any type of real property regardless of type or complexity in North Carolina. While you may be licensed or certified to appraise any type of real property the Board would caution you that in all cases, you must perform competently. USPAP tells us that an appraiser must be competent to perform the assignment or acquire the necessary competence to perform the assignment. If the appraiser licensee cannot obtain the necessary competence to produce credible results; the appraiser must decline or withdraw from the assignment.

Appraiser licensees on occasion will contact the Board to inquire whether they can fulfill these types of requests from lender/clients:

I'm a Certified Residential Appraiser and I was contacted by a bank client of mine that wants me to appraise a vacant 5AC commercial tract where the purchase price is \$700,000. Can I perform this assignment as a Certified Residential Appraiser?

Or,

I'm a Licensed Appraiser and Bank of Ridgeway has asked that I appraise 6-unit small income property 3 miles from my office for refinance. Am I allowed to appraise this property?

There are certain federal banking regulations that specify the level of licensure necessary to appraise properties involved in a federally related transaction or FRT.

An FRT is defined within Federal Reserve Board Regulations as being any real estate-related financial transaction entered into on or after August 9, 1990, that a regulated institution engages in or contracts for; and requires the services of an appraiser. See Banking Regulation 12 CFR § 225.63.

Lenders/clients often contact appraisers to inquire about whether their level of credential will allow them to appraise a certain type of property. What is important to note, however, is that these limitations pertain to federal banking requirements and are not actual appraisal regulations. Therefore, when this type of question is posed to an appraiser licensee the Board would advise that the appraiser licensee begin by asking the prospective lender/client to specify whether the assignment relates to an FRT. It is the lender/client's responsibility to comply with banking regulations and ensure that any appraisals ordered are facilitated by appraisers that meet those requirements. An appraiser should carefully examine every request to determine their competence and possible scope of work. To accept an assignment that you are not competent for just because it is offered to you could potentially expose you not only to disciplinary action on behalf of the Board but also potential civil action.

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.

2022 Board Meeting Dates

November 1 (Virtual)
December 13 (Live)

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

The North Carolina Appraisal Board believes that the appraisal profession should reflect the diversity of our State. To further this mission, the Board is dedicated to expanding diversity and inclusivity in the profession by removing barriers that limit the opportunities of any qualified individual to become an appraiser.

What to expect when the Board investigates a complaint

The North Carolina Appraisal Board is authorized to investigate complaints filed against its appraiser and appraisal management company licensees pursuant to N.C. Gen. Stat. 93E-1-12 and 93E-2-8. The Board has the authority to investigate the actions of any person registered as a trainee or licensed or certified as a real estate appraiser and an appraisal management company registered with the Board.

In most circumstances, those licensed by the Board will be notified that they are under investigation after the Board has received allegations of potential misconduct or violations of the Appraisers Act, the Board's administrative rules, and/or the Uniform Standards of Professional Appraisal Practice (USPAP).

Here are some things to expect from the staff should you as a licensee receive a complaint:

- Allegations that the Board receives are first vetted to ensure jurisdiction before being confirmed as actual complaints.
- The Board Staff will contact you initially via email to inform you that a complaint has been filed. The Board Staff has found that email is the most reliable and efficient way to communicate with licensees. A notice of complaint and other correspondence will be made electronically through the email address you provided to the Board. It is always wise to occasionally check your junk/spam file as correspondence from the Board that contains attachments could have been placed there.
- Upon receipt of the notice of complaint, you can expect to be provided with the following:
 - Copies of the allegations received by the Board;
 - Copies of relative documents provided in the complaint that support the allegations made by the complainant; and
 - Information identifying the Board's investigative process and complaint handling procedures.

The letter will provide you with notice that you have the opportunity to respond. If the allegations relate to an appraisal that you have performed, then you must, at a minimum, provide:

- True copies of all reports transmitted to the client; and
- a complete copy of the workfile for the subject assignment.

You are required to provide your response and the requested documents within 30 days after receiving notice of the complaint. Failure to do so could be considered a violation of the NC Appraiser's Act.

- After receiving your response, the case will be transferred to one of the Board's investigators to conduct the investigation. The Board's case volume and staff availability significantly impact the length of time in which investigations are completed. As a result, the complete investigation may take several months.
- The investigator will contact you. The investigator will arrange and coordinate an interview with you and collect additional information and evidence, as necessary. The investigator will attempt to accommodate your schedule as much as possible and could require you to submit other relevant documents related to the investigation.
- The investigation and extent of the inquiry is primarily dictated by the allegations made within the complaint. However, appraiser licensees should be aware that the scope of the investigation can be expanded based on the evidence that the investigator finds. In addition, the Appraisal Subcommittee (ASC) requires the Board to

examine each complaint to determine whether additional violations, especially those relating to potential violations of USPAP, should be added to the complaint. The investigation can often demand that the investigator physically observe the subject property and immediate market area and obtain records and information from other sources beyond the individuals named within the complaint.

- Your cooperation with the investigation is crucial. Your response and interview with the investigator can be critical as they allow you to ensure that the information you want to be communicated is shared with the Board.
- After the investigation, a report will be prepared.
 - The report will be reviewed by the Board staff, in consultation with the Board attorney, who will evaluate the investigation's findings and make recommendations on the disposition of the case to the Board.
 - Then the report, including the recommendations, are presented to the Board during the Board's next scheduled meeting.

Once the Board has made a decision, notice of its decision will be provided to the appraiser or AMC and the complainant. The Board Staff always strives to provide the Board with evidence and relevant information necessary to assist the Board in reaching the fairest and most equitable decision possible. If the Board determines that a hearing is required, you will be notified of this, and you may wish to also seek informal resolution of the matter with the Board. In the event that you request a hearing, you will be provided with notice and due process, as required by the North Carolina Administrative Procedures Act.

STAFF UPDATE

Tom Lewis, Board Deputy Director and Chief Investigator, has announced his resignation effective following the September Board meeting. Mr. Lewis has been employed by the Board since 2005 and has served as Deputy Director since 2009. He has coordinated the Board's enforcement program and has been instrumental in developing and teaching investigator training on a national level.

Mr. Lewis has accepted a position as a Policy Manager with the Appraisal Subcommittee. The

Board and Staff would like to thank Mr. Lewis for his service, and we wish him well in this new endeavor.

Randall L. Echols, Sr. has been employed by the Board as a new investigator. Randy has been in the appraisal industry for over 18 years and practiced in North and South Carolina. He began as a registered trainee in 2004 with the Efir Corporation and earned his certified general license in 2006. Randy joined Integra Realty Resources in 2008 and received the Appraisal Institute MAI

designation in 2014. He started Carolinas Appraisal Resource in 2016 where he operated an appraisal service business up until joining the Board as an investigator. Prior to entering the appraisal industry, he spent over 20 years in data communications after receiving a B.S. degree in Computer Science from the University of Georgia. Randy is currently a certified general appraiser and affiliated with the Appraisal Institute. He and wife, Carolyn, have been married for 37 years. They have one son, two daughters, and five grandchildren.

279. USING A DATA ENTRY SERVICE

Question: I primarily perform residential appraisal assignments for mortgage finance purposes. I recently received a solicitation from a company that is offering to enter all the data into my appraisal software program for me at a very low cost. Is this something that is allowed under USPAP?

Response: There are two primary concerns. The first concern is whether the service provider is performing significant real property appraisal assistance. If the service provider simply performs clerical tasks, such as entering information provided by the appraiser, USPAP does not require disclosure; this would be a clerical service, not significant real property appraisal assistance. However, if the service includes performing tasks that require appraisal competency, the name of each individual performing that service must be stated in the certification as having provided significant real property appraisal assistance, and the extent of the assistance must be addressed within the appraisal report. Tasks that require appraisal competency include, but are not limited to, rating a property's quality or condition, estimating remaining economic life, and selecting comparable data.

The second concern deals with the issue of appraiser-client confidentiality. The Confidentiality section of the ETHICS RULE states, in part:

An appraiser must not disclose: (1) confidential information; or (2) assignment results to anyone other than:

- the client;
- parties specifically authorized by the client;
- state appraiser regulatory agencies;
- third parties as may be authorized by due process of law; or
- a duly authorized professional peer review committee except when such disclosure to a committee would violate applicable law or regulation.

An appraiser must take reasonable steps to safeguard access to confidential information and assignment results by unauthorized individuals, whether such information or results are in physical or electronic form.

An appraiser must ensure that employees, co-workers, sub-contractors, or others who may have access to confidential information or assignment results, are aware of the prohibitions on disclosure of such information or results.

Therefore, the appraiser is prohibited from disclosing confidential information or assignment results (both, as defined in USPAP) to anyone other than the parties identified in the ETHICS RULE without the client's permission.

USPAP Q&A

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.

[2022-01: Affixing Another Appraiser's Signature](#)

[2022-02: Using Rules of Thumb for Market Adjustments](#)

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.

Edwin G. Bell A6332 (Leland)

By consent, the Board voted that effective January 19, 2022, Edwin G. Bell's license as a residential appraiser is placed on probation for a period of six months during which he shall comply with the following conditions: He shall complete three qualifying education courses with the exams no later than July 31, 2022 -Residential Market Analysis & Highest & Best Use; Residential Appraiser Site Valuation and Cost Approach; and Residential Report Writing and Case Studies.

Respondent shall also complete a continuing education course in sales comparison. If Respondent does not complete all of the coursework and pass the exams within the required time frame his license shall be actively suspended at that time and will remain suspended until he successfully completes the coursework and the exams.

In Respondent's appraisal report, he reported the number of bedrooms, as five bedrooms, when the subject had six bedrooms. Respondent reported 2833 square feet as the subject's square footage, when the subject was 3039 square feet. Respondent acknowledged his mistake in determining square footage. Respondent inaccurately reported the lot size for the subject as 16,117 square feet. The subject and the adjacent unit are each on their own individual 1,483 square foot lot with each unit having joint ownership of the surrounding 2.83 acre sound front site, improved with

a wooden walkway and floating dock. The lot size reported by Respondent was misleading as it did not represent that the subject property benefits from the jointly owned adjacent area as it provides a privacy buffer and protects the sound views, which is an important attribute of the subject property. This error detracted from the credibility of the assignment results.

In another appraisal report, Respondent made numerous factual errors which detracted from the credibility of the report.

Respondent explained that the numerous errors in the original appraisal report were due to a cloning error. Respondent's conduct is in violation of the Uniform Standards of Professional Appraisal Practice (USPAP), the North Carolina Appraiser's Act, and Board Rules.

William R. Burke A7164 (Asheville)

By consent, the Board voted that effective June 7, 2022, William Burke's certification as a residential appraiser is reprimanded. No later than September 1, 2022, Respondent shall complete a continuing education course in appraiser liability and provide a certificate of completion to the Board office. If Respondent fails to successfully complete this course within the required time frame, the Reprimand will be vacated, and a suspension shall be activated in its place.

This consent order involves two complaints. In the first matter, Respondent performed an appraisal of a single-family residential property located in North Carolina to determine the fair market value for mortgage lending. In the second matter, Respondent did not perform an appraisal. He went to the subject property and following that visit he withdrew from the appraisal assignment. In both matters, Respondent engaged in communication with the complainants that was of an offensive and inappropriate nature. In both matters, as a result of the complaints, Respondent was requested by Board staff to submit any appraisal reports and workfiles to the Board office within 30 days. Respondent failed to so, despite several attempts by Board staff to obtain the requested documentation. After receipt of information from the Board that these matters were called to a hearing, Respondent submitted the requested documentation. Respondent's conduct is in violation of the North Carolina Appraisers Act and Board Rules.

Marvin E. Coleman A3474 (Jackson)

By consent, the Board voted that effective April 20, 2022, Marvin Coleman's certification as a general appraiser is inactively suspended and placed on probation for a period of six months during which he shall comply with the following conditions: He shall complete two

continuing education courses no later than October 31, 2022 - Appraiser Liability and Fannie Mae Guidelines. If Respondent does not complete all of the coursework within the required time frame his license shall be actively suspended at that time and will remain suspended until he successfully completes the coursework.

Respondent performed an appraisal for mortgage lending for new construction of a single family detached residential property in North Carolina. Respondent reported two different values via the sales comparison approach and the cost approach. The report did not show reconciliation of the approaches to value for the final opinion of value. Respondent misreported the square footage by relying on the original floorplans, rather than the final floorplans, which included a larger square footage. Respondent's error led to him selecting comparable sales that were inappropriate for comparison with the subject and adversely impacted the value. The correct square footage was available and when it was brought to Respondent's attention, he failed to take appropriate steps to reasonably correct the error. This error was in the initial appraisal report and in all three subsequent revisions. Respondent's conduct is in violation of the Uniform Standards of Professional Appraisal Practice (USPAP), the North Carolina Appraiser's Act, and Board Rules.

**Jonathan L. Ferriss A7079
(Concord)**

By consent, the Board voted that effective July 20, 2022, Jonathan Ferriss' certification as a general appraiser is reprimanded. No later than January 3, 2023, Respondent shall complete a continuing

education course in scope of work or appraiser liability, and a continuing education course in land/site valuation and shall provide certificates of completion to the Board office. If Respondent fails to successfully complete the courses within the required time frame, the Reprimand will be vacated, and a suspension shall be activated in its place.

In Respondent's appraisal report, he did not address the superior attributes of the comparable sales when compared to the subject property, which required extensive adjustments. Specifically, Respondent failed to address the lack of ingress and egress of the subject property. Respondent's workfile indicated that Respondent prepared two additional revisions of the subject report but did not provide those versions to the client. Respondent made misleading or incorrect statements in the appraisal report, which impacted the report's credibility. In the appraisal report that Respondent provided to the client, Respondent did not disclose that the value opinion depended on the use of an extraordinary assumption or a hypothetical condition necessary for credible assignment results and failed to identify and analyze land use regulations. Based upon access issues, it was questionable as to the highest and best use of the site and whether the county would allow the proposed site to be annexed. Respondent did not analyze and report all sales of the subject property that occurred within the three years prior to the effective date of the appraisal, nor did Respondent include the proper disclosures when he communicated his appraisal in a restricted appraisal format. Respondent's conduct is in violation of the Uniform Standards of Professional Appraisal Practice

(USPAP), the North Carolina Appraiser's Act, and Board Rules.

Connie L. Jarman A5414 (New Bern)

By consent, the Board voted that effective January 18, 2022, Connie L. Jarman's license as a residential appraiser is placed on probation for a period of six months during which she shall comply with the following conditions: She shall complete two qualifying education courses with the exams no later than July 31, 2022 -Uniform Standards of Professional Appraisal Practice. (USPAP); and Highest and Best Use. If Respondent does not complete all the coursework and pass the exams within the required time frame her license shall be actively suspended at that time and will remain suspended until she successfully completes the coursework and the exams. Respondent performed an appraisal of a single-family residential property for the purpose of obtaining the market value for an equity loan. She stated in her report that an unused railroad was in front of the subject and that a commercial building was behind the subject. It was confirmed that the property is zoned "Highway Commercial". The site and a portion of the building was in the railroad's right-of-way (easement), but according to the planning board, ingress/egress was legal. While Respondent noted the presence of the railroad right of way and the commercial improvements that bordered the subject, there was no analysis as to how these conditions affected the highest and best use of the subject property. As a result, the appraised value was not credible. Respondent did not perform the scope of work necessary to develop credible assignment results by not addressing the physical limitations

and restrictions of the subject property leading to an opinion of value that was not credible. Respondent's conduct is in violation of the North Carolina Appraisers Act, Board Rules, and the Uniform Standards of Professional Appraisal Practice (USPAP).

David R. Falvey A3596 (Catawba)

By consent, the Board voted that effective April 20, 2022, David Falvey's certification as a residential appraiser is inactively suspended and placed on probation for a period of six months during which he shall comply with the following conditions: He shall complete the 15 hour USPAP course, and a continuing education course in Appraiser Liability. If Respondent does not complete all the coursework and pass the exam within the required time frame his license shall be actively suspended at that time and will remain suspended until he successfully completes the coursework and the exam.

Respondent performed an appraisal for the market value of a single-family residential property in North Carolina. Respondent did not make appropriate adjustments for the differences in lakefront views of the comparable sales versus the subject property. In addition, Respondent did not make appropriate location adjustments between the subject property and the comparable sales diminishing the credibility of the subject report. Respondent states that he reconsidered his original value in a revised appraisal report and made changes based on supporting market data. Respondent's workfile, however, did not include data, information, or documentation necessary to support the opinions of value. The absence

of supporting market data from the workfile impacted the credibility of the appraisal report. Respondent's conduct is in violation of the North Carolina Appraisers Act, Board Rules, and USPAP.

Kevin C. Marcuse A8483 (Concord)

By consent, the Board voted that effective September 14, 2022, Kevin Marcuse's certification as a residential appraiser is reprimanded. No later than March 14, 2023, Respondent shall complete a 15 hour qualifying education course in Residential Market Analysis Highest and Best Use, including the exam; two continuing education courses; one course in Appraiser Liability, and one course in Fannie Mae Guidelines, and Respondent shall provide certificates of completion for all courses to the Board office. If Respondent fails to successfully complete the courses within the required time frame, the reprimand will be vacated, and a suspension shall be activated in its place. Motion carried.

This consent order involves three complaints. In the first complaint, Respondent provided an opinion of value for the subject property for a purchase money transaction. In Respondent's initial appraisal report, he did not accurately measure and calculate the gross living area (GLA). When Respondent became aware of the error, he corrected it and issued a revised appraisal report. In the second complaint, Respondent provided an opinion of value for the subject property for a purchase money transaction. Respondent's appraisal report did not correctly address the differences in the subject's location and the comparable sales that were used in the report. In addition, Respondent

failed to consider the subject property's potential for subdivision or the relevant legal, physical, and economic factors applicable to the opinion of highest and best use leading to an appraisal analysis that was not credible. In the third complaint, Respondent provided an opinion of value for the subject property for a purchase money transaction. There were no plans, specification, or other supporting documents to support Respondent's appraisal of the proposed improvements to the subject property. Respondent's failure to obtain pertinent information regarding the extent and character of the renovations detracted from the credibility of appraisal analysis and led to a misleading report. Respondent's conduct is in violation of the Uniform Standards of Professional Appraisal Practice (USPAP), the North Carolina Appraiser's Act, and Board Rules.

Amos N. Newman A4302 (Fayetteville)

By consent, the Board voted that effective January 19, 2022, Amos N. Newman's certification as a residential appraiser is reprimanded. No later than July 1, 2022, Respondent shall complete two continuing education courses, one in appraising small income properties and one in appraiser liability and provide certificates of completion to the Board office. If Respondent fails to successfully complete these courses within the required time frame, the reprimand will be vacated, and a suspension shall be activated in its place.

Respondent did not complete the appraisal in a timely manner. Three days after the appraisal report was due, Respondent reached out to the government sponsored enterprise (GSE) and asked that the appraisal

be reassigned because he was not competent to complete it. The GSE did not reassign the appraisal but instructed Respondent about the steps to take to become competent. Respondent included only one comparable rental on the FNMA form 1025, entitled, Small Residential Income Property Appraisal Report, which requires a minimum of three comparable rentals for the analysis and to estimate market rent. It was inappropriate to rely on one rental for the analysis. Instead of entering the rental amounts of the comparable sales onto the FNMA form 1025, Respondent entered the sale prices, which resulted in erroneous rents/gross building areas. In his report, Respondent stated that he was unable to determine fair market rent for the subject property. Then later in the report, Respondent stated that the fair market rent amount for the units were \$850.00 per month. Respondent did not produce documentation in his workfile or report as to how he arrived at the rental amount. Further, the report stated that the units are unfurnished, when they are furnished, and used as short-term rentals. As a result, Respondent made inaccurate statements that were misleading and detracted from the credibility of the analysis. Respondent was not

familiar with appraising income properties, which was necessary in order to complete this appraisal since the subject property was being used as a short-term rental. Respondent did not provide or include documentation in the appraisal report or workfile about his lack of competency or explain the reasonable steps that were taken to acquire competency or that he sought out the assistance of a professional peer. The errors in the appraisal report were a result of Respondent's lack of competency for the subject assignment and resulted in a report that lacked credibility. Respondent's conduct is in violation of the North Carolina Appraisers Act, Board Rules, and the Uniform Standards of Professional Appraisal Practice (USPAP).

**Walter D. Roberts A6408
(Hendersonville)**

By consent, the Board voted that effective May 1, 2022, Walter Robert's certification as a general appraiser is Voluntarily Surrendered. No later than April 15, 2022, Respondent shall not accept any new appraisal assignments.

Respondent performed three appraisals for the purposes of a

conservation easement in order to estimate the market value before and after imposition of a Soil and Water Conservation Easement ("easement"). Respondent failed to produce appraisals that were clear and accurate and not misleading. Respondent's analysis did not contain sufficient information to enable the intended users of the appraisals to understand the reports properly. As a result, Respondent did not execute an appropriate scope of work with regard to the three appraisals which were prepared for the purpose of establishing a loss in value due to the imposition of a conservation easement. Respondent agrees that the explanation was insufficient for a layperson to understand the process as to the effects of the imposition of the conservation easement and the rationale as to how the diminution in value was determined. In addition, Respondent wrote an update letter in relation to an appraisal assignment. The update letter, which included an opinion of value, was not a compliant appraisal report, as required by USPAP. Respondent's conduct is in violation of the North Carolina Appraisers Act, Board Rules, and USPAP.

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