



NORTH CAROLINA APPRAISAL BOARD

APPRAISER REPORT

Volume 17

February 2007

Number 1

2007 Renewal Information Notice

All registrations, licenses and certificates expire on June 30th and must be renewed before this date to maintain your current legal status. You will receive one renewal notice form that must be used to renew your registration, license or certificate. Any person who acts as a trainee, licensed or certified real estate appraiser while expired shall be subject to disciplinary action and penalties as prescribed by the General Statutes.

In order to renew this year by June 30, 2007 you must have obtained 28 hours of continuing education by June 1, 2007. Of the required 28 hours of approved education, 7 hours must be the 7-Hour National USPAP Update. The June 1, 2007 deadline for completing your education is a new requirement

and no education completed after this date will be allowed for this cycle. All continuing education taken in June will be credited to the next cycle of 2007-2009. An individual who does not have the required 28 hours by June 1, 2007 will not be allowed to renew using education taken in June until after July 1st and this will be a late renewal. All late renewals will not be processed until after July 1, 2007. Therefore any continuing education taken in June will not be lost but credited to the next cycle or used to late renew after July 1, 2007. If you late renew there will be a lapse of your licensure which will subject you to disciplinary action if you perform appraisal services during this lapsed period and also will require a late renewal fee.

Course sponsors must send directly to the Board a certified roster of all who satisfactorily complete a course within 15 days of completion but not later than June 15th of each year. All requests for equivalent education to meet the current renewal cycle must be received by June 15, 2007.

Renewal notice forms will be mailed in early May so be sure your address is correct and send in the change of address if there have been changes since last year.

Reference is made to Board Rules on our website at http://www.ncappraisalboard.org/rules/board_rules.pdf under Section 57A.0203 for additional renewal information and 57A.0204 for required continuing education.

Staff Update

Several new employees have recently joined the Board staff.

Jacqueline Kelty began work in November 2006 as an administrative assistant. Her primary responsibilities are communications and issuing credentials. Ms. Kelty has a Bachelor of Science in Business Administration from Frostburg State College in Frostburg, Maryland. Ms. Kelty, her son and her daughter recently moved here from Palm Beach, Florida. Before joining the Board, Ms. Kelty worked as a teacher in the Palm Beach County Public Schools, as well as with the Palm Beach Board of REALTORS.

Mindy Sealy began work in December 2006 as an administrative assistance. Her primary responsibilities are to provide assistance to the Board's legal counsel and to maintain records relating to schools and course sponsors. Ms. Sealy is a graduate of Trident Technical College. Before joining the Board, Ms. Sealy worked as a paralegal for an attorney in South Carolina and an attorney in Raleigh. She and her husband have one daughter.

Jeffrey Davison began work in August 2006 as an investigator. Mr. Davison graduated from Campbell University with a degree in Business Administration. He is a certified resi-

dential real estate appraiser and a real estate broker. Mr. Davison has nearly 15 years of experience as a fee appraiser. He and his wife reside in Raleigh.

Terri Haywood began work in September 2006 as an investigator. Ms. Haywood graduated from the University of North Carolina at Chapel Hill with a degree in Business Administration. She is a certified residential appraiser and a real estate broker, and has an SRA designation from the Appraisal Institute. Ms. Haywood has 30 years of experience as a fee appraiser. She and her husband reside in Raleigh, and have two sons in college.

APPRAISERREPORT

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 Appraisereport**.

NORTH CAROLINA APPRAISAL BOARD

5830 Six Forks Road
Raleigh, North Carolina 27609
Phone: 919/870-4854
Fax: 919/870-4859

Website:

www.ncappraisalboard.org

Email Address:

ncab@ncab.org

Michael F. Easley, Governor

APPRAISAL BOARD MEMBERS

Earl M. Worsley, Jr.
Chairman Wilmington
Henry E. Faircloth
Vice-Chairman Salemburg
Charles K. Hinnant Kenly
W. Tom Morgan Raleigh
E. Ossie Smith Oxford
J. Vance Thompson Elkin
Larry N. Wright Candler

STAFF

Philip W. Humphries, *Executive Director*
Roberta A. Ouellette, *Legal Counsel*
Donald T. Rodgers, *Deputy Director*
Thomas W. Lewis, III, *Investigator*
Jeffrey H. Davison, *Investigator*
Terri S. Haywood, *Investigator*
Kim N. Giannattasio,
Executive Office Administrator
Paula Ford, *Administrative Assistant*
Jacqueline Kelly, *Administrative Assistant*
Mindy M. Sealy, *Administrative Assistant*

APPRAISER COUNT

(As of January 11, 2007)

Trainees	1130
Licensed Residential	409
Certified Residential	1972
Certified General	986
Total Number	4497

APPRAISER EXAMINATION RESULTS

July 2006 - December 2006

Examination	Total	Passed	Failed
Trainee	211	132	79
Licensed Residential	27	24	3
Certified Residential	60	42	18
Certified General	54	20	34

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/infoAndApp.pdf>

There is no such thing as a draft appraisal

Recently Board staff has been seeing a number of what are termed "draft appraisals" being sent to clients. The appraisers signing the reports believe that they have no liability for mistakes in the reports since they were not intended to be the final document.

State law 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." An appraisal report is defined as any communication, written or oral, of an appraisal.

Once an appraiser places a value on a piece of identified real estate and puts any sort of identification of who estimated the value on that report, it is an appraisal. Some appraisers believe that if they do not sign the report, it is not an appraisal and they cannot be held accountable for it. This is untrue. Even an unsigned letter of transmittal may be enough to identify who performed the appraisal. In fact, Appraisal Board rules require that an appraiser sign an appraisal report, so transmitting an unsigned report is a violation of those rules.

Once you transmit a value finding to your client, you have performed an appraisal. If the client finds an error in the report or believes you have somehow not met the conditions of the appraisal assignment, the client can ask that you correct your mistakes or do additional work. By allowing your client to "review" a draft appraisal, you are perilously close to violating the Ethics Rule of USPAP.

In short, there is no such thing as a draft appraisal report.

Where do trainees place their registration number on an appraisal report?

On the most recent version of most appraisal forms, there is no specific line for trainee registration numbers. Usually the forms have a line for certification number, a line for license number and a line for "other". Trainees must put their registration number on the line for "other". Placing a registration number on the line for certification number or for license number is misleading.

Reminder to Trainees

If you have not received a letter from the Appraisal Board acknowledging that we received a supervisor declaration form from you and your supervisor, you must contact the Board right away. As you know, you cannot receive experience credit for any appraisals done unless the declaration form is filed with the Board.

What is 75% of the work on an appraisal?

In order to receive experience credit for an appraisal, a trainee must perform 75% of the work on the appraisal. This requirement is often misunderstood. This rule does not mean that a trainee must perform 75% of the work and the supervisor therefore performs only 25% of the work.

When a trainee first begins working for a supervisor, most of the time the trainee will “shadow” the supervisor in order to learn how to perform appraisals. It is highly unlikely that the trainee will perform any tasks on his or her own at first, but will eventually be able to do so once proper training and supervision have taken place. The trainee will be able to work more independently over time, but allowing the trainee to participate fully in the appraisal process will allow the trainee to get credit during their initial state of training.

If the trainee participates in all aspects of the appraisal, the trainee may perform up to 100% of the appraisal while the supervisor also performs up to 100% of the work. For example, if the trainee assists the supervisor with measuring the property by holding the dumb end of the tape and learning how to measure, the trainee can be given credit for that assistance. Likewise, if the trainee watches while the supervisor uses MLS to select comparable sales and then verifies that sales information, the trainee has participated in that process as well. If the trainee creates an appraisal report with direct input from the supervisor, and the supervisor then revises the report with the trainee’s assistance, the trainee can be given credit for that assistance.

In some instances the trainee will not participate in 75% of the work on an appraisal. Board rules require that the supervisor still complete the Verification of Supervised Appraisal Experience form and indicate the percentage of the report that the trainee participated in, even though the trainee cannot be given experience credit for the appraisal. In any event, this form should be completed immediately after the assignment is completed, with a copy placed in the work file for the assignment and a copy given to the trainee.

Of course, a trainee can only be given experience credit for an appraisal where the trainee has either signed the report or had the assistance noted in the report, and where the report complies with USPAP and Board rules.

APPRAISAL BOARD AMENDS RULES

The North Carolina Appraisal Board has amended the rules effective March 1, 2007. A summary of the rule changes follows.

Prequalifying Education

All prequalifying education must have been obtained in a classroom setting. No credit will be given for courses taken by any other method, such as correspondence school courses or computer based courses.

The 15-hour National USPAP course must have been completed within the past five years, regardless of whether an applicant is currently registered, licensed or certified.

Applications

Applicants for licensure or certification must submit a **complete** copy of their appraisal log, not a log with only the required number of points.

An applicant may request that the application be withdrawn at any time before the Appraisal Board takes final action. If an application is withdrawn, cancelled or denied, the applicant must wait six months to file a new application. If an applicant has a current open complaint before a licensing board from this or any other state, or if the applicant has pending criminal charges in any state, the application will be accepted but no further action will be taken on the application until the complaint and/or criminal charges are resolved.

Continuing Education

Trainees and appraisers who were initially registered with the Board after January 1 of an odd numbered year will not be required to show continuing education credit for renewal of their registration in that odd numbered year.

A trainee, licensee or certificate holder who is returning from active military duty will be allowed to renew in an odd-numbered year even if the required continuing education is not completed. All required continuing education must be completed within 180 days of when the trainee, licensee or certificate holder returns from active duty, or the registration, license or certificate will expire.

Reinstatement

If the registration, license or certificate has been expired for more than 12 months, but less than 24

(Continued on page 4)

APPRAISAL BOARD AMENDS RULES

(Continued from page 3)

months, an applicant may apply for reinstatement. In order to be considered for reinstatement, the applicant must pay the \$150.00 original application fee and provide proof that the applicant has obtained the continuing education that would have been required had the registration, license or certificate been continuously renewed.

Nonresidents

There is a new rule regarding applicants for registration, licensure or certification who are not residents of North Carolina. These applicants must consent to service of process in this state and file an affidavit of residency with the application. If the applicant is licensed by the appraiser licensing board of the applicant's resident state, the applicant must also file with the application a letter of good standing from the appraiser licensing board of the resident state, which was issued under seal by that licensing board no later than 30 days prior to the date application is made in this state.

If the applicant is licensed by and resides in a state with which the Appraisal Board has entered into a formal agreement of reciprocity and is applying for the same level of licensure, the applicant will not have to complete an experience log, take further education or take an examination provided the appli-

cant is in good standing in the reciprocal state.

If the applicant is not a resident of a reciprocal state but is in good standing in their resident state, the applicant will not be required to take additional education or show an experience log, but will be required to take the examination.

Applicants for registration, licensure or certification who have been residents of another state but have moved to North Carolina may apply for registration, licensure or certification under this section within 90 days of the date they moved to North Carolina.

Appraisal Reports and Logs

All trainees and appraisers are now required to keep a log of all appraisals performed. The record shall contain, at a minimum, the registration, license or certificate number, the street address of the subject property, the date the report was signed, the name of anyone assisting in the preparation of the report and the name of the client. These records must be updated at least every 30 days.

Trainees and appraisers must personally affix their signature to their appraisal reports and may not allow any other person or entity to affix the trainee's or appraiser's signature. In addition, appraisers must affix a seal to their reports and may not allow anyone else to affix the seal.

Trainee Supervision

An appraiser who wishes to supervise a trainee must attend the Board's supervisor class either before such supervision begins, or within ninety (90) days after such supervision begins. If the supervisor does not take the class within 90 days after the supervision begins, the trainee may no longer work under the supervision of that supervisor until the class is taken.

Changes in Education Rules

For both prequalifying and continuing education, schools and course sponsors must provide each student with a course evaluation form upon completion of the course, and must tally the results of the evaluation forms onto one form. The completed course evaluation forms and the tally must be sent to the Board together with the roster.

The course design and delivery mechanism for an on-line continuing education course offered on the Inter-net must have received approval from the International Distance Education Certification Center (IDECC). □

NOTE:

Continuing Education must be completed by June 1, 2007 in order to renew your registration, license or certification this year.

2006 Complaint Information Summary

Active Complaints Received 222
 Responses Received 174

COMPLAINANT STATUS

Appraiser 33
 Consumer 95
 Financial/Banks, Mortgage Companies 24
 Financial/Government 16
 Government/State & Municipalities 13
 Anonymous 18

NCAB 13
 Real Estate/Broker, Agent 10

REGIONAL STATISTICS

Charlotte 66
 East 53
 Triad 21
 Triangle 44
 West 38

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.

Brian T. Edwards T2936 (Raleigh)

By consent, the Board suspended Mr. Edwards' trainee registration for a period of three months. The suspension is stayed until March 1, 2007. If Mr. Edwards completes the Appraisal Board's course in supervision of trainees and a course in appraiser liability by that date, the suspension will be inactive. The Board found that in June 2005, Mr. Edwards was employed by an appraisal company as a trainee. From July 2005 until approximately December 22, 2005, he worked under the direct supervision of an appraiser. During this time he and his supervisor inspected properties and prepared reports. With the knowledge, direction and consent of his supervisor, Mr. Edwards applied the supervisor's electronic signature and seal to appraisal reports after they had completed their analysis. He also prepared an addendum noting his assistance in the report. In December 2005, the supervising appraiser left the appraisal company, and the office manager told Mr. Edwards that the company had arranged for a new supervisor. Per the instruction of his employer, Mr. Edwards began inspecting properties on his own, and prepared appraisal reports without local supervision, as he was led to believe he had appropriate supervision. He then submitted the reports to the office manager or to the company owner, who was located in Georgia. Mr. Edwards did not apply any signatures or seals to the reports, nor did he prepare an addendum noting his assistance in the report. The appraisal company did employ an appraiser in January 2006 and spoke with him about becoming Mr. Edwards' supervisor, but that appraiser was not able to supervise him. Someone at the appraisal company apparently applied the signature and seal of this appraiser to Mr. Edwards' reports and transmitted them to the clients. In mid-January 2006, Mr. Edwards' former

supervisor returned to work at the appraisal company. When they discovered irregularities at the company, Mr. Edwards and his supervisor left the appraisal company on or about February 7, 2006.

Richard P. Hester, Jr. A111 (Durham)

By consent, the Board suspended Mr. Hester's residential certification for a period of one year. Mr. Hester also agrees to complete the 15-hour National USPAP course, a course in appraiser liability and a course in business practices and ethics before the end of the one-year suspension. If he fails to take all of these courses by that date, he will be actively suspended for an additional twelve months. The Board alleged that Mr. Hester performed an appraisal of a property located in Semora, North Carolina in early 2006. The property owner was purchasing a new doublewide home to be placed on a 6-acre tract that she owned. In June 2006, Mr. Hester received a request from his client, the lender, for an interim inspection of the subject property for a construction draw. At that time, he was recovering from surgery and was unable to travel. Due to his health issues, Mr. Hester accepted an offer from an employee of the manufactured home dealer to take the photographs. The employee took the photographs and sent them to Mr. Hester, who then sent those photographs to the client on an interim inspection form to which he affixed his signature and seal. Those photographs were not photographs of the subject property, which was and still is incomplete. They were instead photographs of another manufactured home that was complete. Based on those photographs, the client paid funds to the manufactured home dealer.

John J. Hooton A1074 (Wilmington)

By consent, the Board suspended Mr. Hooton's general certification for a period of one year effective September 1, 2006. The first month of the suspension is active and the remaining months shall be inactive. In addition, Mr. Hooton agrees that he will perform no more appraisals for condemnation or eminent domain proceedings until he has successfully completed 30 hours of education regarding condemnation appraising. The Board found that Mr.

Hooton appraised a property located in Navassa, North Carolina in September 2002 for the acquisition of part of the subject property, with an effective date of April 20, 2000. The subject property consisted of 195.8 acres of vacant land before the taking and 160.75 acres after the taking. The subject property contains approximately 32 acres of wetlands. Mr. Hooton valued the property in the before condition by valuing the usable land of 163.8 acres at \$29,000 per acre. He valued the property in the after condition by valuing the remaining usable land of 128.75 acres at \$24,000 per acre. He valued the damages from the taking of the 35.05 acres at \$1,660,000. His first comparable sale sold for \$1,300,000 or \$32,500 per acre. It had 40 acres of upland and the remaining 20.1369 acres were wetland. Mr. Hooton used an adjusted sales figure of \$32,500 per acre in his report based on the usable upland. This property was a vacant site at the time of the sale and was subsequently developed into a boat manufacturing facility. Brunswick County paid \$300,000 of the \$1,300,000 to help negotiate the sale. The only adjustments Mr. Hooton made to this sale were a positive time adjustment of 1.1% and a negative 9.3% size adjustment. He made no adjustment for the difference in river access between the subject and his first comparable sale. Mr. Hooton's second and fourth comparable sales both sold over 5 years prior to the effective date of the appraisal, and are much smaller than the subject in size and appear to be much superior sales in terms of location and access. There were other sales available that were closer in size and appeal to the subject and that were more similar to the subject property than the sales used in the appraisal. These sales would have provided a lower value for the subject property in the before condition.

Robert K. Hunt A4295 (Rockingham)

By consent, the Board suspended Mr. Hunt's residential certification for a period of six months. The first month of the suspension shall be active and the remainder stayed until June 1, 2007. If Mr. Hunt completes the 15-hour National USPAP course, including the examination, by that date, the remainder of the suspension shall be inactive.

Disciplinary Actions

There were two cases against Mr. Hunt. In the first case, the Board found that he performed an appraisal of a property located in Mooresville, North Carolina in May 2002. A complaint was received on June 2, 2005 regarding the appraisal. Staff sent a letter on that same date requesting a response, a copy of the appraisal and a copy of the work file. Although Mr. Hunt sent a response to the complaint, he did not send a copy of the appraisal and work file until after receiving several letters and telephone calls. In the second case, Mr. Hunt appraised six properties located in Parkton, North Carolina in December 2005. He stated on each of the reports that the owner was a company. But in fact, this company did not own the properties on the effective date of the appraisal. A representative of the company gave copies of deeds purporting to transfer the properties to the group that were all signed in December 2005, but none of the deeds were recorded until several months after the appraisal were performed. Mr. Hunt stated on all six reports that there was no transfer of the property in the last three years. One of these appraisals was of a property located at 184 Calcasieu Drive. Mr. Hunt appraised the property for \$110,000 effective December 22, 2005. Mr. Hunt stated in the report that the subject was not listed for sale, when in fact it was listed for sale at \$83,000. This report was not transmitted to his client. At some point, he revised the report, this time valuing the property at \$145,000. The work file revealed no support for the change in the value estimate nor did it contain adequate information to explain the presence of two reports with differing values. Sales in the subject subdivision for properties very similar to the subject ranged from about \$80,000 to \$145,000, with no apparent basis for the difference.

Thomas L. Johnson A5083 (Wilson)

By consent, the Board suspended Mr. Johnson's residential certification for a period of six months effective September 1, 2006. The first month of the suspension is active and the remainder is stayed until December 31, 2006. If Mr. Johnson completes the 15-hour National USPAP course by that date, the remainder of the suspension will be inactive. The Board found that Mr.

Johnson appraised a property located in Morehead City, North Carolina in July 2005, finding an estimate of value of \$1,070,000. The appraisal was performed for refinancing purposes. The subject property was 20 years old and contained 4,696 square feet of gross living area. It had water views, but no water access. Although on the effective date of the report the subject property was listed for sale for \$820,000, Mr. Johnson stated in the report that the subject was not listed. His first and third comparable sales had deep-water access and dockage, but Mr. Johnson failed to make adjustments to these sales for that factor. The subject property had an actual age of 20. Although Mr. Johnson did not inspect the interior of the subject, he stated that it had an effective age of 5 years. His comparable sales were six, two and three years old respectively, and Mr. Johnson gave them effective ages of three, one and one. He then made adjustments for effective age difference at the rate of one percent per year. Had Mr. Johnson made appropriate adjustments to his comparable sales for differences in age, and water access/boat dock, the final opinion of value would have been lower.

John McPherson A2017 (Charlotte)

By consent, the Board issued a reprimand to Mr. McPherson. He will no longer perform any appraisals of residential property for mortgage lending purposes. He also agreed to complete a course in scope of work and a course in appraiser liability by June 1, 2007 or the reprimand will be vacated and a one-month active suspension imposed as of that date. The Board alleged that Mr. McPherson appraised a property located in Charlotte, North Carolina in February 2003, finding an estimate of value of \$227,000. He had previously appraised this property for the same client in 1991. The subject property is a 15-year-old two-story frame dwelling located in a subdivision. It contains approximately 2,368 square feet and has an effective age of 10 years. The subject was superior in appeal to the homes in the subdivision, thus Mr. McPherson used sales from other subdivisions. However, these subdivisions were superior with regard to amenities and appeal and historically supported high-

er values in comparison to the subject's subdivision. Mr. McPherson made adjustments to the comparable sales for physical differences with regard to site size, age, and quality of construction/condition, site improvements and gross living area, but did not make an adjustment for location. Sales in the subject subdivision within a year of the appraisal indicate a range from \$167,000 to \$188,300 for homes with similar bedroom count and GLA. Had Mr. McPherson made adjustments to his comparable sales for location, the final value for the subject may have been lower, to some extent.

Dennis Munro A4950 (Mooresville)

By consent, the Board suspended Mr. Munro's residential license for a period of three months. The suspension is stayed until May 1, 2006. If Mr. Munro completes a course in sales comparison by that date, the suspension will be inactive. Mr. Munro also agrees that he will not perform any appraisals of any type of manufactured housing until he completes a course in appraising factory built or manufactured housing. The Board found that Mr. Munro appraised a doublewide manufactured home located in Dallas, North Carolina in July 2005, finding an appraised value of \$95,000. Mr. Munro used six sales in his sales comparison approach. Two of those properties had sold twice through foreclosure within the year prior to the appraisal, but he only reported the second sale. One of his sales was a modular home, yet he described it as manufactured in the report and failed to make an adjustment for quality of construction. Although the sales chosen were similar to the subject property, Mr. Munro failed to appropriately verify and analyze his comparable sales information.

Robert Paputseanos A5822 (Cherryville)

By consent, the Board suspended Mr. Paputseanos' residential license for a period of two years. The first twelve months of the suspension are active and the remainder is stayed. If Mr. Paputseanos completes the 15-hour National USPAP course, a course in appraiser liability and a course in business practices and ethics by September 15, 2007, the remainder of the suspen-

Disciplinary Actions

sion shall be inactive. The Board found that Mr. Paputseanos performed services for an appraisal company in North Carolina from August 2005 until January 2006. The appraisal company's headquarters are located in Georgia, but it had an office in Cary, North Carolina until January 2006. For some assignments done for the company, Mr. Paputseanos did the inspection and took photographs, then emailed them to the company's Cary office. A trainee in the office would enter all pertinent data, select the comparable sales, make adjustments to the sales, reconcile and assign value to the property, then affix Mr. Paputseanos' signature. Initially, the completed reports were sent back to Mr. Paputseanos, who would review the reports and make any required changes. He would then email the reports back to the office and they would then be sent to the client. Over time, due to increasing assignment volume and demands from the appraisal company to improve turn around time, Mr. Paputseanos ceased looking at the work once the appraisal was completed. Mr.

Paputseanos was under the impression that the person preparing the reports was a licensed appraiser, thus he did not declare this trainee with the Appraisal Board. There was no mention made on any of the appraisal reports that the trainee or any one else had provided significant professional assistance on the reports. Mr. Paputseanos failed to keep control of his signature and seal. He knew that another person was assembling appraisal reports and affixing his signature to them, yet he did not review those reports. He failed to take steps to ascertain whether the person preparing the reports was licensed, and he failed to supervise that person in the preparation of the reports.

Donna S. Willis A5976 (Vale)

By consent, the Board suspended Ms. Willis' residential certification for a period of three months. The suspension is stayed until May 1, 2007. If Ms. Willis completes a course in property inspection by that date, the suspension will remain inactive. The Board found that Ms. Willis appraised a property located

in Morganton, North Carolina in October 2003, finding an appraised value of \$108,000. The subject property is a manufactured home with an addition. It had been enclosed to look like a ranch style home. The tax card in Ms. Willis' work file indicates the dwelling is a single-family stick built dwelling, not a manufactured home. Although Ms. Willis did inspect the subject property, she did not inspect the crawl space as there was swimming pool equipment blocking the entry. There were several indicators that the subject was a manufactured home. The fenestration on the rear with the windows out of line with the back door, there was a tie down and steel chassis supporting dwelling, and there were panel walls in open closet. In addition, there was a heating vent in center of living room and a floor to ceiling closet door. Since Ms. Willis misidentified the construction of the subject, she chose properties for her sales comparison approach that were not comparable to the subject and that led to an inflated value.

Important Changes to Appraiser Qualifications

The Appraiser Qualifications Board of The Appraisal Foundation has adopted changes to the *Real Appraiser Qualification Criteria* that will become effective on January 1, 2008. The changes include increased required education, which is summarized as follows:

Category	Current Requirements	1/1/08 Requirements	1/1/08 College-Level Course Requirements
License Certified	90 hours 120 hours	150 hours 200 hours	None Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers-Word Processing/Spreadsheets; and Business or Real Estate Law. In lieu of the required courses, an Associate degree will qualify.
Certified	180 hours	300 hours	Thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to computers - Word Processing/Spreadsheets; Business or Real Estate Law; and two (2) elective courses in accounting, geography; ag-economics; business management; or real estate. In lieu of the required courses, a Bachelors degree will qualify.

The Board has adopted the segmented option for implementation. Under the segmented option, an applicant must meet the criteria in effect at the time the segment is completed, not the criteria in effect when the application is filed or when the license or certificate is issued. For example, if a certified residential appraiser currently desires to upgrade to certified general, he or she must complete an additional 60 hours of education, consisting of G-2 and G-3, and pass the examination. Under the segmented approach, if the appraiser takes the additional 60 hours before January 1, 2008, he or she does not have to comply with the new 2008 educational requirement. The same is also applicable for the licensed residential who desires to upgrade to certified residential; then G-1 must be successfully completed before January 1, 2008. The examination to become a licensed or certified appraiser will be changed effective January 1, 2008. If an applicant completes his or her education prior to January 1, 2008 and files an application with the Board, the old examination can be taken up to and including December 31, 2007. If the applicant does not pass the examination before January 1, 2008, the applicant will have to take and pass the new examination.

Approved Continuing Education Courses

(As of January 25, 2007)

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)
National USPAP Update 2006 (7/7)
New Rules & Regs FHA/HUD Appraisal Requirements (14/14)
Residential Construction Seminar (14/14)
Staying Out of Trouble - NC App (7/7)

Allstate Home Inspection & Household Environmental Testing, Ltd.

91 Summer Street
Barre, VT 05641
802-476-8746

Environmental Awareness Seminar (8/8)
FHA Test Preparation (8/8)
Introduction to Home Inspection (8/8)
USPAP Refresher (8/8)

American Society of Farm Managers and Rural Appraisers

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

A-25 Eminent Domain (19/19)
A-27 Income Capitalization (28/27)
A-29 Highest & Best Use (15/15)
A36 Intro to Appraisal Review (14/14)
A-370 Appraisal Review (21/21)
A-380 Appr Rev Under Uniform Stand for Fed Land Acq (16/16)
A-390 Advanced Appr Review Case Studies (16/16)
Appraising Agricultural Land in Transition (14/14)
Appraising Agricultural Land in Transition (8/8)
Appraising Rural Residential Properties (15/15)
Basic Appraisal Procedures (28/28)
Uniform Agricultural Appraisal Report (8/8)

American Society of Appraisers NC Chapter

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

Appraising Small Residential Income Properties (7/7)
National USPAP Update 2006 (7/7)
The Appraisal of Small Subdivisions (7/7)

Appraisal Schools by M. Curtis West

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

National USPAP Update 2006 (7/7)
Scope of Work in the Appraisal Process (7/7)

Appraisal Academy (The)

3802 N. University Street
Peoria, IL 61614
309-681-8100

O/L Limiting Appraiser Liability Exposure (7/7)
O/L Tough Residential Appraisal Assignment (4/4)
O/L Manufactured Home Appraising (7/7)
O/L Fundamentals of Small Business Valuation (7/7)

Appraisal Institute

550 W. Van Buren Street, Suite 1000
Chicago, IL 60607
312-335-4236

320 General Applications (39/30)
330 Apartment Appr: Cncpts & (14/14)
410 National USPAP (15/16)
420 Business Practice and Ethics (7/7)
500 Adv Res Form & Narrative (40/30)
520 High & Best Use & Mkt Anal (40/30)
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: Splclz 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 Res Applctns & Case Studies (14/14)
Adv Res Report Writing Pt 2 (28/28)
Appraising Manufactured Housing (7/7)
Condominiums Co-Ops & PUDS (7/7)
FHA & the New Residential Appraisal Forms (7/7)
Forecasting Revenue (7/7)
Gen Demo Appr Rpt Writing Sem (7/7)
General Market Analysis & Highest & Best Use (28/28)
Liability Management for Residential Appraisers (7/7)
Mkt Anal & the Site to Do Business (7/7)
National USPAP Update 2006 (7/7)
Office Bldg Valuation: A Contemporary Perspective (7/7)
O/L Course 420: Business Practices & Ethics (8/7)
O/L Analyzing Operating Expen (7/7)
O/L Appraisal of Nursing Facilities (7/7)
O/L Appraising from Blueprints (7/7)
O/L Apartment Appraisal, Concepts & Applications (15/15)
O/L Internet Search Strategies for R (7/7)
O/L Intro to GIS Apps for RE App (7/7)
O/L Prof Guide to the FNMA 2-4 Unit Form 1025 (10/10)
O/L Res Design & Functional Utility (7/7)
O/L Res Property Construction & In (7/7)
O/L Sm Hotel/Motel Val: Lmted S (7/7)
O/L The FHA and the Appr Proce (7/7)
O/L Using Your HP12C Financial (7/7)
O/L Val of Detrimental Conditions (7/7)
Professional's Guide to the URAR (7/7)
Quality Assurance in Residential Appraisals (7/7)
RE Finance, Stats, Valuation M (14/14)
Res Demo Appr Report Writing S (7/7)
Res 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)
RMK Timberland Group's Appraiser Conference (10/10)
Scope of Work: Expanding Range (7/7)
Subdivision Valuation (7/7)
Uniform Appraisal Standards for Federal Land Acquisitions (16/15)

Appraisal Institute NC Chapter

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

Evaluating Commercial Construction (16/16)
What Clients Want Their Appraisers to Know (7/7)

Bob Ipock & Associates, Inc.

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

Appraiser Liability (3.5/3.5)
Appraising in NC (4/4)
Back to Basics (4/4)
National USPAP Update 2006 (7/7)
NCAB Website Access & Info (3.5/3.5)

Brunswick Community College

P.O. Box 30
Supply, NC 28462-0030
910-371-2400

National USPAP Update 2006 (7/7)
Small Income Residential Properties (7/7)

Bud Black/ASREA

P.O. Box 11111
Cherryville, NC 28021
704-435-1111

7-HR National USPAP Update 2006 (7/7)
Sales Comparison Analyses Based on market Data (7/7)
Value? What Value? (4/4)

Career Webschool

1395 S. Marietta Pkwy., Bldg. 400, Suite 107
Marietta, GA 30067
770-919-9191

O/L A URAR Form Review (7/7)
O/L Appraisal Methods (14/14)
O/L 7-Hr National USPAP Update 2006 (7/7)
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 Lease Analysis Comm Inv. (30/30)
C1104 Invest Analysis Comm Inv. (30/30)
Intro to Com Investment RE An (12/12)

CLE International

1620 Gaylord Street
Denver, CO 80206
303-377-6600

Eminent Domain (12/12)
Land Use Law (14/14)

Columbia Institute (The)

8546 Broadway, Suite 235
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 2006 (7/7)
O/L 7-Hr National USPAP Update (7/7)
O/L Res Rpt Writing & Case Studies (14/14)
O/L URAR Form Review (7/7)
Scope of Work & Appr Due Diligence (4/4)

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)
National USPAP Update 2006 (7/7)
Res Appr & Conv Underwriting Guide (7/7)
Residential Construction Cost (7/7)
Residential Construction Seminar (14/14)
Rules & Regs FHA/HUD Rqrmnt (14/14)
Staying Out of Trouble - NC App (7/7)
The Narrative Appraisal Report (7/7)

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 2006 (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

P.O. Box 4267
Cary, NC 27519
919-460-8823

Legal, Tax Issues, Other Sworn (7/7)
ModHomes, Mfg Homes, Sm Income (7/7)
National USPAP Update 2006 (7/7)
New Forms Old Problems (7/7)

Approved Continuing Education Courses

Foundation of Real Estate Appraisers

283 N. Rampart Street, Suite C
Orange, CA 92868
714-935-1161

O/L 7 Hour National USPAP Update 2006 (7/7)

Hignite Training Service

208 Gloria Street
Greenville, NC 27858
888-506-9515

Changes in FHA (7/7)
Fannie Mae Forms & Regulations (7/7)
National USPAP Update 2006 (7/7)
Red Flags Property Inspc Guide (4/4)

Institute of Government, UNC, Chapel Hill

Knapp Building, CB#3330
Chapel Hill, NC 27599-3330
919-966-4157

Assessment Administration (7/7)
Fundamentals of Mass Apprais (30/30)
IAAO 101: Fundamentals of Real Property (30/30)
IAAO 102: Income Approach to Valuation (30/30)
IAAO 402: Property Tax Policy (30/30)

Lenoir Community College

P.O. Box 188
231 Hwy. 58 South
Kinston, NC 28502-9946
252-527-6223

Appr Mfg, Mod, & Mobile (A) (7/7)
Appr Mfg, Mod, & Mobile (B) (7/7)
Cost Approach Marshall & Swift R (7/7)
Income Capitalization (A) (7/7)
Income Capitalization (B) (7/7)
Narrative Appraisal Report Writing (14/14)
National USPAP Update 2006 (7/7)
NC Rules & Regulation Update (7/7)
New FNMA Forms - Single Family (7/7)
Principles & Techniques for Determining
Market Adjustments (7/7)
Prin/Tech Val 2-4 Unit Res (14/14)
USPAP & NC Rules & Regs for Appraisers (15/15)

McKissock Appraisal Schools

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

2-4 Family Finesse: Appraising Multi-Family
Properties (7/7)
Appraising REO & Foreclosure Properties (7/7)
Appraisal Trends (7/7)
Appraising FHA Today (7/7)
Cost Approach (7/7)
National USPAP Update 2006 (7/7)
O/L 2006 National USPAP Update Equivalent (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 Made in America (7/7)
O/L Relocation Appraisal is Dif (7/7)
O/L Technology for Today's Appraiser (7/7)
O/L The Cost Approach (7/7)
Private Appraisals (7/7)
Relocation Appraisal is Differ (7/7)
Scope of Work (7/7)

Mel Black/NCREEI

P.O. Box 459
Cherryville, NC 28021
704-435-9191

2-4 Family Properties (7/7)
Appraisal Case Law (7/7)
Board Rules and Laws (7/7)
National USPAP Update 2006 (7/7)
O/L 2006 National USPAP Update Course (7/7)
O/L Income Approach (7/7)
O/L Intro to Commercial Appraisal (3.5/3.5)
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)
Scope of Work - The Appraisal Pr (7/7)

Technical Writing for Appraisers (7/7)
Top Appraisal Questions & Their Answers (7/7)
Trainees & Supervisors (7/7)
Value? What Value? (4/4)

Mingle School of Real Estate

P.O. Box 35511
Charlotte, NC 28235
704-372-2984

2006 7-Hr National USPAP Update (7/7)
O/L 2006 7-Hr USPAP Update (7/7)
O/L Residential Cost Approach (7/7)
O/L Sales Comparison Approach (7/7)
O/L The Income Approach (7/7)

North Carolina Department of Transportation (NCDOT)

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

Apply Marshall & Swift and Valuing Medical/
Assisted Living Facilities (7/7)
Appr of Residue & Spl Use Prop (7/7)
Real Estate Leasing & Value (3.5/3.5)
Sales Comp Grid/Appr of Trans (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)

NCSU Forestry Ed Outreach Program

FEOP, NCSU Campus Box 8003
Raleigh, NC 27695
919-515-3184

Intro to Arcgis 9x Workshop for Natural
Resources Pro (7/7)

Perry Residential Appraisal School

P.O. Box 1172
Granite Falls, NC 28630
828-396-7811

Mathematical Analysis of a Residential Appraisal (7/7)

Pitt Community College

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

Narrative Appraisal Report Writing (14/14)
National USPAP Update 2006 (7/7)
New FNMA Forms - Single Family (7/7)

REALETECH.COM

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

Analysis of the AQB's FAQ's Part I (7/7)
Analysis of the AQB's FAQ's Part II (7/7)
Appraisers and Residential Reviews (7/7)
Fannie Mae Guidelines for Appraisers (7/7)
Fundamental Appraisal Principles Part I (7/7)
Fundamental Appraisal Principles Part II (7/7)
Introduction to Environmental Risk Screenings (7/7)
National USPAP Update 2006 (7/7)
Paired Sales Analysis (4/4)
What the NC Appraisal Board Expects From You (4/4)

Samaritan's House, Inc.

P.O. Box 690608
Charlotte, NC 28227
704-545-2340

Cost Approach (7/7)
Loan Offic & Appr Relationship (7/7)

Surry Community College

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

Guidelines (8/8)
Home Inspections & Common De (4/4)
Is the Comparable Comparable (8/8)
Mobile Mfg Homes & Types of M (4/4)
Prep 2-4 Sm Resid Income Prop Appr Rpt (8/8)
Preparation of a Quality URAR (8/8)

Reviewing a Residential Appraisal (8/8)
Scope of work (7/7)
Testing Highest & Best Use (8/8)

Triangle Appraisal & Real Estate School

2801-3V Ward Boulevard
Wilson, NC 27693
252-291-1200 or 919-971-1887

Changes in NC's Rules & Regs (3.5/3.5)
Changes in Standards (3.5/3.5)
Frequently Asked Questions (7/7)
Manufactured Home Construction (7/7)
National USPAP Update 2006 (7/7)
North Carolina Rules (7/7)
O/L 2006 National USPAP (7/7)
O/L The Cost Approach & Insurable Interest (7/7)

Van Education Center

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

2006 7-Hour National USPAP Update (7/7)

Wendell Hahn & Associates

P.O. Box 5245
Columbia, SC 29250
803-779-4721

National USPAP Update 2006 (7/7)
New FNMA Forms (7/7)
Property Inspection for Appraisers (7/7)
Six Critical Problems that Appraisers Face (7/7)

Western Piedmont Community College

200 East College Drive
Morganton, NC 28655
828-438-6100

Appr Mfg, Modular & Mobile (A) (14/14)
Income Capitalization (A) (7/7)
Income Capitalization (B) (7/7)
Maximizing Value (4/4)
Mfg, Modular & Mobile (7/7)
Narrative Appraisal Report Writing (14/14)
National USPAP Update 2006 (7/7)
New FNMA Forms - Multifamily (7/7)
New FNMA Forms - Single Family (7/7)
Principles & Techniques for Determining
Market Adjustments (7/7)

World Savings

4101 Wiseman Boulevard
San Antonio, TX 78251
210-543-5464

Appraisal Review 2 (8/8)
Appraising in a Changing Market (4/4)
Appraising the High End Home (8/8)

Worldwide Employee Relocation Council

1717 Pennsylvania Ave. NW #800
Washington, DC 20006-4665
202-857-0857

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

Board Meeting Schedule 2007 Meetings

February 20
March 20
April 17
May - no meeting
June 12
July 17
August 21
September 18
October - no meeting
November 6
December 11

Note: Meetings begin at 9:00 am at the Board's office and will continue to the following day if needed.

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.

CHANGE OF ADDRESS

Effective July 1, 2007 all correspondence to the Board should be sent to our physical address. We will no longer receive mail at our post office box. Please update your records and send all future correspondence to:

**North Carolina Appraisal Board
5830 Six Forks Road
Raleigh, NC 27609**

Continuing Education Reminder

The current two-year continuing education cycle runs July 1, 2005 - June 1, 2007. In order to renew your registration, license or certificate, continuing education must be completed by June 1, 2007. Board Rule 57A.0204 (b) requires trainees, licensees and certificate holders to complete their continuing education courses by June 1st of odd-numbered years. The continuing education requirement in odd-numbered years is 28 hours with 7 of the 28 hours being the National USPAP course. Please keep in mind that you may complete up to 14 hours of approved online continuing education per 2-year continuing education cycle. Registered trainees who were initially registered with the Board after January 1 of an odd numbered year will not be required to show continuing education credit for renewal of their registration in that odd numbered year. Appraisers residing outside of North Carolina who are licensed or certified by reciprocity must submit an original letter of good standing from their resident state along with their renewal. The 7-hour National Uniform Standards of Professional Appraisal Practice (USPAP) update course may be taken once for each edition of USPAP.

4,800 copies of this document were printed at a cost of \$.50 per copy.

**NORTH CAROLINA
APPRAISAL BOARD**
5830 Six Forks Road
Raleigh, NC 27609

PRESORTED STD
U.S. Postage
PAID
Permit No. 1978
RALEIGH, NC