



# NORTH CAROLINA APPRAISAL BOARD

## APPRAISER REPORT

Volume 14

September 2004

Number 2

## Board Elects Officers

Henry E. Faircloth of Salemburg has been elected Chairman of the Appraisal Board for 2004-2005. Mr. Faircloth was first appointed to the Board on July 1, 1991, and has served continuously on the Board to the current date. He led the Board as Chairman in the Board's first year as an autonomous agency in 1995-1996 and has served as Chairman on two additional occasions in 1998-1999 and 2001-2002.



**Henry E. Faircloth**

Mr. Faircloth is the Board's only public member, as required by state statute, and has been appointed to each term upon the recommendation of the President Pro Tempore of the North Carolina Senate. He has a great deal of real estate appraisal expertise

by having served on the Board for this record-breaking term.

Mr. Faircloth has been a building contractor for over thirty years and owns a construction company, which specializes in commercial construction. He is on the Board of Trustees for Sampson Community College and is very active in both civic and community affairs. He and his wife, Faye, make their home in Salemburg.

Earl M. Worsley, Jr. of Wilmington has been elected Vice-Chairman of the Appraisal Board for 2004-2005. Governor Michael F. Easley appointed Mr. Worsley to the Board in 2003 for a term which expires June 30, 2006.

Mr. Worsley is a state-certified general appraiser and holds the professional designation of M.A.I. from the Appraisal Institute. Mr. Worsley is a North Carolina real estate broker with the CRE designation and has been active in the National Association of Realtors through its

local Board in Wilmington. He is a native of Pitt County and a graduate of East Carolina University. Mr. Worsley formed the Worsley Real Estate



**Earl M. Worsley, Jr.**

Company in 1995 to concentrate as an advisor and consultant in various real estate ventures. Mr. Worsley has many years of experience in real estate appraisal, brokerage and also in real estate investment and development. Mr. Worsley also formed Worsley Investment and Development, LLC and is very active in the investment and development of real estate in eastern North Carolina.

Mr. Worsley is married to Charlotte Wilson Moseley and they have one son, William Earl Worsley. □

## Board Members Reappointed

Governor Michael F. Easley has recently reappointed three Board members for further service on the Board.

**Charles K. Hinnant** was reappointed to a three-year term to expire June 30, 2007. Mr. Hinnant is a state-certified general appraiser from Kenly and has served on the Board since April 2002.

**E. Ossie Smith** was reappointed to a three-year term to expire June 30, 2007. Mr. Smith is a state-certified general appraiser from Oxford and has served on the Board since September 1995.

**J. Vance Thompson** was reappointed to a three-year term to expire June 30, 2007. Mr. Thompson is a state-certified residential appraiser from Elkin and has served on the Board since March 1998.

President Pro Tempore of the Senate, Mark Basnight, reappointed a member for further service to the Board.

**Henry E. Faircloth** was reappointed to a three-year term to expire June 30, 2005. Mr. Faircloth is the Board's only public member and has served on the Board continuously since July 1991. □

## New Board Legal Counsel

The Attorney General's Office has confirmed that Roberta Ouellette has been assigned as Legal Counsel to the Board effective August 2, 2004. Ms. Ouellette previously served the Board in this capacity for eight years. For the past year, she represented the Department of Transportation in condemnation litigation. She is a graduate of the University of New Hampshire and the University of Maine School of Law.

Ms. Ouellette will serve as General Counsel for the Board and will also be responsible for the prosecution of disciplinary actions. □

# 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 *Appraiserreport*.

## NORTH CAROLINA APPRAISAL BOARD

### Mailing Address:

P.O. Box 20500  
Raleigh, North Carolina 27619-0500

### Street Address:

3900 Barrett Drive, Suite 101  
Raleigh, North Carolina 27609  
Phone: 919/420-7920  
Fax: 919/420-7925

### Website:

www.ncappraisalboard.org

### Email Address:

ncab@ncab.org  
Michael F. Easley, Governor

## APPRAISAL BOARD MEMBERS

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

## STAFF

- Philip W. Humphries, *Executive Director*
- Roberta A. Ouellette, *Legal Counsel*
- Matthew W. Green, *Deputy Director*
- Donald T. Rodgers, *Deputy Director*
- Donna K. Krites, *Investigator*
- Preston "Buddy" Tucker, *Investigator*
- Kim N. Giannattasio, *Administrative Assistant*
- Lynn White, *Appraiser Secretary*
- Paula Ford, *Appraiser Clerk*

## APPRAISER COUNT

(As of August 5, 2004)

Trainees .....	1099
Licensed Residential .....	361
Certified Residential .....	1787
Certified General .....	907
Total Number .....	4154

## APPRAISER EXAMINATION RESULTS

February - June 2004

Examination	Total	Passed	Failed
Trainee	211	156	55
Licensed Residential	32	26	6
Certified Residential	66	34	32
Certified General	11	7	4

Examinations are administered by a national testing service. For information, please contact the North Carolina Appraisal Board in writing at P.O. Box 20500, Raleigh, NC 27619-0500.

# Supervision of Trainees

The Board enacted rules effective August 1, 2002 that set out the responsibilities of a supervising appraiser, and has published those rules on several occasions. Rule 21 NCAC 57A .0407 lists seven conditions that must be met by the supervisor. The Board is concerned that two of these rules are not being followed by an alarming number of supervising appraisers.

Supervisors must accompany trainees on the first 50 appraisals performed under that person's supervision. The only appraiser who can accompany the trainee as supervisor is the appraiser who signs the appraisal report as supervisor.

Even after the trainee has performed 50 appraisals, when the subject property is located more than **50 miles** from the supervisor's primary business address, the supervisor **must accompany** the trainee on all inspections. The supervisor cannot meet this requirement by inspecting the property before or after the trainee performs the inspection.

When these rules are not followed, the supervising appraiser is subject to disciplinary action and the trainee will be denied experience credit for those appraisal reports.

The complete rules are available by accessing the Board's website at www.ncappraisalboard.org and clicking on the rules. All supervising appraisers and registered trainees are encouraged to carefully read this rule and make sure that its conditions are followed.

## Requirements Regarding Instructor Videos

The North Carolina Appraisal Board has adopted Rules concerning requirements for Instructors and Course Providers to submit videotapes of actual in class teaching of approved courses in prelicensing and continuing education.

Reference is made to Rule 21 NCAC 57B.0306 (d) which states that upon request of the Board, an instructor or proposed instructor **must** submit to the Board a videotape in a manner and format which depicts the instructor teaching portions of a prelicensing course specified by the Board. Also, reference is made to Rule 21 NCAC 57B.0606 (8) which states the course sponsor **must** submit to the Board a videotape in a manner and format which depicts the instructor teaching portions of any continuing education course specified by the Board.

Upon the receipt of written information such as complaints or course evaluations whereby the basic teaching skills of an instructor come under question and whereby there are grounds to investigate whether an instructor is meeting the requirements as outlined in 57B.0606, the Board will be requested by legal counsel to exercise the options listed under 57B.0306 (d) and 57B.0606 (8) to request a videotape. The request from legal counsel to the Board will consist of a brief written summary of information that documents the reason for the requested action.

A committee consisting of two Board Members, the Executive Director and the Deputy Director of Education may view the submitted data and make a recommendation to the full Board of what action to take concerning the instructor. This recommendation may be (1) no action required (2) send a letter of warning outlining noted inconsistencies with the requirements and (3) open a formal complaint and call the instructor and or provider to a hearing.

If the matter goes to a hearing, the Board Members who served on the committee may hear the case. However, the instructor will be advised of the Board Members on the committee and may elect to not have these members participate in the hearing. Such an election must be made in writing and presented to the Legal Counsel at least 5 calendar days prior to the scheduled hearing.

Adopted by Board 6/16/04

# New Education Requirements

The Appraiser Qualifications Board (AQB) is an independent board of The Appraisal Foundation. The provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 mandates that the AQB establish minimum education, experience and examination requirements for real property appraisers to obtain a state certification.

States are required to implement appraiser certification requirements that are **no less** stringent than those issued by the AQB but may adopt **more** stringent requirements. The AQB has made **major changes** in the education requirements for licensed residential, certified residential and certified general appraisers that the North Carolina Appraisal Board **must** adopt.

The following charts illustrate the qualifying education and formal education requirements that currently exist and the **new requirements**.

Qualifying Education		
	Existing	New
<b>Registered Trainee</b>	90 Hours	90 Hours
<b>Licensed Residential</b>	90 Hours	150 Hours
<b>Certified Residential</b>	120 Hours	200 Hours
<b>Certified General</b>	180 Hours	300 Hours

Formal Education		
	Existing	New
<b>Registered Trainee</b>	None	None
<b>Licensed Residential</b>	None	None
<b>Certified Residential</b>	None	*Associates Degree or 21 semester hours of required courses
<b>Certified General</b>	None	*Bachelors Degree or 30 semester hours of required courses

\* Degree or courses must be from an accredited college, junior college, community college or university. The 21 or 30 semester hours are core curriculum courses specifically stipulated in English, economics, finance, math, computers and business/real estate law.

The date the new requirements become effective is **January 1, 2008**. This beginning date has been interpreted by the AQB to mean that an applicant **must** meet this new criteria to qualify to take an exam after January 1, 2008. The

main key to remember is that if you **have not passed the exam** for the applied for classification of licensure by January 1, 2008, you **must** meet the new education requirements.

If an applicant has met the existing requirements and has been issued an exam ticket in say mid 2007 and takes the exam in November 2007 but fails, waits the required minimum of 30 days and takes the exam in December 2007 but fails a second time, the applicant will be required to meet the new requirements and not allowed to take the exam after January 1, 2008 until the new requirements are met. In this scenario, the applicant would be required to add the additional hours of qualifying education and also have the minimum formal education requirements to qualify to take the exam.

Remember, the education requirements that must be met to qualify to take an exam are based on the exam date and **not the application date or the date of the exam approval form**.

The Board realizes that it takes a minimum of two calendar years of experience for certified residential and two and one-half calendar years of experience for certified general and that the process of obtaining both experience and education take a considerable period of time. Therefore, every effort will be made to have in place the required course curriculum for the new qualifying education requirements by July 1, 2005. It is anticipated that the existing R-1, R-2 and R-3 courses and also the existing G-1, G-2 and G-3 courses will remain the same. The licensed residential will require that 60 hours be added, certified residential will require 80 hours be added and certified general will require 120 hours be added. Courses with approved course content to meet the AQB requirements are a top

priority for these additional required hours so that Board approved course sponsors and schools will have time to add and implement these changes.

Appraisers with current licensure or certification before January 1, 2008 will not be subject to these new requirements as long as you remain current and in good standing with your licensure or certification.

This is a drastic change from the original criteria adopted by the AQB in March 1991 and revised in 1998 to add the 15-hour USPAP course. The Board will continue to provide timely information and work with course sponsors, schools and approved instructors to bring about this required change in a systematic manner. □

## Renewal Information

The Board just completed the renewals for the 2004-2005 cycle and you should have received your new pocket card provided you sent your renewal form with proper payment in on time. **No** continuing education was required to renew for this cycle; but remember to renew next year by June 30, 2005, you **must** have completed 28 hours of approved education with 7 of the 28 hours being the National 7-Hours USPAP Update or equivalent. You may go to the Board web site at **www.ncappraisalboard.org** and click in the left margin under appraisers only to access your record which will indicate the current hours of education you have been credited. This data is updated monthly at the end of the month. Remember that your pin number is the last four digits of your social security number. You are encouraged to plan ahead in obtaining the required 28 hours and not wait until the last few months. Approved continuing education courses are also available from the website by clicking in the left margin under education. This is your responsibility and no notices will be sent to you concerning other education credits. □



# Approved Continuing Education Courses

(As of August 5, 2004)

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.

<b>JOSH TUNNELL, JR.</b> P.O. Box 554 Elizabeth City, NC 27907-0554  National USPAP Update (7/7) Working with Underwriters (7/7)	(252) 335-5219	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: Splcd Topics & (16/16) 710 Condemnation Appr: Basic Prin & (15/15) 720 Condemnation Appr: Adv Topics & (15/15) 800 Separating Real & Personal (15/15) 810 Computer-Enhanced Cash F (15/15) Analyzing Commercial Lease c (7/7) Appr Consulting: A Solutions Appr (7/7) Appraising Manufactured Housing (7/7) Appraising the Tough Ones (7/7) Avoiding Liability as a Residential Appraiser (7/7) Energy Prrfmnc & Commc Prpr (7/7) Gen Demo Appr Rpt Writing Sem (7/7) Intro to Income Capitalization (7/7) Mathematically Modeling Real Est (7/7) O/L 320: General Applications (7/7) O/L Analyzing Distressed RE (4/4) O/L Analyzing Operating Expen (7/7) O/L Appraisal of Nursing Facilities (7/7) O/L Appraising from Blueprints (7/7) O/L Feasibility, Mkt Value, Investment (7/7) O/L Internet Search Strategies for R (7/7) O/L Intro to GIS Apps for RE App (7/7) O/L Overview of RE Appr Princip (7/7) O/L Res Design & Functional Uti (7/7) O/L Res Property Construction & In (7/7) O/L Sm Hotel/Motel Val: Lmtd 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) Rd Less Traveled: Spl Purpose Pr (7/7) Res Demo Appr Report Writing S (7/7) Scope of Work: Expanding Range (7/7)		<b>CARTERET COMMUNITY COLLEGE</b> 3505 Arendell Street Morehead City, NC 28557  Mold Inspection & Remediation (4/4)	(252) 222-6127
<b>ALAMANCE COMMUNITY COLLEGE</b> P.O. Box 8000 Graham, NC 27253  Appraising Small Residential Income Properties (10/10) Intro to Commercial Real Estate (4/4) New Exstg Residential Codes Affecting RE Appr (10/10) Real Estate Finance (4/4)	(336) 578-2002		<b>CCIM INSTITUTE</b> 430 N Michigan Avenue, 8th Floor Chicago, IL 60611-4092  C1101 Fin Analysis Comm Invest (30/30) C1102 Market Analysis Comm In (30/30) C1103 User Decision Analysis Comm (30/30) C1104 Invest Analysis Comm Inv (30/30) Introduction to Com Investment RE An (12/12)	(312) 321-4473	
<b>ALLEN TATE SCHOOL OF REAL ESTATE</b> —A DAN MOHR SCHOOL 6632 Fairview Road Charlotte NC 28210  Mfg/Mod Homes & Real Property (7/7) National USPAP Update (7/7) New Rules & Regs FHA/HUD (14/14) Residential Construction Seminar (14/14) Staying Out of Trouble - NC Ap (7/7)	(704) 362-2296		<b>CLARK REALTY SEMINARS</b> P.O. Box 61083 Virginia Beach, VA 23462  National USPAP Update (7/7) RE Environmental Concerns (7/7)	(888) 316-7182	
<b>ALLSTATE HOME INSPECTION TRAINING INSITITUTE</b> Route 1, Box 130 Randolph Center, VT 05061  Environmental Awareness Seminar (8/8) FHA Test Preparation (8/8) Introduction to Home Inspection (8/8) USPAP Refresher (8/8)	(800) 245-9932		<b>CLE INTERNATIONAL</b> 1620 Gaylord Street Denver, CO 80206  Eminent Domain (13/13)	(303) 377-6600	
<b>AMERICAN SCHOOL OF REAL ESTATE APPRAISERS</b> P.O. Box 275 Cherryville, NC 28021  National USPAP Update (15/15)	(704) 435-1111		<b>DAN MOHR RE SCHOOLS</b> 1400 Battleground Avenue, Suite 150 Greensboro, NC 27408  Depreciation Workshop (7/7) Environmental Hazards-Residential Prop (7/7) Extraction of Data from Market Res (7/7) HP 12C Course (7/7) Intro to Residential Construction (30/30) Mfg/Modular Homes & Real Property Appr Review (7/7) National USPAP Update (7/7) Res Appr & Conventional Underwriting Guide (7/7) Residential Construction Cost (7/7) Residential Construction Seminar (14/14) Rules & Regs FHA/HUD Requirements (14/14) Staying Out of Trouble - NC Ap (7/7) The Narrative Appraisal Report (7/7) Using Streamlined Appraisal Report Forms (7/7)	(800) 639-9813	
<b>AM SOC FARM MANGRS &amp; RURAL APPRAISERS</b> 508 S. Cherry Street, Suite 508 Denver, CO 80222  A-12 Part 1 ASFMRA Code of Ethics (7/7) A-12 (III) National USPAP Update (7/7) Eminent Domain A-25 (19/19) Highest & Best Use A-29 (15/15) Advanced Appraisal Review A-35 (49/30) Advanced Resource Appraisal A-34 (30/30) Appraising Agricultural Land in Transition (8/8) Appraising Broiler Grower Far (16/16) Appraising Rural Residential Properties (15/15) Rural Business Valuation (16/16) Yllw Bk—Uniform Standards for Fed Land Acq (8/8)	(303) 758-3513	<b>APPRAISAL INSTITUTE, NC CHAPTER</b> 2306 W. Meadowview Road, Suite 101 Greensboro, NC 27407  Appraising in NC (4/4) New Tech for RE Appr: Cool Tools (4/4)	(336) 297-9511		
<b>AM SOCIETY OF APPRAISERS NC CHAPTER</b> 159 Lake Ellen Drive Chapel Hill, NC 27514  National USPAP Update (7/7) The Appraisal of Small Subdivisions (7/7) Using Marshall & Swift/Res Prop (7/7)	(919) 942-2544	<b>APPRAISAL.COM</b> 334 Harris Hill Road Buffalo, NY 14221  NOVA for Appraisers (7/7)	(716) 633-2428		
<b>APPRAISAL ACADEMY (THE)</b> 3802 N. University Street Peoria, IL 61614  Limited Res Appr Assignment (4/4)	(309) 681-8100	<b>ASHEVILLE-BUNCOMBE TECH CC</b> 340 Victoria Road Asheville, NC 28801  National USPAP Update (7/7) PDH RE - Basic Surveying (5/5) The UDO: Regulating RE Use & Dev (4/4)	(828) 254-1921		
<b>APPRAISAL INSTITUTE</b> 550 W. Van Buren Street, Suite 1000 Chicago, IL 60607  320 General Applications (39/30) 330 Apartment Appr: Cncpts & (14/14) 400 National USPAP Update (7/7) 410 National USPAP (15/16) 420 Business Practice and Ethic (7/7)	(312) 335-4236	<b>BILL GALLAGHER SCHOOL OF REAL ESTATE</b> 380 Knollwood Street, Suite 420 Winston-Salem, NC 28103  Intro to Residential RE Investment (7/7) The Appraiser As An Expert Witness (7/7)	(888) 778-1245		
		<b>BOB IPOCK &amp; ASSOCIATES, INC.</b> 1218 Heatherloch Gastonia, NC 28054  National USPAP Update (8/8)	(704) 807-1985		
		<b>BRUNSWICK COMMUNITY COLLEGE</b> P.O. Box 30 Supply, NC 28462  Manufactured Homes (7/7)	(910) 754-6900		

# Approved Continuing Education Courses

## EMPLOYEE RELOCATION COUNCIL

1717 Pennsylvania Avenue NW #800  
Washington, DC 20006-4665 (202) 862-4236

Relocation Appr Training Prog (6/6)

## FOUNDATION OF RE APPRAISERS

2140 W. Chapman Avenue #107  
Orange, CA 92868 (714) 935-1161

National USPAP Update (7/7)

## HIGNITE TRAINING SERVICE

208 Gloria Street  
Greenville, NC 27858 (252) 756-7288

Appraisal FAQ's (14/14)

National USPAP Update (7/7)

The Review and The Reviewer (7/7)

## INSTITUTE OF GOVERNMENT, UNC CHAPEL HILL

Knapp Building, CB#3330  
Chapel Hill, NC 27514 (919) 966-4157

Appr of Commercial Prop in a

Declining Market (7.5/7)

Appraisal of Land (30/30)

Assessment Administration (30/7)

Fundamentals of Assessment Ratio Studies (16/16)

Fundamentals of Mass Appraisals (30/30)

IAAO 101: Fundamentals of Real Prop (30/30)

IAAO 102: Inc Approach to Valuation (30/30)

Income Approach to Valuation II (30/30)

Marshall & Swift - Commercial (13/13)

Principles & Techniques of Cadestral Mapping (30/30)

Residential Modeling Concepts (30/30)

## INTERNATIONAL RIGHT OF WAY ASSOCIATION

19750 S. Vermont Avenue, Suite 220  
Torrance, CA 90502-1144 (213) 538-0233

103 Ethics & Right of Way Profession (8/8)

403 Easement Valuation (8/8)

801 Land Titles (10/10)

## JOHNSTON CC

P.O. Box 2350  
Smithfield, NC 27577 (919) 934-3051

Appraisal 2004 (7/7)

I've Got This House (7/7)

Manufactured Homes (7/7)

National USPAP Update (7/7)

## LENOIR CC

P.O. Box 188  
Kinston, NC 28502-9946 (252) 527-6223

Appraising Manufactured, Modular, &  
Mobile (A) (7/7)

Appraising Manufactured, Modular, &  
Mobile (B) (7/7)

Challenging the Appraisal (4/4)

Cost Approach Marshall & Swift (7/7)

Income Capitalization (A) (7/7)

Income Capitalization (B) (7/7)

Maximizing Value (4/4)

National USPAP Update (7/7)

NC Rules & Regulation Update (7/7)

Pricing Complex Properties (4/4)

Pricing Small Income Properties (4/4)

Principles/Techniques Val 2-4 Unit  
Residential (14/14)

USPAP & NC Rules & Regulations for App (15/15)

## M CURTIS WEST

P.O. Box 947  
Zebulon, NC 27597 (919) 217-8040

USPAP 2002/2003 (7/7)

## McKISSOCK APPRAISAL SCHOOLS

P.O. Box 1673  
Warren, PA 26365 (814) 723-6979

2-4 Family Finesse: Appraising Multi-  
Family Properties (7/7)

Appr For the Secondary Market (7/7)

Appraising High Value Residential  
Properties (7/7)

Appraisal Review (7/7)

Appraiser Liability (7/7)

Appraising the Oddball (7/7)

Does My Report Comply with USPAP? (7/7)

Legal Issues for Appraisers (7/7)

Lmtd Apprs & the Scope of Wk D (7/7)

Made in America: Appraising Factory  
Built Housing (7/7)

National USPAP Update (7/7)

National USPAP (15/15)

O/L Appr for the Secondary Market (7/7)

O/L Appraiser Liability (7/7)

O/L Construction Details & Trends (7/7)

O/L Factory-Built Housing (7/7)

RE Damages: Assessment & Testi (7/7)

Real Estate Fraud & Appraiser's Role (7/7)

Residential Construction (7/7)

Residential Construction (7/7)

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## NCSU FORESTRY ED OUTREACH PROGRAM

Campus Box 8003  
Raleigh, NC 27695 (919) 515-3184

Accurate Forest Inventory (16/16)

Applied Intermediate GIS - Foresters (15/15)

Conservation Design: Greener Comm (14/7)

DItn of Pdmnt & Cstl Pln Jrtd (30/30)

Introduction to Applied GIS-Foresters (15/15)

Introduction to Applied GPS-Foresters (13/13)

## NCSU SOIL SCIENCE DEPT

Campus Box 7619  
Raleigh, NC 27695 (919) 513-1678

Basics of On-Site Sewage (7/7)

Getting the Dirt on Soils (7/7)

On-Site System Tech Refresh (7/7)

Septic System Options for Diff (14/14)

Wastewater in the Environment (7/7)

Wells & Septic Systems (4/4)

## REALTECH.COM

4819 Drummond Drive  
Wilmington, NC 28409 (910) 352-9693

National USPAP Update (7/7)

## STACEY P. ANFINDSEN

1145-E Executive Circle  
Cary, NC 27511 (919) 460-7993

Appraisal Process and Val of  
Residential Prop (4/4)

National USPAP Update (7/7)

Smry Frm Rptng & Cmplnce W U (4/4)

## SURRY CC

P.O. Box 304  
Dobson, NC 27017 (910) 386-8121

Fannie Mae Updated Prop & App (8/8)

Home Inspections & Common De (4/4)

Is the Comparable Comparable (8/8)

Mobile Mfg Homes & Types of M (4/4)

National USPAP Update (7/7)

Reviewing a Residential Appraisal (8/8)

Testing Highest & Best Use (8/8)

## T H HUNTER & ASSOCIATES, INC.

1908 Sterling Road  
Charlotte, NC 28209 (704) 372-5855

Appraiser as an Expert Witness (7/7)

Intro to Res RE Investment (7/7)

Land, Res & Com Investment St (7/7)

Understanding Appraiser Liability (7/7)

## TRIANGLE APPRAISAL & REAL ESTATE SCHOOL

4024 Barrett Drive #204  
Raleigh, NC 27609 (919) 782-2084

Manufactured Home Construction (7/7)

National USPAP Update (7/7)

North Carolina Rules (7/7)

## WENDELL HAHN & ASSOCIATES

P.O. Box 245  
Columbia, SC 29250 (803) 779-4721

Appraisal Update (7/7)

FHA Guidelines 2001 (7/7)

National USPAP Update (7/7)

Property Inspection for the App (7/7)

The Modern Appraisal Office - Part I (7/7)

The Modern Appraisal Office - Part II (7/7)

Tools or Toys - Technology For (7/7)

## WESTERN PIEDMOND COMMUNITY COLLEGE

1001 Burkemont Avenue  
Morganton, NC 28655 (828) 438-6104

Appraising Manufactured, Modular & Mobile (14/14)

Income Capitalization (A) (7/7)

Income Capitalization (B) (7/7)

Maximizing Value (4/4)

Manufactured, Modular & Mobile (7/7)

National USPAP Update Course (7/7)

Pricing Complex Properties (4/4)

USPAP & NC Rules and Regulations for App (15/15)

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# 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.

**Jack Baber (Asheville)**—By consent, the Board suspended Mr. Baber's residential certification for a period of 6 months, effective April 15, 2004. The first 30 days of the suspension are active, and the remainder is inactive. Mr. Baber is also required to take and satisfactorily complete a course in Appraiser Liability and a course in How to Supervise a Trainee. The Board found that Mr. Baber and a trainee under his supervision appraised a property located in Etowah, NC in June 2002, finding an appraised value of \$143,900. The property was a 20-year-old 1372 square foot ranch with vinyl siding. Mr. Baber received an appraisal order on which it was indicated that the customer estimated value at \$144,000. Mr. Baber did not use any comparable sales from within the subject subdivision, and his nearest comparable sale was 2.62 miles from the subject. All comparable sales were in a superior location. Mr. Baber indicated that he did not use neighborhood sales because of the size difference between them and the subject, but there were at least 2 neighborhood sales that were closer in size to the subject than the sales selected by Mr. Baber. Of the five comparable sales within the neighborhood, the highest purchase price was \$83,500.

**Berthadale Best (Surf City)**—By consent, the Board suspended Ms. Best's residential certification for a period of 6 months, which shall be inactive since she completed the 15-hour National USPAP course and a course in Sales Comparison. The Board found that Ms. Best appraised a property located in Jacksonville, NC in February 2003, finding an appraised value of \$92,000. The subject property is located in a subdivision that has a newer section and an older

section. The older section predominantly consisted of brick/sided one-story homes approximately 40 years of age. The subject property is located in the older section of the subdivision; it is a forty-two (42) year old home with a GLA of 1,180 square feet. It does not have a garage or fireplace. Ms. Best used four comparable sales in her appraisal report. Sale Nos. 1, 3 and 4 were located in the newer area of the subdivision. She made adjustments to her comparables sales for garages and for fireplaces, none of which were supported by any documentation in her work file. Those homes were larger in GLA. The only comparable sale used by Ms. Best which was similar to the subject both in age and size was Sale No. 2, which was forty-two years of age and had 1,025 square feet. Sale No. 2 sold for \$79,500.

**Bryan Bishop (Clemmons)**—By consent, the Board suspended Mr. Bishop's residential certification for a period of two and a half years effective July 1, 2004. If Mr. Bishop takes three courses by July 5, 2005, only the first year of the suspension will be active. Mr. Bishop stipulated that during 2000 and 2001, he performed appraisals of three residential properties in Forsyth County, North Carolina. One of the properties was a four-unit residence converted from a single family home built in 1915. Mr. Bishop prepared his appraisal report on a form designed for the appraisal of single-family homes. In his report, Mr. Bishop incorrectly identified the nonconforming nature of the use of the property as legal under the zoning code. He identified a number of sales as comparable to the subject, but failed to make correct adjustments when comparing those sales to the subject. The other two properties

were single-family residences. In connection with his appraisals of those properties, Mr. Bishop was aware of recent or impending sales of the subjects, but failed to report those sales accurately in his reports. He also failed to analyze those sales. He identified comparable sales for each property but failed to make full and accurate adjustments for the differences. In addition, he failed to discover, identify and analyze other sales closer to the subjects. In each of his three appraisals, Mr. Bishop reported an opinion of value that was unreliable based upon the data reported and analyzed in his appraisals.

**Edmund J. Frank (Charlotte)**—By consent, the Board accepted the permanent voluntary surrender of Mr. Frank's residential certification

**Richard M. Perkins (Asheville)**—By consent, the Board suspended Mr. Perkins' trainee registration for a period of 6 months effective April 15, 2004. The first 30 days of the suspension are active, and the remainder is inactive. Mr. Perkins is also required to take and satisfactorily complete a course in Appraiser Liability and the 15-hour national USPAP course within 6 months of the effective date of the Consent Order. The Board found that Mr. Perkins and a trainee under his supervision appraised a property located in Etowah, NC in June 2002, finding an appraised value of \$143,900. The property was a 20-year-old 1372 square foot ranch with vinyl siding. Mr. Perkins received an appraisal order on which it was indicated that the customer estimated value at \$144,000. Mr. Perkins did not use any comparable sales from within the subject subdivision, and his nearest comparable sale was 2.62 miles from the subject. All com-



# Disciplinary Actions

parable sales were in a superior location. Mr. Perkins indicated that he did not use neighborhood sales because of the size difference between them and the subject, but there were at least 2 neighborhood sales that were closer in size to the subject than the sales selected by Mr. Perkins. Of the five comparable sales within the neighborhood, the highest purchase price was \$83,500 for a structure of 1300 square feet.

**Susan Picado** (Charlotte)—By consent, the Board suspended Ms. Picado's trainee registration for a period of 2 years. The Board found that Ms. Picado, while working under the supervision of a state-licensed appraiser, performed an appraisal on property located in Charlotte, NC in August 2002, finding an appraised value of \$261,000. The appraisal was subsequently reviewed with the review appraisal reflecting a final value of \$140,000 as of October 23, 2002. Ms. Picado indicated that she searched the County GIS system for comparable sales and identified 21 sales that ranged in price from \$155,000 to \$269,000. She typed up the appraisal report prior to receiving a copy of the sales contract, and then inserted the sales price that was stated to be \$132,500, completed the appraisal and delivered it to the client. The client provided Ms. Picado with a revised sales contract a few days later that stated a sales price for the same property of \$261,000. The client asked Ms. Picado to "correct" the appraisal. Based on the sales price, Ms. Picado changed the comparable sales to reflect only those sales which were at the higher end of the range and which would support the purchase price of the property. The subject property was listed for sale from March 15, 2002 to July 16, 2002 for \$149,500 and was withdrawn. The property was re-listed with a different broker on July 16, 2002 for \$144,500. A sales contract

was signed on or about August 13, 2002 and sold on September 17, 2002 for \$132,500. Ms. Picado did not include any references to the prior listings on the appraisal performed on August 23, 2002. She used sales that were not comparable to the subject. In the appraisal report, Ms. Picado stated that the value determined by cost approach was \$126,239, and by the sales comparison approach was \$261,000. She stated in the report that "the cost approach supports the indicated value derived". There were other sales available that were all located on the same street as the subject property; all sold in 2002 and were available for use as sales or pending transactions at the time of the appraisal. Ms. Picado subsequently admitted that the property would be more accurately valued at \$155,000 to \$165,000.

**Viviree P. Scotton** (Durham)—By consent, the Board suspended Ms. Scotton's residential certification for a period of 6 months. The suspension shall be inactive if she takes a 7 hour Sales Comparison Class and a 7 hour Property Inspection class. The Board found that Ms. Scotton performed an appraisal of a property located in Cary, NC in September 2003, finding an appraised value of \$855,000. The subject was under contract for \$850,000 at the time of the appraisal, although there is no evidence that the sale closed. Ms. Scotton included the basement level square footage in the above grade square footage. The subject was marketed at 2,730 square feet with 1,172 square feet of basement of area. There were other sales in the subject neighborhood that were more similar to the subject but were not used.

## New Investigators Employed

Donna K. Krites has been employed by the Board as a new Investigator. A native of Reidsville, Ms. Krites graduated from the University of North Carolina at Greensboro with a bachelor's degree in information systems. She is a State-Certified General appraiser.

Before joining the Board staff, Ms. Krites was employed by the North Carolina Department of Transportation as a staff appraiser. Prior to that, Ms. Krites was associated with Stan Harper and Associates in Reidsville as a residential appraiser. She comes to the Board with eleven years of full-time appraisal experience.



**Donna K. Krites**

Preston "Buddy" Tucker has been employed by the Board as a new Investigator. A native of Wake County,

Mr. Tucker attended Wake Tech Community College and Chowan College. He was a certified police officer for over twenty years and is a State-Certified Residential appraiser.



**"Buddy" Tucker**

Before joining the Board staff, Mr. Tucker owned and operated Tucker Appraisal Services in Cary and has worked as an appraiser with other firms since 1990. He comes to the Board with fourteen years of appraisal experience.

In their new positions, both will be responsible for processing complaints against appraisers by examining appraisal reports and performing field investigations. They also will be conducting unannounced audits of appraisers and their files. □

# North Carolina Appraisal Board Fee Schedule

**2004-2005**

Application Fee	\$150
Temporary Permit	\$150
License History	\$10
Equivalent Continuing Education	\$50
Original Continuing Education Course	\$100
Annual Renewal Fee for Licensees	\$200
Late Filing Fee (monthly)	\$5
Original Equivalent Qualifying Trade	\$300
Renewal Fee - Trade Organization	\$50
Prelicensing Private School	\$40
Renewal Fee - Private Schools	\$20
Renewal Fee - CE Course	\$50
Reinstatement	\$150
Returned Check Fee	\$20
National Registry	\$45
Licensee Roster	\$10
Licensee Roster by County	\$5
Duplicate Certificates, pocketcards	\$5
Instructor Training Video	\$150

*Fees are waived for Community Colleges, State and Federal Agencies*

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**NORTH CAROLINA  
APPRAISAL BOARD**  
P.O. Box 20500  
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