

BEFORE THE IOWA REAL ESTATE APPRAISER EXAMINING BOARD
OF THE STATE OF IOWA

IN THE MATTER OF:

CASE NO. 03-18, 03-26

James O. Anderson
CR01253

STATEMENT OF CHARGES

RESPONDENT

COMES NOW, the Complainant, Susan A. Griffel, and states:

1. Susan A. Griffel is the Executive Officer of the Iowa Real Estate Appraiser Examining Board ("Board") and files this Statement of Charges on behalf of the Board solely in her official capacity.

2. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 543D (2003).

3. Respondent is a certified residential real estate appraiser in Iowa. He was issued Certificate No. CR01253 on January 2, 1992.

4. Certificate No. CR01253 is currently valid and in good standing, and is scheduled to expire on June 30, 2005.

5. Respondent first came to the Board's attention when the Board received a complaint in May 2003 concerning an appraisal report completed by the Respondent on August 5, 2002, regarding the property located at 7245 NW 4th Street, Ankeny, IA 50021.

6. The Board received the expert opinions of a peer reviewer in the form of a Standard Three review of the appraisal report described in paragraph 5, dated July 7, 2003.

7. The review report reveals numerous violations of the Uniform Standards of Professional Appraisal Practice (USPAP). The violations include, but are not limited to the following:

- a. Failed to correctly invoke and report departure. 2-2(b)(xi)
- b. Failure to identify and correctly interpret appraisal problem. 1-1(a).
- c. Failure to adequately identify and report the site description. 1-2(e)(I-iv), 2-2(b)(viii)

- d. Improvements incorrectly described. 1-2(e)(i-iv); 2-2(b)(iii).
 - e. Failure to adequately identify and report physical, functional and external market factors. 1-2(e)(i-v); 2-2(b)(iii),(ix).
 - f. Failure to appropriately value the site. 1-4(b)(i), 2-2(b)(iii)(vii)(ix).
 - g. Failure to collect, verify, analyze and reconcile the cost new of improvements. 1-4(b)(ii), 2-2(b)(iii)(vii)(ix).
 - h. Failure to collect verify, analyze and reconcile accrued depreciation. 1-4(b)(iii), 2-2(b)(iii)(vii)(ix).
 - i. Employed recognized methods and techniques incorrectly. 1-1(a), 2-2(b)(iii)(vii)(ix).
 - j. Failure to collect, verify, analyze, and reconcile comparable sales, adequately identified and described. 1-4(a), 2-2(b)(iii)(vii)(ix).
 - k. Failure to explain and support the exclusion of the Income Approach. 2-2(b)(ix)(xi).
 - l. Failure to consider, analyze and report prior sales in the last 12 months. 2-2(b)(iii)(vii)(ix).
 - m. Failure to consider the quality and quantity of the data in the approaches, the applicability of the approaches and commented in the reconciliation. 1-6(a)(b), 2-2(b)(iii)(vii)(ix).
 - n. Failure to clearly and accurately set forth the appraisal in a manner that will not be misleading. 2-1(a)(b)(c).
 - o. Failure to provide a report containing sufficient information to enable the person(s) who are expected to receive or rely on the report to understand it properly. 1-1(a)(b)(c), 2-1(a)(b)(c).
8. The Board has also received the expert opinions of a peer reviewer regarding additional appraisals (one through complaint and the other two presented to the Board as representative of the Respondent's best work. As more fully itemized in peer review reports, all of the following appraisal reports reveal similar or additional USPAP violations:
- a. Review report dated August 15, 2003, concerning report effective July 11, 2003, 1103 Euclid Avenue, Des Moines, IA.

- b. Review report dated August 15, 2003, concerning report effective July 23, 2003, 3033 Roxboro Drive, Ames, IA.
- c. Review report dated August 15, 2003, concerning report effective August 1, 2003, 1403 Coolidge Drive, Ames, IA.
- d. Review report dated June 25, 2003, concerning report effective May 27, 2003, 1329 23rd Street, Des Moines, Iowa.

9. On the 24th day of September, 2003, the Board found probable cause to file the following charges and to order a hearing in this case:

COUNT I

10. Respondent repeatedly failed to adhere to appraisal standards in the development and communication of appraisals; failed to exercise reasonable diligence in the development, preparation and communication of appraisals; and, demonstrated negligence or incompetence in the development, preparation and communication of appraisals, in violation of Iowa Code sections 543D.17(1)(d), (e), and (f), and 543D.18(1) (2003), and 193F Iowa Admin. Code 7.2 and (5).

WHEREFORE, the complainant prays that a hearing be held in this matter and that the Board take such action as it deems appropriate under the law.

Dated this ____ day of _____, 2003.

Susan A. Griffel, Executive Officer

**BEFORE THE IOWA REAL ESTATE APPRAISER EXAMINING BOARD
OF THE STATE OF IOWA**

IN THE MATTER OF:)

JAMES O. ANDERSON)
CR01253)

RESPONDENT)

CASE NO. 03-18, 03-26

CONSENT ORDER

The Iowa Real Estate Appraiser Examining Board (Board) and James O. Anderson (Respondent) enter into this Consent Order (Order), pursuant to Iowa Code section 17A.10 (2003) and 193F IAC 8.6:

1. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543D, and 272C (2003).

2. Respondent is a certified residential real estate appraiser. He was first certified in Iowa in 1992.

3. The Board filed on even date herewith a Statement of Charges alleging that:

Respondent repeatedly failed to adhere to appraisal standards in the development and communication of appraisals; failed to exercise reasonable diligence in the development, preparation and communication of appraisals; and, demonstrated negligence or incompetence in the development, preparation and communication of appraisals, in violation of Iowa Code sections 543D.17(1)(d), (e), and (f), and 543D.18(1) (2003), and 193F Iowa Admin. Code 7.2 and (5).

4. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights by freely and voluntarily entering into this Order. This Order is the final agency order in the contested case.

5. Respondent agrees the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.

6. This Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.

7. This Order and the Statement of Charges are public records available for inspection and copying in accordance with the requirements of Iowa Code

chapter 22 (2003).

8. Failure to comply with the provisions of this Order shall be grounds for disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2003). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

9. This Order is subject to approval of the Board:

(a) If the Board fails to approve this Order, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter.

(b) If the Board approves this Order, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. Education

Respondent shall complete the following educational courses by ~~May 1, 2004~~. *June 1/04*

- (1) a 15-hour tested USPAP course;
- (2) a 30-hour pre-approved classroom course on the three approaches to value.
- (3) Certificates of completion shall be forwarded to the Board

B. Desk Review

Within 20 calendar days of the date this Order is signed by the Board, Respondent shall enter into a desk review consultation agreement with a desk review appraiser pre-approved by the Board. Respondent shall submit a copy of the consultation agreement to the Board prior to operating under the agreement. The agreement may be in letter-form, but shall attach a copy of the Consent Order to assure the desk reviewer is familiar with the terms of this Order.

Respondent shall select two appraisals per month to have desk reviewed for USPAP compliance. The Respondent shall submit on the tenth day of each month for the preceding month, a monthly log of all appraisals completed, designating those the Respondent submitted to desk review. This requirement shall continue until Respondent is released from desk review as provided in paragraph 3 below.

1. The reviewing appraiser shall perform a desk review of each appraisal report

before the final documents are signed and submitted to the client. The review shall be for facial compliance with USPAP. The reviewer will not perform inspections or warrant the accuracy of Respondent's work product, but will review work papers, calculations and any other documents reasonably needed. Along with draft appraisal reports, Respondent shall provide the reviewing appraiser copies of all documents verifying the accuracy of factual representations in each draft appraisal. The reviewer shall prepare written comments on each appraisal's compliance with USPAP. If the appraisals do reveal significant USPAP violations, the desk review requirement shall continue until further order of the Board and the Board may order additional education or more desk review. No such order will be issued without affording Respondent reasonable notice and an opportunity to request hearing on such additional probationary terms.

2. The reviewer's recommended revisions or corrections, if any, shall be incorporated into each appraisal report prior to releasing the report to the client. The desk reviewer shall notify the Board of any changes or amendments to the desk review which are reflected in the appraisal. The professional assistance of the desk reviewer shall be disclosed in the final report if the reviewer recommends substantive changes. A copy of the reviewer's comments shall be submitted directly to the Board from the reviewer. The comments do not need to be received by the Board prior to the completion of the appraisal assignment. Within ten days of the date each appraisal is finalized, Respondent shall supply the Board with copies of Respondent's initial draft of the appraisal report and the final version of the appraisal report issued following desk review.
3. Respondent may petition the Board for release from the desk review requirement after (a) the education requirement has been satisfied, (b) a minimum of six (6) appraisals have been reviewed, (c) the Board has received copies of all initial and final versions of appraisals that were desk reviewed, and (d) the Board has received copies of all desk review reports. The Board shall release Respondent from desk review if the draft appraisals (i.e., those prepared prior to receiving the reviewer's comments) and review comments do not reveal serious deviations from minimum appraising standards.
4. Respondent may not change desk reviewers without prior written approval by the Board.
5. This settlement shall not preclude the Board from filing additional charges if one or more of the appraisals submitted for desk review demonstrate probable cause to take such an action on an appraisal that was issued to the public. Respondent agrees Board review of desk review reports or appraisals subject to desk review shall not constitute "personal investigation" or otherwise disqualify a Board member from acting as a presiding officer in any subsequent contested case.
6. This settlement shall not preclude the Board from filing additional charges if one

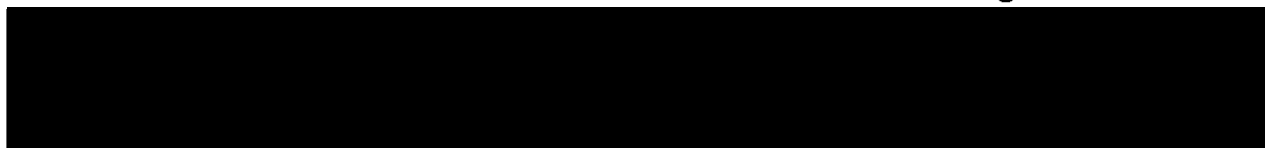
or more of the appraisals subject to desk review demonstrate probable cause to take such an action on an appraisal that was issued to the public. Respondent agrees Board review of desk review reports or appraisals subject to desk review shall not constitute "personal investigation" or otherwise disqualify a Board member from acting as a presiding officer in any subsequent contested case.

7. Until released from the desk review process, Respondent agrees he shall not act as a review appraiser and shall not co-sign appraisals with any other associate or certified appraiser. Respondent shall not supervise the work product of an associate appraiser or unlicensed appraiser until released from desk review.

AGREED AND ACCEPTED:

The Respondent

**The Iowa Real Estate Appraiser
Examining Board**



James O. Anderson

By: Richard Bruce, Chair

01/08/04
Date

01/08/04
Date