

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

---

<b>IN THE MATTER OF:</b>	)	
	)	<b>CASE NO. 03-40A</b>
	)	
	)	
<b>Clair R. Christensen, Jr.</b>	)	
<b>CR02084</b>	)	<b>STATEMENT OF CHARGES</b>
	)	
<b>RESPONDENT</b>	)	

---

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. CR02084 in August 1999.
4. Certificate No. CR02084 is currently valid and in good standing, and is scheduled to expire on June 30, 2006.
5. Respondent first came to the Board's attention in October 2003 when the Board requested a copy of an appraisal completed by the Respondent on 10191 Hwy G24, Indianola, IA, dated 8/5/03. After completion of the Standard 3 Review, the Board asked for a log from the Respondent to select two more appraisals to review for USPAP compliance. They included 7737 77<sup>th</sup> Lane, Indianola, IA and 2909 38<sup>th</sup> Street, Des Moines, IA.
6. The Board received the expert opinion of a peer reviewer in the form of a Standard Three review, dated October 31, 2003, on 10191 Hwy G24, Indianola, IA.
7. The review report revealed numerous violations of the Uniform Standards of Professional Appraisal Practice (USPAP). The violations included:
  - a. Failure to consider and identify the real property interest to be appraised. 1-2(e)(ii), 2-2(b)(iv)

- b. Failure to consider and state all assumptions and limiting conditions that affect the analysis and conclusions of the appraisal. 1-2(g)(h), 2-2(b)(viii)
- c. Failure to adequately identify and report improvement(s) description. 1-2(e)(I-v), 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 identify and consider the effect on value of any personal property, trade fixtures or intangible items that are not real property but are included in the appraisal. 1-4(g), 2-2(b)(iii)(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 consider, analyze and report any current sale, option or listing of the property being appraised. 1-5(b), 2-2(b)(iii)(vii)(ix).
- l. Failure to clearly and accurately set forth the appraisal in a manner that will not be misleading. 2-1(a)(b)(c).

8. The Board received the expert opinion of a peer reviewer regarding additional appraisals selected from the Respondent's log. (specified in paragraph 5) As more fully itemized in peer review reports, the appraisal reports revealed similar or additional USPAP violations including, but not limited to, the following:

- a. Failure to adequately identify and report the site description. 1-2(e)(I-iv), 2-2(b)(iii)
- b. Failure to correctly employ recognized methods and techniques. 1-1(a), 2-2(b)(iii)(vii)(ix)
- c. Failure to consider, analyze and report any current sale, option or listing of the property being appraised. 1-5(a), 2-2(b)(iii)(vii)(ix)
- d. Failure to clearly and accurately set forth the appraisal in a manner that will not be misleading. 2-1(a)(b)(c)

- e. Failure to consider and state all assumptions and limiting conditions that affect the analysis and conclusions of the appraisal. 1-2(g)(h), 2-2(b)(vii)
- f. Failure to identify and report the physical, functional and external market factors as they may affect the appraisal. 1-2(e)(i-v), 2-2(b)(iii)(x)

9. After the Board received the additional two reviews, a letter was sent to the Respondent, dated April 13, 2004. The Board summarized that the Standard 3 Reviews found similar errors in all three reports the Respondent had prepared. The Board left the file open for approximately 90 days and then would select two more reports and give the Respondent the opportunity to improve in the areas specified in the April 13, 2004 letter. In a September 1, 2004 letter to the Respondent, the Board requested a log and then selected three reports to review. They included 603 Caulder Avenue, Des Moines, IA (June 2004 sale) and 603 Caulder Avenue, Des Moines, IA (August 2004 sale) and 430 N. 8<sup>th</sup> Street, Carlisle, IA. As more fully itemized in peer review reports, the appraisal reports revealed similar and additional USPAP violations.

10. On the 7th day of October, 2004, the Board found probable cause to file the following charges and to order a hearing in this case:

**COUNT I**

11. 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 \_\_\_\_\_, 2004.

\_\_\_\_\_  
Susan A. Griffel, Executive Officer  
Iowa Real Estate Appraiser Examining Board

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

---

**IN THE MATTER OF:**

**Clair R. Christensen, Jr.  
CR02084**

**RESPONDENT**

)  
)  
)  
)  
)  
)  
)

**CASE NO. 03-40A**

**CONSENT ORDER**

---

The Iowa Real Estate Appraiser Examining Board (Board) and Clair R. Christensen, Jr. (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 1999.

3. The Board filed a Statement of Charges in connection with six appraisals, 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 543D.18(1) (2003), and 193F Iowa Admin. Code 7.2 (5).

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, 2005:

- (1) a 15-hour report writing course;
- (2) a minimum of 30 hours of pre-approved classroom hours on the three approaches to value.
- (3) Certificates of completion shall be forwarded to the Board
- (4) Respondent may use up to 15 hours of this education on his June 2006 renewal

**B. Probation**

Respondent shall be on probation until further order of the Board. The probationary period shall start the first day of the first full month after the Board signs this Consent Order.

1. Sixty days after the last education course is completed, to allow the Respondent time to incorporate the knowledge gained from the education, the Respondent shall submit a log of all appraisals completed during that time period. The Board shall select three from the log to review for USPAP compliance and improvement in the areas of concern addressed in the Statement of Charges.
2. The Board shall release Respondent from this Consent Order if (1) he has complied with the terms of the Consent Order, and (2) the review reports do not reveal significant USPAP violations. If the review reports do reveal

significant USPAP violations, the probation shall continue for at least another 2 months and two more reports will be reviewed by the Board from a log submitted by the Respondent. If the review reports do not reveal significant USPAP violation, the Board shall release Respondent from probation.

3. This settlement shall not preclude the Board from filing additional changes if one or more of the appraisals submitted for review demonstrate probable cause to take such an action on an appraisal that was issued to the public. Respondent agrees Board review of review reports or appraisals shall not constitute "personal investigation" or otherwise disqualify a Board member from acting as a presiding officer in any subsequent contested case.

**AGREED AND ACCEPTED:**

**The Respondent**



Claire R. Christensen, Jr.

11-26-04

Date

**The Iowa Real Estate Appraiser  
Examining Board**



By: Richard Koestner,  
Chair

December 7, 2004

Date