

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

**IN THE MATTER OF:**

**Lonnie L. Hippen  
CG01469**

**RESPONDENT**

**CASE NO. 05-08**

**STATEMENT OF CHARGES**

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, 2005)
3. Respondent is a certified general real estate appraiser in Iowa. He was issued Certificate No. CG01149 in December 1992.
4. Certificate No. CG01469 is currently valid and in good standing, and is scheduled to expire on June 30, 2006.
5. Respondent came to the Board's attention during an investigation of one of his trainee appraisers. The Board, in response to a complaint, asked the trainee for a log and samples of work product. The Board received appraisal reports for property located at 2520 Merle Hay Road, Des Moines, IA, dated 11/5/04 and 3808 Washington Avenue, Des Moines, IA dated 11/03/04. In January 2005, the Board received another complaint concerning an appraisal report completed by Respondent and a second trainee for property located at 1813 E. 31<sup>st</sup> Street, Des Moines, IA dated 1/29/05. All three appraisal reports were subjected to Standard 3 reviews, and all revealed numerous USPAP violations.

As more fully itemized in each review report, the violations included, but are not limited to:

- a. Failure to adequately 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)
- b. Failure to employ recognized methods and techniques incorrectly. 1-1(a), 2-2(b)(iii)(vii)(ix).

- c. Failure to sufficiently consider the quality and quantity of the data available for the approaches and the applicability and the suitability of the approaches and commented in the reconciliation. 1-6(a)(b), 2-2(b)(iii)(vii)(ix)
- d. Appraiser has rendered appraisal services in a careless or negligent manner. 1-1(c), 2-1(a)(b)(c).
- e. Failure to clearly and accurately set forth the appraisal in a manner that is not misleading. 2-1(a)(b)(c).
- f. Appraisal report does not contain sufficient information to enable the client(s) and intended user(s) who receive or rely on the report to understand it properly. 1-1(a)(b)(c), 2-1(a)(b)(c).
- g. Failure to collect, verify, analyze, and reconcile comparable sales, adequately identified and described. 1-4(a), 2-2(b)(iii)(vii)(ix).
- h. Appraiser has committed a substantial error of omission or commission that significantly affects the appraisal. 1-1(b). 2-1(a)(b)(c)
- i. Failure to collect, verify, analyze and reconcile accrued depreciation. 1-4(b)(3), 2-2(b)(iii)(vii)(ix)
- j. Failure to adequately 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).

On the 14<sup>th</sup> day of June, 2005, the Board found probable cause to file the following charges and to order a hearing in this case:

### COUNT I

Respondent engaged in a practice harmful or detrimental to the public in violation of Iowa Code sections 272C.10(3), 543D.17(1)(d), (e), and (f), and 543D.18(1) (2003, 2005), and 193F Iowa Admin. Code 4.2, and 7.2 (5), and (8), 15.1 and 15.2 by:

(a) failing to exercise reasonable diligence in the development, preparation and communication of appraisals;

(b) demonstrating negligence or incompetence in the development, preparation and communication of appraisals; and,

(c) failing to adequately and competently supervise non-certified appraisers.

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 12<sup>th</sup> day of July, 2005.

[REDACTED]

Susan A. Griffel, Executive Officer



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, 2005).

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, 2005). 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. Reprimand**

Respondent is reprimanded for failure to adequately supervise uncertified appraisers under his supervision.

**B. Civil Penalty**

Respondent shall pay by August 15, 2005, a civil penalty to the Board in the amount of \$500.00.

**C. Remedial Orders**

Respondent shall immediately comply in all respects with the Board's new supervisory administrative rules IAC 193F—15.1, 15.2, 15.3, and 15.4, a true copy of which are attached hereto. Respondent shall refrain from appraising or supervising appraisers outside his sphere of competency, and shall in particular, restrict his practice to geographical areas in which he is familiar enough to competently appraise or supervise the appraisal process.

**AGREED AND ACCEPTED:**

**The Respondent**

[Redacted Signature]

Lonnie L. Hippen

8/12/05  
Date

**The Iowa Real Estate Appraiser  
Examining Board**

[Redacted Signature]

By Karen Oberman, Chair

8/25/05  
Date