

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

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IN THE MATTER OF:	)	
Vernie A. Larson	)	CASE NO. 00-15
	)	
CERTIFICATE NO. CR01820	)	STATEMENT OF CHARGES
	)	
RESPONDENT	)	

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

1. She is the Executive Secretary of the Iowa Real Estate Appraiser Examining Board and files this Statement of Charges solely in her official capacity.
2. The Board has jurisdiction in this matter pursuant to Iowa Code Chapters 17A, 543D, 272C(2001).
3. On January 2, 1996, Vernie A. Larson, the Respondent, was issued an Iowa Real Estate Appraiser Certificate by the Board.
4. The Certificate No. CR01820 is valid.

**COUNT I**

The Respondent is charged with violations of the Uniform Standards of Professional Appraisal Practice (USPAP) in connection with the development of two real estate appraisals pursuant to Iowa Code sections 543D.17(1)(d)(e)(f) and 543D.18(1)(2001) and Iowa Administrative Code 193F-7.1(5).

### **CIRCUMSTANCES**

1. The Respondent prepared and communicated two (2) appraisals for real property identified as 3310 South Lakeport, Sioux City, IA. dated April 12, 2000 and 2013 McDonald Street, Sioux City IA, dated November 29, 2000.

2. The above appraisals were prepared and communicated after the Respondent was issued an Iowa Certified Residential Real Property Appraiser Certificate No. CR01820.

The 3310 South Lakeport, Sioux City, IA report contains deficiencies including, but not limited to the following;

- a. Failure to retain a workfile as required. (Record Keeping Rule)
- b. Failure to consider and identify the intended use of the appraisal 1-2(b) 2-2(b)(ii).
- c. Failure to prominently state the report option used 2-2(b).
- d. Failure to identify and report relevant property characteristics including; location and physical, legal and economic attributes 1-2(e)(i), 2-2(b)(iii).
- e. Failure to collect verify and analyze comparable sales and summarize the reasons that support the analysis, opinions and conclusions 1-4(a), 2-2(b)(ix).
- f. Failure to collect, verify, analyze and reconcile accrued depreciation 1-4(b)(iii), 2-2(b)(ix).
- g. The appraisal report fails to contain sufficient information to enable the person who is expected to receive or rely on the report to understand it properly 2-1(b).

The 2013 McDonald Street, Sioux City, IA. report dated November 29, 2000, contains deficiencies including, but not limited, to the following

- a. Failure to prominently state the report option used 2-2(b).
- b. Failure to consider and identify the intended use of the appraisal 1-2(b), 2-2(b)(ii).
- c. Failure to identify and report relevant property characteristics including; location and physical, legal and economic attributes 1-2(e)(i), 2-2(b)(iii)

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- d. Failure to collect, verify and analyze comparable sales and summarize the reasons that supports the analysis, opinions and conclusions 1-4(a), 2-2(b)(iii).
- e. Failure to collect, verify, analyze and reconcile accrued depreciation 1-4(a), 2-2(b)(ix).
- f. Failure to clearly and accurately set forth the appraisal in a manner that is not misleading 2-1(a).
- g. Appraisal report contains insufficient information to enable the person(s) who are expected to receive or rely on the report to understand it properly. 2-1(b).

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

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IN THE MATTER OF:	)	
	)	
Vernie A. Larson	)	CASE NO. 00-15
	)	SETTLEMENT AGREEMENT AND
Certificate Number CR01820	)	CONSENT ORDER
	)	
RESPONDENT	)	

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The Iowa Real Estate Appraiser Examining Board (Board) and Vernie A. Larson (Respondent) enter into this Settlement Agreement and Consent Order (Agreement) pursuant to Iowa Code sections 17A.10(2001) and 193F IAC 8.6:

1. The Board has jurisdiction of this matter pursuant to Iowa Code Chapters 17A, 543D, and 272C (2001).
2. The Board issued a Statement of Charges against the Respondent on February 20, 2001.
3. Respondent is a certified residential real property appraiser
4. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights, including the right to appeal, by freely and voluntarily agreeing to this Order. Once entered, this Order shall have the force and effect of a disciplinary order entered following contested case hearing.
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 (2001).
8. Failure to comply with the provisions of this Order shall be considered prima facie evidence of a violation of Iowa Code section 543D.17(1) (2001), and shall be grounds for disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2001). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

9. This Agreement is subject to approval of the Board. If the Board fails to approve this Agreement, 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. If the Board approves this Agreement, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. Respondent shall complete the following educational courses by February 1, 2002:

- (1) At least a seven (7) hour course covering the cost approach to value, at least a seven (7) hour course covering the sales comparison approach to value and at least a seven (7) hour course covering report writing.
- (2) Fifteen (15) tested hours of USPAP, successfully passing the exam.
- (3) Documentation of completed education shall be submitted to the Board within ten days of completion of each course. Respondent may not apply the required continuing education to his June 2001 or 2003 renewal.
- (4) Two months after the last course is completed, the Board shall request a log and the Board shall select one or more appraisals for review.

B. Respondent shall restrict his appraisal practice to the appraisal of one to four family residential units.

C. Respondent shall develop a desk review consultation agreement with an Iowa certified real property appraiser in good standing and pre-approved by the Board for a minimum of twenty-five (25) appraisal reports. The effective date of the desk review portion of the Order shall be ten (10) calendar days following the Board's acceptance of this Order. The agreement shall specify that desk review shall be performed by the desk reviewer prior to the release of all appraisals (25) and the desk review requirement is expressly released by the Board, upon Respondent's application to the Board for release from desk review.

- (1) An executed copy of the consulting agreement shall be submitted to the Board within 10 days of the date of this Agreement. The desk review consultation agreement may be in letter form, but must attach a copy of this Consent Order so the desk reviewer is familiar with its precise terms.
- (2) The reviewing appraiser shall perform a desk review of the required number of appraisal reports 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.

- (3) 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 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 written request, Respondent shall supply the Board with copies of requested appraisal reports reflecting both Respondent's initial draft and the final version issued following desk review.
- (4) Respondent may petition the Board for release from this requirement as soon as he (a) submits verification of successful completion of the education described above and (b) has completed desk review for a minimum of twenty-five (25) appraisals. 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. If the draft appraisals or review comments do reveal serious deviations from minimum appraising standards, the review process shall continue until further order of the Board.
- (5) 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. 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) Respondent shall in the future adhere to all statutes and administrative rules in the practice of real property appraising.

**AGREED AND ACCEPTED:**

[Redacted Signature]

Vernie A. Larson  
Respondent  
Board

[Redacted Signature]

Richard E. Bruce, Chair  
Iowa Real Estate Appraiser Examining

*April 20, 2001*