

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

IN THE MATTER OF:)	
)	
Victor K. Lundy)	CASE NO. 04-45
CR01955)	
)	COMBINED STATEMENT OF CHARGES
RESPONDENT)	AND CONSENT ORDER

A. Statement of Charges

1. The Iowa Real Estate Appraiser Examining Board ("Board") has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 543D (2005).
2. Respondent is a certified residential real estate appraiser in Iowa. He was issued Certificate No. CR01995 on September 5, 1997.
3. Certificate No. CR01955 is currently valid and in good standing, and is scheduled to expire on June 30, 2007.
4. The Board received a complaint alleging, among other matters, that an appraisal was not USPAP compliant. The Board reviewed two additional samples of the appraiser's work product and determined that there were USPAP violations. An additional complaint was sent to the Board and USPAP violations were found.
5. Following the investigation, the Board charges Respondent with: (a) failure to adhere to appraisal standards in the development and communication of appraisals, (b) failure 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) (2005), and 193F Iowa Admin. Code 7.2 and (5).
6. The Board and Respondent have agreed to fully resolve these charges through the following Consent Order, rather than proceed to contested case hearing. The Consent Order contained herein represents a compromise settlement of all charges set forth herewith and the Respondent does not admit the statements or allegations herein but is agreeing to a compromise in order to resolve this matter without a hearing or seeking judicial review of this matter.

B. Settlement Agreement and Consent Order

7. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Order. This Consent Order constitutes discipline against the Respondent, and

is the final agency order in the contested case, pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.4.

8. 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.

9. 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 future disciplinary action to be imposed in the event of any future violations.

10. This Combined Statement of Charges and Consent Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2005).

11. Failure to comply with the provisions of this Order shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2005). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

12. 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 June 30, 2006, and shall forward certificates of completion to the Board within 10 calendar days of completion:

- (1) a 15-hour tested USPAP course; and,
- (2) a 30-hour pre-approved classroom course on the three approaches to value.

B. Probation and Desk Review

- (1) Respondent's certificate is placed on probationary status until the terms of this Consent Order have been fully complied with, and Respondent has been released from probation by Board order.

- (2) On or before June 15, 2006, Respondent shall enter into a desk review consultation agreement with a desk review appraiser pre-approved by the Board. The success of desk review depends heavily upon the Respondent selecting a desk reviewer Respondent respects and feels can be fair, reasonable, objective, and free from conflicts of interest. The desk reviewer should be knowledgeable in Respondent's area of practice and should be able to act as a mentor. It is Respondent's responsibility to select his own desk reviewer. The Board's approval of a desk reviewer selected by Respondent shall not be unreasonably withheld.
- (3) Respondent shall submit a copy of the consultation agreement to the Board no later than June 30, 2006. 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.
- (4) By September 1, 2006, Respondent shall submit a total of six appraisal reports to his pre-approved desk reviewer. Respondent may select which appraisal reports he will subject to desk review. The Board suggests that Respondent submit two reports shortly following the completion of education and four additional reports after making any adjustments suggested by the desk reviewer.
- (5) By September 30, 2006, Respondent shall submit to the Board, a copy of the appraisal reports as he submitted them to desk review, a copy of the desk reviewer's review reports, work files on all submitted appraisals, and a copy of any reissued appraisal report.
- (6) For as long as Respondent is on probationary status, he shall submit a monthly log of all appraisals he has completed, providing a written log by the 10th of each month for the preceding month.
- (7) The reviewing appraiser shall perform a Standard Three desk review of each appraisal report submitted by Respondent. 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 appraisal reports and work files, Respondent shall provide the reviewing appraiser copies of all documents verifying the accuracy of factual representations in each draft appraisal.
- (8) The reviewer shall prepare written comments on each appraisal's compliance with USPAP, and shall provide copies of the written comments both to the Board and to Respondent. If the desk reviewer's comments reveal significant USPAP violations that render misleading the previously issued appraisal report, Respondent shall correct and reissue the appraisal report to the client. In the event a report is reissued, Respondent shall disclose the professional assistance of the desk reviewer in the reissued report.

- (9) If the desk review comments and appraisals do not reveal significant USPAP violations and Respondent has complied with all terms of this Consent Order, the Board shall release Respondent from probation. The Board intends the reviews to be educational and shall accordingly give most weight to the latter reviews. The Board shall determine whether to release Respondent from probation at the next Board meeting scheduled after the Board's receipt of all information required under this Consent Order. If the next regularly scheduled Board meeting is more than 45 days following the Board's receipt of all required information, the Board, upon Respondent's written request and upon verification that all terms of the Consent Order have been complied with, shall schedule a telephone meeting so that the initial decision whether to remove Respondent from probation can be made within 45 days following the Board's receipt of all required information.
- (10) If the desk review comments and/or appraisals do reveal significant USPAP violations, the Board shall continue Respondent's probation on such terms as will address the issues revealed in desk review. The Board may accordingly order additional education or desk reviews, or other rehabilitative measures. No such order will be issued without affording Respondent reasonable notice and an opportunity to request hearing on such additional probationary terms.
- (11) Respondent may not change desk reviewers without prior written approval by the Board.
- (12) This settlement shall not preclude the Board from filing additional changes 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.
- (13) 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.
- (14) The dates set forth above provide the deadlines within which education and desk review must be completed. Respondent is free to escalate the time frames by completing the education and desk review earlier than the deadlines. However, at least four of the desk reviews must be completed after Respondent completes all required education.

AGREED AND ACCEPTED:

The Respondent

[Redacted]

Victor K. Lundy

3/30/2006
Date

**The Iowa Real Estate Appraiser
Examining Board**

[Redacted]

Vice-Chair/Iowa Appraiser Board

4/5/06
Date

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

IN THE MATTER OF:)	
)	
)	CASE NO. 04-45
Victor K. Lundy)	
CR01955)	AGREED AMENDMENT TO CONSENT
)	ORDER PROVIDING FOR VOLUNTARY
RESPONDENT)	SURRENDER OF CERTIFICATE

Comes Now the Iowa Real Estate Appraiser Examining Board and Victor Kevin Lundy and hereby agree to amend the Consent Order dated the 5th day of April, 2006, as follows:

1. The Consent Order required Respondent to take a number of actions, including appraisal education and desk review.
2. On the 12th day of December 2006, the Board voted unanimously to charge Respondent with failing to comply with the Consent Order in violation of Iowa Code section 272C.3(2)(a) (2005).
3. Rather than defend the Board's charges, Respondent wishes to voluntarily surrender his certificate as a residential real estate appraiser. In the event Respondent applies to reinstate his certificate, in addition to all other requirements of law, he must demonstrate to the Board's satisfaction that he is fully prepared to comply with the Board's Consent Order dated the 5th day of April, 2006. Such an application may be filed no sooner than one year from the date of this Amended Order.
4. Respondent has a right to a hearing on the new charges, but waives his right to hearing and all attendant rights, including the right to judicial review, by freely and voluntarily entering into this Order. This Amended 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 is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (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) (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; and (b) If the Board approves this Order, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED: Respondent shall surrender his real estate appraiser certification number CR01955 and shall cease all activities as a certified real estate appraiser effective the day this Order is signed by all parties. Respondent shall return his certificate to the Board office within 10 days of the date this Order is signed by all parties. Any application to reinstate must comply with 193 Iowa Administrative Code sections 7.30(3) (notification of clients) and 7.38 (reinstatement).

AGREED AND ACCEPTED:

The Respondent

The Iowa Real Estate Appraiser Examining Board

[Redacted Signature]

Victor K. Lundy

01/03/2007

Date

[Redacted Signature]

Michael Lara, Chair

1.23.2006

Date



STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

THE PERSON NAMED BELOW, HAVING MET THE REQUIREMENTS
AND BEING IN GOOD STANDING IN OTHER RESPECTS, IS ISSUED

A CERTIFICATE AS A
RES. REAL PROPERTY APPRAISER
LUNDY, VICTOR K
CERTIFICATE NO. CR01955

EXPIRES 6/30/2007



STATE OF IOWA

IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING AND REGULATION

THIS IS TO CERTIFY THAT THE BELOW NAMED
HAS BEEN GRANTED A CERTIFICATE AS A
RESIDENTIAL REAL PROPERTY APPRAISER

CERTIFICATE NO. CR01955 EXPIRES: 6/30/2007
LUNDY, VICTOR K
LUNDY APPRAISAL SERVICES
5223 PANORAMA DRIVE
PANORA, IA 50131



STATE OF IOWA

THOMAS J. VILSACK
GOVERNOR
SALLY J. PEDERSON
LT. GOVERNOR

IOWA DEPARTMENT OF COMMERCE
PROFESSIONAL LICENSING & REGULATION

January 22, 2007

COPY

Victor K. Lundy
Lundy Appraisal Services
5223 Panorama Drive
Panora, IA 50131

Dear Mr. Lundy:

On January 22, 2007, the Board chair (Michael Lara) authorized my signature on the Agreed Amendment to Consent Order Providing for Voluntary Surrender of Certificate, which you signed on January 6, 2007. The terms of the Order are now effective. Please read the Order carefully to be sure you understand and comply with all terms of the agreement. I have enclosed a copy of the Order for your review.

Thank you for your assistance in this matter. If you have any questions, please contact me directly at 515.281.7356.

Sincerely,

Sylvia R. King
Executive Officer
Iowa Real Estate Appraiser Board
1920 SE Hulsizer Road
Ankeny, IA 50021