

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

Department of Commerce  
Professional Licensing Bureau  
*May 19, 2010* (Date)  
**FILED**  
*I.A. RE Appr. Exam Board*  
Board / Commission

<b>IN THE MATTER OF:</b>	)	
	)	
<b>HEATHER N. RICHIE</b>	)	<b>Case Nos. 09-65</b>
<b>CR02828</b>	)	
	)	<b>COMBINED STATEMENT OF</b>
<b>RESPONDENT</b>	)	<b>CHARGES AND CONSENT ORDER</b>

\_\_\_\_\_  
Signature, Executive Officer

**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 (2009).
2. Respondent is a certified residential real estate appraiser in Iowa. She was issued Certificate No. CR02828 on July 3, 2007. She is also a certified residential appraiser in Illinois.
3. Certificate No. CR02828 is currently valid and in good standing, and is scheduled to expire on June 30, 2011.
4. The Board received an appraisal completed by Respondent in connection with a complaint filed against another appraiser. The appraisal completed by Respondent raised immediate red flags because she is a residential appraiser and the appraisal covered agricultural property. The Board requested a log and selected two additional appraisals for review, one an income-producing duplex, the second a single family residence. All three appraisals were submitted to Standard Three reviews by peer reviewers retained by the Board. While all three reviews revealed concerns about USPAP compliance, the primary concerns focused on the appraisals of agricultural land and an income producing property.
5. Following investigation, the Board charges Respondent with: (a) repeated 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; (c) demonstrating negligence or incompetence in the development, preparation and communication of appraisals; and (d) practice outside her certification as a residential appraiser, in violation of Iowa Code sections 543D.17(1)(d), (e), and (f), and 543D.18(1) (2009), and 193F Iowa Admin. Code 5.1(1), 7.2, 7.3(2)(c), (d), 7.3(6)(a), and 7.3(7)(a).
6. The Board and Respondent have agreed to fully resolve these charges through the following Consent Order, rather than proceed to contested case hearing.
7. The Respondent denies the allegations, but does agree to comply with the Consent Order to resolve disputed matters.

## **B. Settlement Agreement and Consent Order**

8. Respondent has a right to a hearing on the charges, but waives Respondent's 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.

9. 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.

10. 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.

11. 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 (2009).

12. 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) (2009). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

13. 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 and Civil Penalty:** Respondent is reprimanded for practicing outside the scope of her residential certification and shall pay a civil penalty of \$400.00 to the Board within 30 days of the date this order is signed by all parties.

**B. Practice Restriction:** Respondent is ordered to cease practicing outside the scope of her residential certification. She is further ordered to cease all appraisal services as a certified residential appraiser that relate to income-producing 2-4 unit dwellings, whether as the appraiser or in the capacity of supervisor or co-signor. Respondent's single family residential practice is not affected by this restriction. Respondent may apply to remove the restriction on 2-4 unit income-producing residential properties after successful completion of the education and desk review described in Paragraphs C and D.

**C. Education:** Respondent shall complete the following educational courses by December 31, 2010, and shall forward certificates of completion to the Board within 10 calendar days of completion. All education may be counted toward the continuing education required for certificate renewal. All classes must be completed in a classroom environment,

(1) at least 15 hours in a course or multiple courses pre-approved by the Board that cover applying the three approaches to value to income-producing 2-4 unit dwellings; and

(2) a 30-hour tested course on residential sales comparison and income approach that is an AQB approved course for qualifying education certification.

**D. Desk Review:** After Respondent has completed the education described in Paragraph C, the Board shall provide an address of an income-producing property within Respondent's geographical market area. She shall develop a demonstration appraisal of the property and shall submit to the Board within 60 days of the assignment a summary appraisal report applying all 3 approaches to value and her complete work file. Respondent shall submit 5 copies of the appraisal and work file. She shall also pay the sum of \$200 to reimburse the Board for the expense of a Standard Three review. The following additional provisions shall apply:

- (1) The reviewing appraiser shall complete a comprehensive Standard Three review. 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 the demonstration appraisal report and work file, Respondent shall provide the reviewing appraiser copies of all documents verifying the accuracy of factual representations in her appraisal. Information requested may include documentation of paired sales analysis, documentation of support for site values, and the like.
- (2) The reviewer shall prepare written comments on the appraisal's compliance with USPAP, and shall provide copies of the written comments to the Board and the Respondent.
- (3) Upon Respondent's request to be released from the practice restriction described in Paragraph B, the Board shall enter an order indicating Respondent's compliance with this Consent Order and release from the practice restriction if the desk review comments, appraisal, and work file do not reveal significant USPAP violations and Respondent has complied with all terms of this Consent Order.
- (4) If the desk review comments, appraisal or work file do reveal significant USPAP violations, the Board shall defer final ruling on Respondent's request and may order additional education, supervision, 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 terms.

- (5) Respondent may, but is not required to agree to a permanent practice restriction precluding her from appraising 2-4 unit income-producing properties as a residential certified appraiser. If so, Respondent shall promptly let the Board know of her decision and thereafter will not be required to complete the education described in Paragraph C(1) or the demonstration report described in section D.

**AGREED AND ACCEPTED:**

**The Respondent**

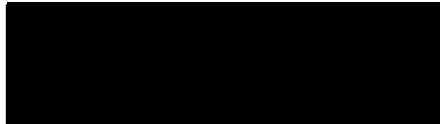
**The Iowa Real Estate Appraiser Examining Board**



Heather N. Richie

4/26/2010

Date



Michael Lara, Chair

5/18/10

Date

FILED 5/31/11 (Date)

BEFORE THE IOWA REAL ESTATE APPRAISER EXAMINING BOARD. IA RE Appr Exam Board

[Redacted Signature]

Signature, Executive Officer

IN THE MATTER OF: ) Case No. 09-65  
Heather Richie )  
Respondent ) RELEASE OF PROBATION IN  
A DISCIPLINARY CASE

The Iowa Real Estate Appraiser Examining Board, having reviewed the records in the above captioned files, finds that Respondent has complied with terms of his probation and should be released. The Board voted unanimously to release probation on May 31, 2011.

IT IS THEREFORE ORDERED that the Respondent's probation is released.

[Redacted Signature]

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