

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

IN THE MATTER OF:

**Edwin Roach
CG01040**

RESPONDENT

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Case Nos. 10-24, 10-25, and 10-63

**COMBINED STATEMENT OF
CHARGES 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 (2009).

2. Respondent is a certified general real estate appraiser in Iowa. He was issued Certificate No. CG01040 on November 1, 1991.

3. Certificate No. CG01040 is currently valid and in good standing, and is scheduled to expire on June 30, 2011.

4. The Board received a complaint in 2010 raising questions about Respondent's appraisal methodology in connection with two real estate appraisals involving overlapping properties. At about the same time, the Board was made aware that Respondent was supervising an unregistered trainee appraiser. Shortly thereafter, in connection with work product review of Respondent's trainee, concerns were raised with both the work product of the associate and Respondent's supervision of the associate. Three appraisal reports signed by Respondent, including one appraisal report solely prepared by Respondent, were submitted to Standard Three USPAP reviews. The reviews identified multiple issues with Respondent's appraisal methodology and adherence to USPAP standards of practice.

5. Following investigation, the Board charges Respondent with:

Count One

(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; and (c) demonstrating 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) (2009), and 193F Iowa Admin. Code 7.2, 7.3(2)(c), (d), 7.3(6)(a), and 7.3(7)(a); and,

Count Two

Allowing an unregistered trainee to assist in the development or reporting of appraisal assignments that are required by federal or state law, rule, or policy to be performed by a certified real estate appraiser, in violation of Iowa Code section 543D.20(1) and 193F IAC 7.3(7)(f).

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. Future Compliance. While Respondent denies that he allowed an unregistered trainee to assist in the development or reporting of an appraisal assignment that was required by federal or state law, rule, or policy to be performed by a certified real estate appraiser, he does agree to comply in the future with Iowa Code section 543D.20(1).

B. Education

1. Approaches to Value and Related Courses. Respondent shall complete by September 1, 2011 the following educational courses, all of which shall be the AQB approved qualifying education courses for those applying for certification as general appraisers under the 2008 criteria, as described in rule 193F IAC 6.2(2):

- (1) General appraiser sales comparison approach (30 hours)
- (2) General appraiser income approach (60 hours)

2. Certificates. Respondent shall forward to the Board certificates of completion to within 10 calendar days of completion. All education may be counted toward the continuing education required for certificate renewal. The courses may be taken online.

C. Log and Review

1. Commencing on the date this Consent Order is signed by all parties and until this Consent Order has been fully complied with Respondent shall submit monthly logs to the Board. Within 90 days of completing all education, the Board shall select two appraisals for review from those logs representing appraisals completed after the education has been completed.

2. The dates set forth in Section B provide the deadlines within which education must be completed. Respondent is free to escalate the time frames by completing the education earlier than the deadlines.

3. The Board will retain a certified appraiser to complete Standard Three reviews on the appraisals selected for review. The Respondent shall provide the Board, within 10 days of request, five copies of the appraisals and associated work files, and the sum of \$1,000, which is calculated at \$500 per review and shall be paid by the Board to the retained appraiser.

4. The reviewing appraiser shall complete a comprehensive Standard Three review for each appraisal. 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 appraisal. Information requested may include documentation of paired sales analysis, documentation of support for site values, and the like. The costs associated with desk review are the responsibility of the Respondent, but are capped at \$1,200, as noted above.

5. The reviewer shall prepare written comments on each appraisal's compliance with USPAP, and shall provide copies of the written comments to the Board and the Respondent.

6. At the next meeting following the Board's receipt of the three review appraisals, the Board shall enter an order indicating Respondent's full compliance with this Consent Order, or, if the desk review comments and appraisals reveal significant USPAP violations, the Board shall defer final ruling and may 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.

7. Starting April 1, 2011, Respondent shall not act as a supervising appraiser until he completes the terms of this Consent Order.

8. This settlement shall not preclude the Board from filing additional charges if one or more of the appraisals submitted for 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.

AGREED AND ACCEPTED:

The Respondent

The Iowa Real Estate Appraiser Examining Board


Edwin Roach


Michael Lara, Chair

February 3, 2011
Date

2/3/11
Date