



## Director's Message

This issue of *The California Appraiser* contains several articles that will be of particular appeal to our readers. I would like to highlight a few.

I am pleased to announce that this edition includes a new column from the Secretary of the Business, Transportation and Housing Agency, Maria Contreras-Sweet. The Secretary directs the operation of 13 departments, including the Office of Real Estate Appraisers (OREA), with an \$11 billion budget and more than 43,000 employees. The Secretary's column will be a regular item in our newsletter and give Secretary Contreras-Sweet the opportunity to discuss current issues facing the real estate appraiser industry. I think that you will find her column of great interest.

Governor Gray Davis recently appointed Patricia W. Neal as Deputy Secretary for Housing, to assist Secretary Contreras-Sweet in carrying out the Governor's commitment to improving housing in California. Ms. Neal will coordinate the efforts between the Department of Real Estate, Department of Housing and Community Development, California Housing Finance Agency and OREA. You may read more about Ms. Neal who is featured in the article entitled *OREA News*.

California has recently become well represented on national real estate appraiser boards. The Board of Trustees of The Appraisal Foundation appointed Arlen Mills of Sonoma, California to a 3-year term and appointed him Chair of the Appraisal Qualification Board. The Foundation also appointed Ken Kaiser of Duarte, California to a 3-year term and appointed him Chair of the Appraisal Standards Board. Tharrell Ming of Bakersfield, California is the newly elected Vice Chair of the Foundation's Board of Trustees. Congratulations to all of the new appointees from California.

Real Estate fraud continues to be a major concern, as indicated by Secretary Contreras-Sweet in her column *From the Secretary*. OREA has investigated numerous complaints involving the gross overvaluation of property, resulting in loan defaults. Recently, real estate fraud has received national attention. United States Senator Mikulski, of Maryland, has conducted hearings on real estate fraud involving the "flipping" of real property. Federal authorities throughout the nation are investigating real estate fraud cases involving the gross overvaluation of real property.

The article entitled *OREA News* also announces that on September 22, 2000, OREA will be offering a 4-hour Real Estate Fraud Seminar, with continuing education credit available to those who would like it. The seminar examines actual cases of real estate fraud from the appraiser's perspective. The seminar will also give an overview of Real Estate Appraisers Licensing and Certification Law, OREA Regulations and Licensing and Enforcement Programs. I encourage you to attend this worthwhile seminar; however, register early as space is limited.

Jerry R. Jolly

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Continuing Education  
 Credit Available!

Register Early,  
 Space Limited!

# Real Estate Fraud Seminar

On September 21, 2000, the Office of Real Estate Appraisers (OREA) is offering a half-day seminar in Buena Park, designed for licensed real estate appraisers, applicants, course providers and other interested persons entitled "Real Estate Fraud". The seminar examines cases of real estate fraud from the appraiser's perspective, which typically involves "flipping", using actual cases OREA has investigated as well as a sampling of current real estate fraud cases from around the nation. Included in the seminar will be a discussion of the Real Estate Appraisers' Licensing and Certification Law, OREA regulations, and Licensing and Enforcement programs.

**TIME:** Check-in for the seminar and a coffee hour will be held from 7:00 a.m. to 8:00 a.m. on September 21, 2000. The seminar will begin promptly at 8:00 a.m. and conclude at 12 noon. All registrants must be checked in by 8:00 a.m. in order to receive continuing education credit. Certificates for continuing education credit will be mailed to attendees within two weeks following the seminar. A photo ID will be required at registration of those requesting continuing education credit.

**COST AND REFUNDS:** There will be a nominal fee of \$10 per person for registrations postmarked by Thursday, August 10, 2000, and \$15 per person for registrations postmarked after August 10, 2000. No refunds will be made for cancellations received after 5:00 p.m. August 10, 2000. Cancellations received prior to that time are subject to a \$5 fee per registrant.

**CONTINUING EDUCATION CREDIT:** Four hours of continuing education credit will be offered for the seminar. A minimum attendance of 90 percent or more of total classroom time is required to receive continuing education credit.

Course Approval Number: 00250C104

**HOTEL RESERVATIONS:** The seminar will be held at Embassy Suites, 7762 Beach Boulevard, Buena Park, California 90620. A limited number of guest rooms have been set aside for the seminar at the hotel. If you will be staying at Embassy Suites on Wednesday night, September 20, 2000, for the seminar on Thursday, contact the hotel's reservation department by calling:

Embassy Suites, Buena Park  
 (714) 739-5600  
**no later than August 21, 2000.**

Mention that you are attending the OREA Real Estate Fraud Seminar in order to obtain the conference rate of \$99.00 for a single (which includes a cocktail hour Wednesday evening and breakfast Thursday morning). Conference rates are subject to availability.

(Continued on page 23)

State of California

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JERRY R. JOLLY  
 ACTING DIRECTOR

## Newly Appointed Deputy Secretary for Housing

**O**n December 2, 1999, Governor Gray Davis named Patricia W. Neal as Deputy Secretary for Housing for the Business, Transportation and Housing Agency. She is the first woman ever to hold that position in the state of California.

Ms. Neal will play an active role in the state's housing planning and code-setting processes. She will give direction to housing finance and rehabilitation, and economic and community development programs.

Her mission is to assist Secretary Maria Contreras-Sweet in carrying out the Governor's commitment to improving housing. The Governor has proposed funding for a number of housing programs, including:

- \$11 million for the new multifamily housing program. The program provides low-interest loans for a variety of housing activities.
- \$3.5 million for the Farmworker Housing Grant program to build or rehabilitate owner-occupied and rental housing for low-income households whose primary source of income is from agricultural labor.
- An increase in the Self-Help Housing Program by \$1.2 million, bringing the total budget to \$2.2 million. This augmentation supports the development of 460 new homes for low- and moderate-income families.
- \$773,000 to continue the cold weather shelter program.
- \$6.1 million to continue the multi-year project of reconstructing state-owned housing for migrant farmworkers.
- A \$50 million one-time appropriation from the general fund for down payment assistance to teachers working in hard-to-staff schools.
- \$26 million to augment the Child Care and Development Facilities Direct Loan Fund, which provides low-interest loan opportunities for non-state contract licensed centers and family day care homes to stimulate development of new capacity in under-served areas of the state.



*Secretary Maria Contreras-Sweet swears in Deputy Secretary for Housing Patricia W. Neal.*

Prior to her appointment by the Governor, Ms. Neal was the president of Pat Neal Associates – a Huntington Beach real estate agency – for 27 years. The company specialized in first-time homebuyers, relocation, senior citizens and lender-owned properties.

She had been a long-standing member of the California Association of Realtors, which is the largest state trade/professional association in the country. Ms. Neal served as that organization's president in 1994.

Ms. Neal had also been a long-time member of the National Association of Realtors and the Pacific West Association of Realtors.

### Approved Course Providers

Course providers that have been approved by OREA are listed on our website. Simply click on the word "Education" found in the menu bar on the left-hand side of our home page and select either basic or continuing education courses/providers for the listing of your choice!



## From the Secretary . . . From the Secretary . . . From the Secretary . . .

With this issue, OREA is pleased to announce that we are offering a contributing column from the Secretary of the Business, Transportation and Housing Agency (BT&H), Maria Contreras-Sweet. This will be a regular item in our newsletter and will help to keep our readers current on various issues facing the industry. We welcome the Secretary to *The California Appraiser*!

**A**s Secretary for BT&H, one of my primary objectives is to carry out the Governor's commitment to improving housing in California. To that end, we have a new Deputy Secretary for Housing, Patricia W. Neal, to assist me in providing an environment in which good, affordable housing is available for the people of California.

The Governor has proposed funding for a number of housing programs, including programs that provide low-interest loans for a variety of residential and commercial housing activities, down-payment assistance to teachers working in hard-to-staff schools, and programs that build or rehabilitate housing for specified low- and moderate-income households (see *OREA News*).

Recent media coverage has, however, highlighted real estate schemes that are occurring around the nation, including California. The victims of this kind of fraud are most often homebuyers and mortgage lenders.

The Los Angeles (LA) Times reported that the default rate on Federal Housing Authority-backed mortgages in Southern California is 50 percent higher than the national average. The LA Times also stated that teams of auditors from the Department of Housing and Urban Development, and agents from both the Federal Bureau of Investigations (FBI) and the Internal Revenue Service are performing investigations in this geographical area.

In keeping with our focus, I have directed BT&H's Office of Real Estate Appraisers (OREA) to provide needed expertise to the FBI's and Office of the Inspector General's investigations. OREA has been working closely with these and other California law enforcement agencies to aggressively pursue unethical appraisers.

Cases like these underscore the importance of appraiser licensing and regulation, which resulted from the Savings and Loan crises of the late 1980's. With its 11,600 licensed

real estate appraisers, California has significantly more licensed appraisers than any other state.

As real estate values continue to rise, so does the potential for profit in real estate schemes. Clearly, we see that home buyers and financial institutions remain at risk today which is why I am taking this very seriously, bringing various departments within BT&H together to fight this pattern of fraud.

California's real estate market continues to soar. Sales of new homes far exceeded expectations in 1999 and the state's median home price is expected to rise by 5.0 percent during this year to \$228,400, according to recently published analyses. The increasing sales level is supported by high consumer confidence, strong manufacturing activity, low unemployment and controlled core inflation (which excludes energy and food). Because of this and other factors, protecting the integrity of the real estate industry in California will continue to be a focus of this administration.

I appreciate the opportunity to address readers of *The California Appraiser*. I also look forward to having a regular column in the newsletter with which to highlight important and timely issues in California's real estate market. Also, please visit BT&H's web site at [www.bth.ca.gov](http://www.bth.ca.gov).

*Governor Gray Davis appointed Maria Contreras-Sweet Secretary of the Business, Transportation and Housing Agency (BT&H) on January 4, 1999. She is the first Latina to serve on a California governor's cabinet.*

*Secretary Contreras-Sweet, is only the second woman to head BT&H. She directs the operation of 13 departments with an \$11 billion budget and more than 43,000 positions.*

*Secretary Contreras-Sweet is Co-Chairperson for the Commission on Building for the 21st Century to improve the state's infrastructure over the next decade; Chair of the California Complete Count Committee; and, Chair of the Governor's Task Force on Diversity and Outreach.*





## IN THE SPOTLIGHT



**S**andy Metteer is a Senior Legal Typist in OREA's Legal Division and works directly with OREA's legal counsel. Her responsibilities include preparing a variety of complex legal documents, scheduling Administrative Hearings, and tracking and monitoring all cases in the legal process.

Sandy also provides clerical support to the executive staff.

Sandy has been with OREA since 1997 and prior to OREA worked as a Key Data Operator with the Department of Motor Vehicles. She is originally from Tennessee, but has lived in California since 1987.

When away from OREA, Sandy is an on-call Deputy Sheriff for Sacramento County. As an on-call Deputy, she spends her time on patrol, working in the County jail and on any other special events the Sheriff's Department is sponsoring. She spends the majority of her spare time involved in church activities and reaching out to the homeless.

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## Change Notification and Miscellaneous Request Form (REA 3011)

**S**tate and federal laws and regulations require that OREA maintain current information regarding all licensees and approved course providers. In addition, OREA desires to keep the industry informed regarding important changes in laws, practice and other concerns. Finally, if a complaint is filed against a licensee or course provider, OREA needs to make appropriate contacts. On occasion, OREA has been forced to revoke licenses because we have not been able to contact the licensee.

Applicants, course providers and licensees are required to notify OREA of any changes using the *Change Notification and Miscellaneous Requests* form (REA 3011) within 10 days of a change taking place in the following areas:

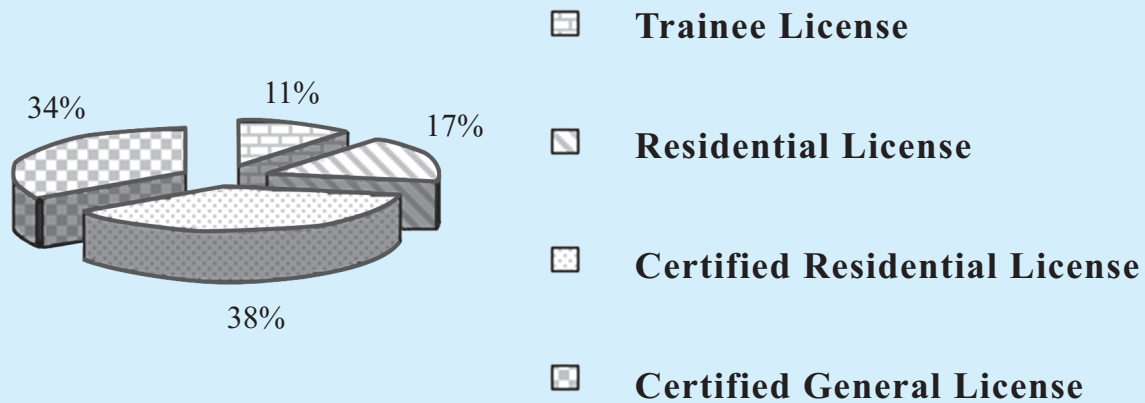
- Name
- Residence address and/or phone number
- Business address and/or phone number
- Mailing address

Also, form REA 3011 may be used to request a *Certificate of Good Standing* or *Letter of License History*.

To make it easier for you to notify OREA of any changes, form REA 3011 is available on OREA's website ([www.orea.ca.gov](http://www.orea.ca.gov)). Periodically, OREA also includes the form in *The California Appraiser*. Of course, you may always contact OREA directly by calling (916) 263-0722.

# Did You Know . . .

The total number of active licensees in California broken out by license level:\*



Trainee License (AT)	1,283
Residential License (AL)	1,950
Certified Residential License (AR)	4,492
Certified General License (AG)	<u>3,931</u>
	11,656

\*As of April 14, 2000

## Locate Local Appraisers On-Line!

You can obtain a listing of licensed real estate appraisers in any zip code area of California! Go to *Licensed Appraisers* located in the menu on our home page, type in the zip code and a list of licensed appraisers will appear.

## Verify On-Line

Verify active real estate appraiser licenses on-line by using OREA's website at:

[www.orea.ca.gov](http://www.orea.ca.gov)

# USPAP 2000

Licensed appraisers should be aware of some revisions that have been made in the 2000 edition of *The Uniform Standards of Appraisal Practice* (USPAP). On page VI of the new edition is a concise and thorough overview of the changes. This article highlights some of the most important changes to this year's USPAP.

For the first time in USPAP, there is consecutive line numbering. This facilitates references to the standards. The standards are consecutively numbered through the Statements. Each *Advisory Opinion* has consecutive lines numbered separately.

The *Confidentiality* section of the *Ethics Rule* has been changed. Lines 136 and 137 have been added to state that an appraiser must act in good faith to the client with regard to confidential information and assignment results. The confidentiality in this context is restricted to the appraiser-client relationship. The focus is on information that the client considers confidential rather than on factual data.

The *Competency Rule* on page 5, lines 199-232, has been revised. In the first paragraph of the *Comments* section, the specific factors that comprise competency are stated. These include property type, a market, geographic area and an analytical method. This change is intended to clarify the recognized methods and techniques of competency. In the fourth paragraph, geographic competency and the necessary measures required to achieve an adequate level of geographic competency are emphasized.

The definition of "confidential information" has been revised to be consistent with the *Confidentiality* section of the *Ethics Rule*. The term "Appraisal review" replaces the term

"review", the definition of which now includes the development and communication of an appraisal review. Key to this definition is the fact that an appraisal review can be all or part of an assignment, a workfile or a combination.

In addition, there has been a change to *Standards Rule* 1-2(f). In the *Comments* section, lines 620 to 622 have been revised. This section is further refined to discuss the reasoning in support of scope of work decisions. Instead of the scope of work being relevant to third parties (as referenced in previous editions), it must be

IT IS EXTREMELY  
IMPORTANT FOR  
LICENSED APPRAISERS  
TO FAMILIARIZE  
THEMSELVES WITH  
USPAP 2000.

relevant to the client, an intended user or the appraiser's peers in similar assignments.

*Standards Rule* 3 has been extensively revised. It now includes the review of both real and personal property. This standard rule is much more detailed than in past editions, as follows:

- The scope of work in the appraisal review process must be clearly disclosed.
- The reviewer must prepare a separate report or at least a file memorandum setting forth the scope of work and the results

of the review (lines 1244-1245).

- The wording of *Standards Rule* 3-1(e-g) has been changed. Instead of referring to "forming an opinion", the words "develop an opinion" are now used. The purpose of this change is to emphasize the development of the appraisal review process.
- A co-signature of a report will not suffice.
- *Standards Rule* 3-2 has been reorganized to parallel the changes in 3-1.

It is important that appraisers thoroughly familiarize themselves with these revisions.

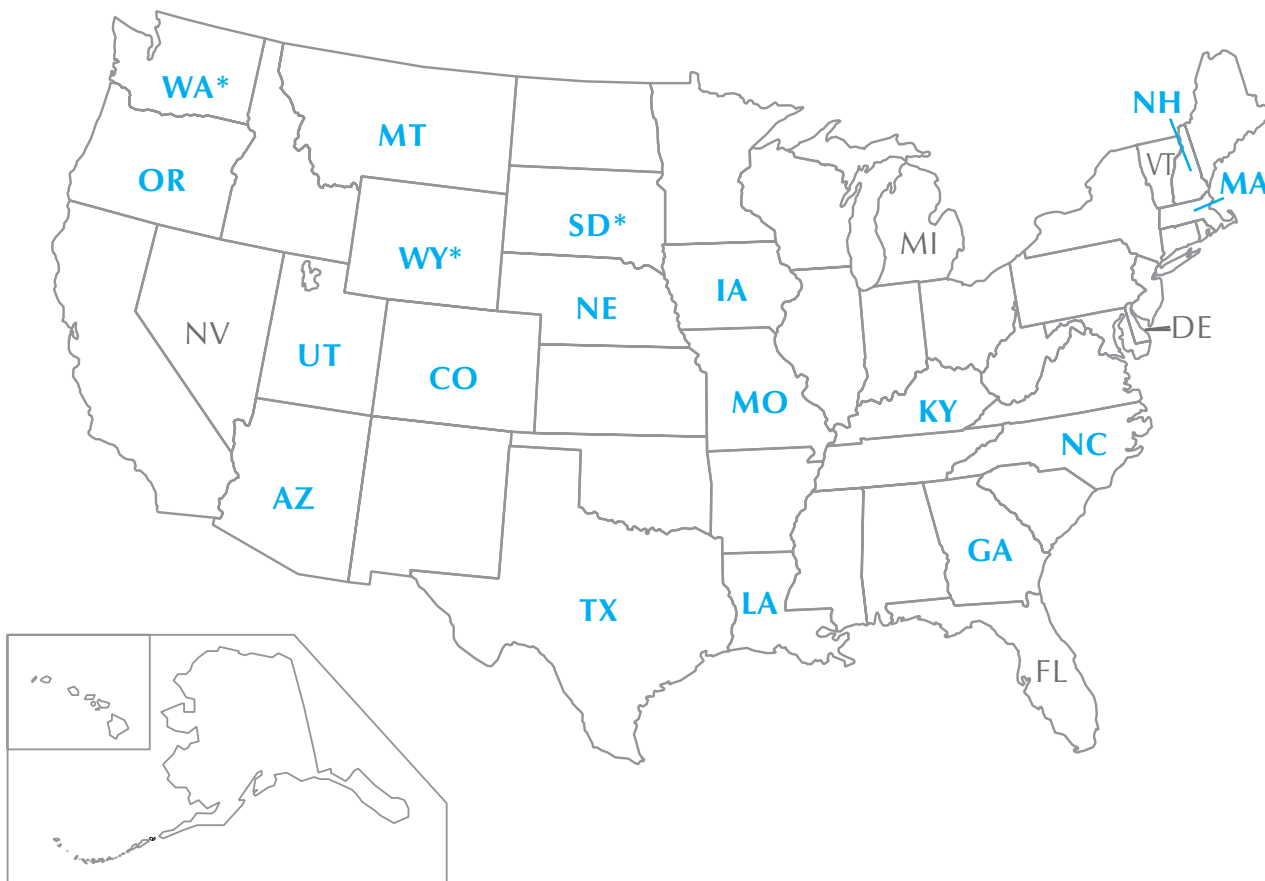
*Standards Rules* 7,8,9, & 10 have been updated. These standards rules involve the development and reporting of personal property and business appraisals.

*Advisory Opinion* 19 (AO19), *Unacceptable Assignment Conditions in Real Property Appraisal Assignments*, is a new addition to USPAP. This advisory opinion gives an overview of both unethical conditions and legitimate conditions in accepting appraisal assignments. It deals with the controversy of "comp checks", which are often requested by lenders. AO 19 provides excellent illustrations of how appraisers can effectively deal with "comp checks". These illustrations begin on page 153.

Again, it is extremely important for licensed appraisers to familiarize themselves with USPAP 2000. If you have questions regarding USPAP, please contact the office at (916) 263-0722 and a member of the Enforcement staff will be happy to assist you.

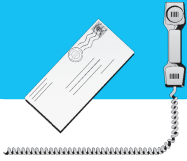
# Reciprocal Agreements

OREA recently made regulatory changes that allow the office to enter into mutual agreements with other states so that it will be able to issue California licences without additional testing of real estate appraisers who hold licenses in those states. As of April 14, 2000, eighteen states had entered into reciprocal agreements with the state of California. States that have entered into agreements are indicated in blue and those that have declined to do so in grey. Typically, states that decline to enter into reciprocity agreements do not have the authority to do so. If you have any questions regarding a particular state's status, please contact the appropriate real estate appraiser office in that state.



\* Reciprocal agreement is valid at the certified level only





# Customer Comment Line

*We do appreciate hearing from you! Following are a few of the comments that OREA has recently received.*

## *Carlsbad*

Paul Ketchum provided excellent service.

## *Cerritos*

I would like to thank the staff for the assistance I received during the past several months as I made my decision to enter the appraisal field, select a training provider, and schedule my examination. I also was very impressed at the speed with which my trainee license was issued after I passed my examination. I received the license in the mail only 10 days after mailing the request—this included Thanksgiving Day and a weekend!

## *Coto de Caza*

For cost and convenience, please approve on-line courses for renewal [of] licenses. [Response: *The Appraiser Qualifications Board (AQB) sets the standards for the acceptance of course offerings. OREA is making changes to our regulations this year to allow the maximum number of courses to be approved by our office, within AQB standards.*]

## *Palmdale*

Why don't you have an e-mail site for correspondence? [Response: *OREA does have an e-mail address for correspondence. See [E-mail OREA](#) on page 11.*]

## *Red Bluff*

It is nice to know that professional assistance and advice are available from people of obvious competence—delivered with a smile!

## *Redondo Beach*

Mr. Loving is a pleasure to speak with [and] an asset to the industry.

## *Simi Valley*

I thought I would take this opportunity to bring your attention to the outstanding service of two of your charges, Ms. Marcia Moreno and Mr. Greg Harding. During what could have been a difficult and protracted process related to the initial certification processes in my home state of Washington, both of these individuals did their utmost to

bring awkward technical issues into specific relief, which ultimately expedited my eventual certification. Their professionalism, diligence, focus and clarity of thought while working within the parameters established by a sometimes cumbersome and arbitrary law was exemplary.

Too often in our society, the press and public opinion are critical of public servants. Having been the Chief Appraiser of two federally regulated financial institutions, I know that the greatest resource of any institution, private or public, is its people. It is my opinion that these two fine staff members merit recognition for their superior level of service. They have renewed my faith in the public sector and are a credit to your administration.

## *Location Not Specified*

Anita Thomas was very helpful during the renewal process. Thank you Anita!!!!

## *Location Not Specified*

Did not tell me OREA would not take cash. OREA personnel said [that] I could pick up my license, but [they] mailed it to me! I wanted to pick it up; we had agreed upon that—unprofessional. [Response: *We sincerely apologize for any miscommunication that may have occurred. Your comment was forwarded to the Chief of Licensing and Enforcement for him to address in the next weekly Licensing Unit meeting!*]

## *Location Not Specified*

It would be helpful if your database showed the date when a license was first issued. My search showed only the issuance of a license, with “App. Type” as “renewal”. I could not ascertain when the licensee was first licensed. [Response: *We divided the project of adding information about our licensees to our website into phases and have completed the first phase. In the next few months, OREA will be adding additional licensing information about our licensees to our website for the convenience of our users.*]

## *Location Not Specified*

I recently moved from Colorado to California and had looked up licensing requirements and schools for Colorado before I left. Now that I'm here, I wanted to find the same information and am finding it very difficult. It is very unfortunate that you don't list ALL the schools that are

*(Continued on page 10)*

# Appraising Only

## 5 Acres

approved to provide appraisal education. As you know, this is a very large state and finding local courses is important. Your site seems geared toward people who are already licensed and those of us who aren't could use your help. Thank you for considering this information. *[Response: Currently, only the community colleges and universities offering approved courses are not listed on our website. OREA plans to add these educational institutions shortly.]*

### *Location Not Specified*

I attempted to download the renewal application in Word, and could not do so. Since Word is the dominant word processing program, I would expect [that] the form would be available in that program. *[Response: Since not all of our users have Word as their word processing program, we made the forms available in PDF format so that all users can download them using Acrobat Reader. Acrobat Reader is the industry standard and is available on OREA's website.]*

### *Location Not Specified*

When an appraiser receives a letter of complaint from [an] OREA office investigator, does the appraiser being investigated have a right to know who complained and the nature of the complaint? The "unknown" factor produces a lot of anxiety and frustration on the appraiser, which should raise concern but the possible level can be 0% to 100% stress. How does the investigated appraiser find out what are his or her rights and the overall process of an investigation? *[Response: When OREA receives a complaint, our Enforcement Unit reviews it, the seriousness of the allegations and the potential harm to the public. The complaint is then prioritized based on these matters. The appraiser in question will always be contacted in order to obtain an explanation of his or her actions, which is why it is important to keep your address and telephone number current on our records. OREA will then review all available information, determine if a violation has occurred and impose disciplinary sanctions, if appropriate. If the appraiser wishes to contest OREA's determination or sanctions, a hearing will be held before an Administrative Law Judge with the Office of Administrative Hearings (OAH). The complainant's identity is kept confidential, however we cannot guarantee anonymity and will probably be required to reveal the complainant's identity if the matter is filed with OAH. For additional information, refer to the Consumer's Guide: Filing A Complaint and The Investigation Process on our website. Also, OREA will be holding a seminar on September 22, 2000, which will cover the investigation process in more detail. See OREA News.]*

The primary mandates of the *Uniform Standards of Professional Appraisal Practice* dictate that appraisal reports must be credible and *not* be misleading. Assignments that involve value estimates of portions of properties may be difficult to complete while complying with these mandates.

Lending institutions attempting to reduce credit exposure on a residential property that includes a residence and more than 5 acres will often ask that only the residence and 5 of the acres be appraised. In this situation, there is no pending legal subdivision of the site and the 5 acres is not identified. This leaves the appraiser in a precarious position.

The first consideration in such an assignment is to identify what is being appraised. This needs to be clearly established in the report. The use of a site map showing the portion of the site included in the valuation, the location of all improvements and amenities is an excellent tool. The narrative portion of the report should clearly describe the situation and state that the subdivision of the site has not been accomplished.

*(Continued on page 12)*

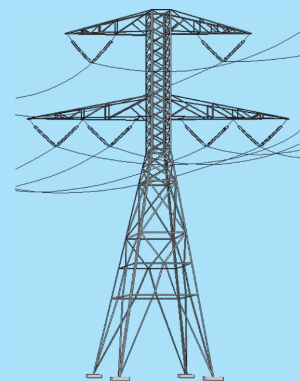
## OREA'S CUSTOMER SERVICE SURVEY

One of the goals of OREA is to provide you with the best possible customer service. Your input is vital to OREA's success. Please help us serve you better by taking a few minutes to complete and submit the survey on our web site at [www.orea.ca.gov](http://www.orea.ca.gov), or complete the survey at the end of this newsletter and mail to:

Office of Real Estate Appraisers  
1755 Creekside Oaks Drive, Suite 190  
Sacramento, California 95833

**If you've got a question,  
we've got the answer:**

**E-mail OREA**



**at [www.orea.ca.gov](http://www.orea.ca.gov)  
“Contact Us”**

**OREA will make every effort to respond to your questions  
and concerns within twenty-four hours.**

## Only 5 Acres *(continued)*

The second consideration is the feasibility of such a parcel ever existing. This must be discussed in detail and at length in the report. The report must support the supposition that such a parcel could exist. Failure to do so results in a report that is not credible. The report must state that it is based on a hypothetical condition and state what that condition is in detail.

The third consideration is supporting a value estimate for the theoretical parcel. This requires the use of market data to establish the highest and best use of the property and to estimate its value. This may be nearly impossible in an area of larger parcels where buyers desire the benefit of the large parcel (i.e., ranching, farming, etc.). “Use Value” and “Investment Value” estimates are not market value estimates. When the assignment involves any type of value estimate, the appraiser must define it and clearly state that it is not a market value estimate if, in fact, it is not.

The intended users and intended use of the report must be compatible with the type of value estimate used or the report will be misleading. For example, it is not appropriate to produce a report identifying the value estimate as “Use Value”, when the client is a lender desiring to reduce his credit exposure on a parcel by requesting that only a portion of the property be valued. In such a case, the true intended use of the report is obviously to establish the security for a loan and a market value estimate is appropriate.

The use of hypothetical conditions is controversial as their use often produces misleading reports that are not credible. The use of hypothetical conditions results in complex assignments involving complex analysis and report writing. Unless the report is well written, the use of a hypothetical condition often results in a report that violates the *Uniform Standards of Professional Appraisal Practice*.

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## Licensing Fees

As expected, OREA received several comments on the increase in real estate appraiser licensing fees and on the change in term of licensure to two years. As our readers no doubt know by now, AB 431 (Stats. 1999, c. 974) increased fees for all levels of licensure and reduced the term of licensure from four years to two, effective January 1, 2000. Following are a few of the comments that we received and our responses:

*Comment:* Why are the licenses now only issued for 2 years, instead of the customary 4 years? Was money the issue? Now you have doubled our license fee!

*Response:* At the recommendation of the Bureau of State Audits in its March 1998 report pertaining to OREA, the term of licensure was reduced from four years to two years in order to even out the revenue stream coming into the office. In 1999, the Legislative Analyst’s Office noted that OREA’s current fee structure did not appear to generate enough revenue to fund the office’s level of activities, and recommended that a plan be developed to include expenditure and revenue levels sufficient to meet OREA’s mission. AB 431 addressed both of these recommendations.

*Comment:* A fee increase of 46 percent will reduce the number of appraisers (your customers) significantly. Compared to other states and licenses this is amazing. No business could survive with your administrative inefficiencies. Print this in your comment list?

*Response:* Yes, we did print this in our list of comments because we realize that fees are high and we want to emphasize that OREA is committed to reducing costs and increasing operational efficiencies in the future. In fact, OREA has recently cut annual operating expenditures by \$458,000.

*Comment:* Fees are extremely high. Is there some way to reduce to a level in line with other professional fees by the State (i.e., nursing)?

*Response:* As stated above, we realize licensing fees are high and are committed to additional cost reductions and increased operational efficiencies in the future.

*Comment:* Your fees are way too high! Layoff people. Don’t make us suffer for your overstaffing!

*Response:* AB 431 expressed legislative intent for OREA to pursue a reduction in expenditures of \$500,000 from the 1999-2000 fiscal year expenditure authority, beginning in the

## *Licensing Fees* (continued)

2000-2001 fiscal year. As noted above, OREA has trimmed \$458,000 off of its operating budget and is committed to reducing costs in the future.

*Comment:* I am appalled by the increase in licensing fees. The fee was too high to begin with and it is being increased by 46 percent! I have not increased my fees in years and cannot think of one service [that] OREA provides the average appraiser.

*Response:* OREA was created to provide licensing services to California's real estate appraiser population after Congress enacted Title XI of the federal *Financial Institutions Reform, Recovery and Enforcement Act*, which mandated that all states license real estate appraisers who appraise property for federally-related transactions. Since its inception in 1991, OREA has increased its services to our licensees and the general public in various ways, including the establishment of an enforcement unit, streamlining the application process and instituting a new website to provide convenient access to many of the services that we provide. We do recognize, however, that there are improvements that can be made and additional services that may be provided, such as making the entire licensing application process available on-line.

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## Legal Presence Verification

OREA requires proof of legal presence in the United States from all applicants for a real estate appraiser license, including applicants for renewal of an existing license. We can accept your proof of legal presence at any time prior to issuing a license. If you plan to apply for any license or renew a license in the near future, you may wish to avoid any potential delay in processing your application by submitting documentation now!

For your convenience, the *Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits* form (REA 3030) is located on our web page. If you are unsure of acceptable forms of proof, you may refer to the Spring/Summer edition of *The California Appraiser*, Volume 10, No. 1 or download the information from our website.

## Congratulations to California Appointees!

At their meeting on November 20, 1999, the Board of Trustees of The Appraisal Foundation, including newly-elected Vice Chair **Tharrell Ming** of Bakersfield, California, appointed **Arlen Mills** of Sonoma, California to a three-year term on the Appraiser Qualifications Board (AQB). Mr. Mills was appointed as the 2000 Chair of AQB. At that same meeting, the Foundation's Board of Trustees also appointed **Ken Kaiser** of Duarte, California to a three-year term on the Appraisal Standards Board (ASB). Mr. Kaiser was appointed as the 2000 Chair of ASB. We congratulate them all and look forward to their leadership in the coming years.



# Request for Pre-Valuation Data

*In a previous edition of The California Appraiser, an article appeared entitled Comparable Sales in which we recommended that any appraiser asked to perform a “comp out” carefully review the information contained in the Management Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP). David L. Fry, of Primis, Inc., (formerly of O’Fry Associates), suggested the following letter to handle such a request. **This example is not in any way to be construed as an example offered by the Office of Real Estate Appraisers on how to properly handle a request for a “comp out” or “comp check”.** The information presented is provided solely by the author.*

RE: Request for Pre-Valuation Data  
Property located at \_\_\_\_\_

You have requested that I appraise the above-referenced property contingent upon my providing a professional opinion as to whether or not the property can be appraised at (or above) a pre-determined value. Providing a specific value or a range of values specific to your subject property may constitute an appraisal under the *Uniform Standards of Professional Appraisal Practice (USPAP)*. As it appears you do not wish the property to be appraised without first reviewing sales data in the subject’s general market area, please refer to the following:

General Sales Activity – A search of sales activity in the subject’s general market area found (number) full-value (type of property) sales during the period of approximately (date). This is raw data representing sales in the general area. It may not show all sales that closed during this period of time nor is it “filtered” to the subject property’s specifications. A list of these sales is displayed on the following page(s).

The data provided here does not constitute an appraisal of the subject property, nor can I guarantee that the subject property could be valued at this time in comparison to these sales. They are provided solely for your use in determining whether or not you wish to proceed with an appraisal. I cannot provide a specific determination as to whether the data shown above is applicable to the subject property or not without a field inspection of the subject and comparable sales.

The *Management Section* of the *Ethics Rule* of *USPAP* states the following:

Whenever an appraiser develops an opinion of value, it is unethical for the appraiser to accept compensation in developing that opinion that is contingent upon:

- a direction in value that favors the cause of the client, or
- the amount of the value opinion, or
- the attainment of a stipulated result, or
- the occurrence of a subsequent event directly related to the value opinion.

For additional information, please refer to the article entitled *Comparable Sales* in the Spring/Summer edition (Vol. 10, No. 2) of *The California Appraiser*, published by the State of California Office of Real Estate Appraisers (OREA) or contact OREA’s Enforcement Unit at (916) 263-0722.

Thank you for the opportunity to serve your valuation needs. If I can be of further assistance, please do not hesitate to contact me at (telephone number).

Sincerely,

(Your name)

## Attention Clients of Licensed Appraisers!!!

Since the Office of Real Estate Appraisers (OREA) began issuing real estate appraiser licenses in 1991, it has been a common practice for lenders, Errors and Omissions insurance providers, and others to request that appraisers submit photocopies of their licenses as evidence that they are, in fact, licensed appraisers with the state of California. Many clients have also required appraisers to provide Certificates of good standing and/or letters of license history, as well as obtain written and/or verbal license verifications from OREA.

Requests for photocopies of licenses have slowed somewhat over the years, but not disappeared. This is despite the fact that for the last several years, OREA has utilized special security paper that, among other features, reflects the word "VOID" on the face of any photocopied certificate.

Acceptance of photocopied licenses has facilitated license forgeries. A current example can be found in the *Enforcement Actions* section of this newsletter, under *Criminal Prosecutions (referred by OREA)*. An individual named Emile J. Fagerstrom was disciplined because he forged documents indicating that he was a real estate appraiser.

Another problem with accepting photocopies of licenses is that although they were valid when originally issued, they become meaningless to clients if the licenses have subsequently been revoked or suspended by OREA.

Since accepting photocopies of licenses poses problems, what can clients do to verify the status of appraisers' licenses? They should check OREA's website at [www.orea.ca.gov](http://www.orea.ca.gov)!!! By visiting the *Licensed Appraisers* page of our website, clients can find all active licensees in California. This gives them a method with which to verify the status of licenses based on recently updated information. In addition, if OREA has taken any public disciplinary action against an active licensee, that information will appear as well.

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## The California Appraiser Wants You!

OREA continues to invite its readers to submit articles for consideration for publication in *The California Appraiser*. Authors need not be appraisers; however, articles should address issues of interest to the appraisal industry.

OREA will review the information submitted and, if appropriate, publish the article in a future edition of *The California Appraiser* newsletter. All articles are subject to editing for length and content. Articles submitted cannot be returned.

Submit your articles to Tom Morrison, Legislative and External Affairs Coordinator, Office of Real Estate Appraisers, 1755 Creekside Oaks Drive, Suite 190, Sacramento, California 95833.

# Enforcement Actions

**E**nforcement actions are based upon the totality of the circumstances and the merits of each matter on a case-by-case basis, including the nature and severity of the offenses involved, prior disciplinary actions, if any, and circumstances that support a finding that the offender has been rehabilitated. **Violation descriptions may be partial and summarized due to space limitations.** For these reasons, cases may appear similar on their face yet warrant different sanctions. For a description of the criteria followed by OREA in enforcement matters, please refer to Title 10, Article 12 (commencing with section 3721) of the California Code of Regulations. The following actions do not include letters of warning.

## Public Disciplinary Actions

### *License Denials*

**Thurman, William T.**  
AG009995

1/19/00. Director adopted Administrative Law Judge's proposed decision denying application for renewal of license. Violations of Business and Professions Code section 475(a)(1) and (3) and Title 10, California Code of Regulations, section 3721(a)(2), (4) and (5): omission of material facts from a licensing application; acts involving dishonesty, fraud or deceit with the intent to benefit himself.

### *Revocations*

**Buzarde, Greg L.**  
AR012810

10/28/99. Accusation/Final Decision revoking appraiser license, issuing \$10,000 fine and \$6,007 enforcement costs. Violations of California Code of Regulations section 3721, USPAP Ethics Provision and S.R. 1 and 2: failure to select similar comparables resulting in significant overvaluations; failure to consider, analyze or report prior listing and sale of subject property; unethically prepared and communicated misleading reports.

**Ellington II, Clarence**  
AT024184

2/15/00. Settlement agreement, right to renew license revoked, \$500 fine, public reproof. Alleged violations of USPAP S.R. 1 and 2, Ethics Provision: failure to disclose listing and pending sale of subject property; failure to properly disclose prior sales of comparables.

**Mericle, David L.**  
AR013219

3/31/00. Director adopted Administrative Law Judge's proposed decision revoking license for prior felony conviction for violation of Penal Code section 487(a), grand theft.

**Olson, Troy A.**  
AL008541

12/30/99. Director's decision adopting Administrative Law Judge's proposed decision revoking appraiser's license. Violations of USPAP Conduct and Ethics Provisions and S.R. 1 and 2: provided incorrect photos of comparables to mislead intended user of report; omission of comparable sales available in the subject neighborhood without justification or explanation; failure to sign certification; failure to include sufficient information to enable proper understanding of report.

**Rivara, Luigino G.**  
AR018221

1/31/00. Accusation/Final Decision revoking appraiser license, issuing \$7,500 fine and \$7,536 enforcement costs. Violations of S.R. 1 and 2, Ethics and Competency Provisions: failure to accurately identify and describe subject property; overstating the neighborhood price range; appraising to a predetermined value; failure to support value estimate.

**Vilotti, Charles G.**  
AR012821

2/28/00. Accusation/Final Decision revoking appraiser license, issuing \$10,000 fine and \$4,970.12 enforcement costs. Violations of USPAP S.R. 1 and 2, Ethics Provision:

**Williams, Thomas E.**  
AL014747

failure to correctly employ cost and sales approaches to value; inflated property values in subject neighborhood; grossly overvalued subject properties.

12/27/99. Accusation/Default Decision revoking appraiser license, issuing \$10,000 fine, \$6,493 enforcement costs, and public reproof. Violations of USPAP Ethics and Competency Rules and S.R. 1 and 2: failure to adequately support the estimate of value of the subject property; incorrectly reported sales prices of comparables; failure to select sales that were comparable.

*Resignations*

**Koelsch, Peter H.**  
AG003338

3/16/00. Resigned license while under investigation.

**West, Robert J.**  
AG001619

3/23/00. Resigned license. Convicted of felony violation of Penal Code section 266i(a)(6).

*Suspensions*

**Adams, Richard J.**  
AR022862

12/8/99. License reinstated. 11/24/99. License suspended. Failure to comply with terms of prior disciplinary action.

**Roxbury, Robert R.**  
AR022559

1/20/00. Settlement agreement, 60 day suspension effective 1/30/00, \$2,000 fine, \$1,000 enforcement costs, public reproof. Alleged violations of USPAP S.R. 1 and 2, Ethics Provision: knowingly created a misleading report by failing to analyze and report a known recent prior sale of subject property; failure to adequately support the value estimate; failure to select comparable sales similar to the subject property.

**Towner, Frederick H.**  
AR016416

2/9/00. Accusation/Final Decision suspending appraiser license, issuing \$250 fine. Violation of Business and Professions Code section 11318: failure to report convictions of Vehicle Code section 23152(b), driving under the influence; failure to respond to inquiries from OREA.

**Winters, David G.**  
AR011216

3/2/00. License reinstated. 1/3/00. License suspended for failure to comply with terms of prior disciplinary action.

**Zaragoza, Hector M.**  
AR012282

2/8/00. Settlement agreement, 120 day suspension stayed, \$7,500 fine, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Ethics Provision: creating a misleading report by acting as both appraiser and broker for the property and not signing full name as it appears on license; failure to consider and analyze recent prior sale of subject property.

**Pankey, Thomas K.**  
AG008630

2/7/00. License suspended for failure to comply with terms of prior disciplinary action.

*Public Reproofs/Fines*

**Barnett, Arthur**  
AL008544

3/23/00. Settlement agreement, \$5,000 enforcement costs, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2: failure to disclose in the report that he was acting as broker of record; selection of

*(Continued on page 18)*

# Enforcement Actions *(continued)*

<b>Cheeld, Charles M.</b> AR019947	comparable sales from a superior neighborhood and omission of comparable sales available in the subject neighborhood, resulting in overvaluation.  12/31/99. Accusation/Final Decision issuing \$2,000 fine, \$1,000 enforcement costs and public reproof. Violations of USPAP S.R. 1 and 2: failure to consider prior sales and listing history of subject property; failure to support estimated value of subject; omission of comparable sales available in the subject neighborhood without justification or explanation.
<b>Cook, Timothy E.</b> AP013654	2/28/00. Accusation/Final Order issuing \$2,000 fine and public reproof. Violations of Business and Professions Code sections 11320 and 11321(a) and (b), and Title 10, California Code of Regulations section 3721(a)(2): appraising without a license and using the title of a licensed appraiser without being licensed. License expired 10/29/94.
<b>Law, Jeff C.</b> AL015035	12/14/99. Stipulated Order issuing \$3,000 fine plus enforcement costs, 45 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2, Ethics Provision: failure to consider, analyze and report prior listing and pending sale of subject property; overstated land value and estimated reproduction cost of improvements.
<b>Masis, Orlando</b> AR010646	2/9/00. Settlement agreement, \$3,500 fine, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, and Ethics Rule: prepared a misleading report with significant overvaluation; failure to report subject property's actual rental income; failure to adequately support value estimate of subject property.
<b>Metcalf, Kevin E.</b> AR005885	12/15/99. Accusation/Final Decision issuing \$5,000 fine and public reproof. Violation of Business and Professions Code section 11321(b): signing an appraisal when not licensed. License was revoked 1/5/98.
<b>Pitts, John D.</b> AR010319	12/31/99. Accusation/Final Decision issuing \$2,000 fine, 15 hrs. USPAP, public reproof. Violations of USPAP S.R. 1 and 2: failure to consider prior sales and listing history of subject property; failure to support estimated value of subject; omission of comparable sales available in the subject neighborhood without justification or explanation.
<b>Radin, Scott</b> AL017081	12/28/99. Settlement agreement, \$2,000 fine, \$1,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2: failure to analyze and report prior sale of subject; failure to support value estimate in excess of list price; failure to adequately describe subject property.
<b>Robison, Dan</b> AR19046	2/22/00. Accusation/Final Decision issuing \$500 fine and public reproof. Violations of Business and Professions Code sections 11320 and 11321(a): using the title of a licensed appraiser without being licensed. License expired 6/12/98.
<b>Sipper, Edward G.</b> AL021571	1/26/00. Accusation/Final Decision issuing \$2,000 fine, 15 hrs. USPAP, public reproof. Violation of California Code of Regulations section 3721(a)(2): signing the name of another appraiser to an appraisal report.
<b>Smith, Dorothy J.</b> AG008334	1/26/00. Director issued Default Order, after Administrative Law Judge's entry of Default, issuing \$7,500 fine, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2: failure to consider and analyze prior sales of



**Private Reprovals**

	subject property; failure to adequately support the estimated value of the subject property; failure to support selection of comparable sales that are dissimilar to the subject property.
Certified Residential licensee	9/30/99. Citation/Order, \$1,500 fine, 15 hrs. USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to adequately support the estimated value of the subject property; failure to support the selection of dissimilar comparable sales.
Certified General licensee	4/6/00. Stipulated agreement issuing \$190.15 penalty and interest for failure to comply with terms of prior disciplinary action.
Certified Residential licensee	10/19/99. Citation/Order, \$1,500 fine, 15 hrs. USPAP, 45 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to collect, verify, analyze, describe or reconcile available data; failure to accurately describe subject property; failure to adequately support estimate of value.
Residential licensee	2/3/00. Citation/Order, \$500 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to identify and analyze the lease on the subject property; failure to analyze the current and past listings of the subject property.
Residential licensee	12/14/99. Citation/Final Order, \$750 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to accurately identify and describe unique features of subject property; failure to select representative comparable sales.
Certified Residential licensee	3/7/00. Citation/Order, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to analyze sales contract and prior sales history of subject property.
Trainee applicant	1/19/00. Settlement agreement, not violate probation or commit any violations of laws related to duties of an appraiser. Convicted of misdemeanor violations of Penal Code sections 243e and 148(a), battery and obstructing justice.
Residential licensee	2/23/00. Citation/Order, \$500 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to utilize and analyze correct physical characteristics of subject and comparable properties.
Trainee applicant	3/21/00. Settlement agreement, not violate probation or commit any violations of laws related to duties of an appraiser. Convicted of misdemeanor violations of Penal Code section 148(a), obstructing justice, section 242, battery, and section 474, sending false or forged telephonic messages.
Certified Residential licensee	4/10/00. Settlement agreement, not violate conditions of parole or commit any violation of laws related to duties of an appraiser. Convicted of violation of Penal Code section 273.5(a), inflicting corporal injury on a spouse.
Certified Residential licensee	10/27/99. Settlement agreement, not violate court ordered probation or commit other ethical violations. Convicted of misdemeanor violation of Penal Code section 240, assault.

*(Continued on page 20)*

# Enforcement Actions *(continued)*

Certified General licensee	1/20/00. Settlement agreement, \$500 fine, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately identify and describe subject property; failure to collect and analyze appropriate sales data.
Certified General licensee	1/19/00. Settlement agreement, \$500 fine, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately identify and describe subject property; failure to collect and analyze appropriate sales data.
Certified Residential licensee	12/29/99. Accusation/Final Decision issuing \$2,500 fine, 15 hrs. USPAP, 45 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to disclose prior sale of subject property or comparables; failure to use comparables from the subject neighborhood; failure to analyze current sales agreement of subject property.
Certified General licensee	11/9/99. Citation/Order, \$250 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to develop an opinion of exposure time; failure to analyze any current Agreement of Sale, option or listing of the property.
Certified Residential licensee	11/2/99. Citation/Order, \$2,000 fine, 15 hrs. USPAP, 45 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to accurately describe subject property; failure to adequately support the estimated value of the subject property; failure to correctly employ the cost approach analysis.
Residential licensee	2/1/00. Citation/Order, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to analyze current Agreement of Sale on subject property; failure to properly perform sales comparison approach.
Residential licensee.	3/16/00. Citation/Order, \$500 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to analyze and discuss subject property's current listing; failure to support subject property's land value.
Certified Residential licensee	11/24/99. Citation/Order, \$1,000 fine, 15 hrs. USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: certifying inspection of subject property when no inspection was made; failure to recognize professional assistance; omission of comparable sales available in the subject neighborhood without justification or explanation.
Residential licensee	10/14/99. Citation/Order, \$500 fine. Violations of USPAP S.R. 1 and 2: failure to state an existing hypothetical situation of the assignment; omission of adjustments in comparables.
Certified Residential licensee	2/17/00. Stipulated agreement, 15 hrs. USPAP. Violation of USPAP S.R. 2: certified that an interior inspection had been completed when in fact it had not.
Residential licensee.	3/16/00. Settlement agreement, not violate probation or commit any violation of laws related to duties of an appraiser. Convicted of misdemeanor violation of Penal Code section 243(e), battery.
Residential applicant	2/15/00. Stipulated agreement, \$250 fine, downgrade of application to appraiser trainee. Violation of California Code of Regulations section 3721(a)(5): submitting false documentation with license application.

Trainee applicant	12/22/99. Settlement agreement, not violate terms of court ordered probation. Convicted of violation of Penal Code section 470(a), forgery.
Certified General licensee	12/27/99. Citation/Order, \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to disclose and analyze that the subject property was listed at the time of the appraisal; failure to select comparables of similar physical characteristics and quality.
Certified Residential licensee	12/7/99. Citation/Order, \$500 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to support value estimate in excess of list price; failure to disclose how lot size adjustments were made.
Certified Residential licensee	2/3/00. Accusation/Final Decision issuing \$1,000 fine, 15 hrs. USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to consider and analyze prior sale of subject property; omission of comparable sales available in the subject neighborhood without justification or explanation.
Certified Residential licensee	2/8/00. Citation/Order, \$500 fine, 15 hrs. USPAP, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to disclose and analyze prior sale of subject property.
Residential licensee.	3/15/00. Settlement agreement, \$3,000 fine, 30 hrs. basic education, submit appraisal log and work samples, review fee of \$275, attend an OREA discretionary conference, \$100 conference fee. Violations of USPAP S.R. 1 and 2: failure to report and analyze prior sale or listing of subject property or comparables.
Certified Residential licensee	11/23/99. Citation/Order, \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to inspect interior of subject property; failure to acknowledge professional assistance.
Certified General licensee.	3/10/00. Citation/Order, \$1,000 fine, \$1,000 enforcement costs. Violations of USPAP S.R. 1 and 2: failure to develop the analysis to support estimate of value of excess land; failure to disclose original appraiser-client relationship.
Certified Residential licensee.	4/5/00. Citation/Order, \$750 fine, 20 hrs. basic education. Violations of USPAP S.R. 1 and 2: failure to comply with USPAP records keeping provision; failure to select appropriate comparables.
Certified General licensee.	11/18/99: Settlement agreement, resigned license effective 3/21/2000, not appraise after 12/31/1999, private reproval. Alleged violations of USPAP S.R. 1 and 2: failure to accurately identify and describe subject property; failure to properly perform and report appraisal.
Certified General licensee	10/18/99. Citation/Order, \$250 fine, 15 hrs. USPAP. Violations of USPAP S.R. 1 and 2: failure to base financing concession adjustment on appropriate market data; failure to correctly reconcile the quality and quantity of data and suitability of the approaches used.

*(Continued on page 22)*

# Enforcement Actions *(continued)*

## **Criminal Prosecutions** **(referred by OREA)**

**Avila, Ernest S.**  
AT021407

12/7/99. Action handled by Los Angeles County District Attorney. Placed on four years formal probation, served one day in custody, \$200 restitution, \$4,995 fines and penalties. Convicted of violating Business and Professions Code section 11320, appraising without a license. License expired 10/16/97.

**Fagerstrom, Emile J.**

3/15/00. Action handled by San Diego County District Attorney. Sentenced to 240 days in custody, \$507 restitution, three years formal probation. Convicted of violating Penal Code section 470(a), forgery.

## **Child Support Actions**

**Darington, Sydney**  
AL012707

11/2/99: License suspended. Violation of Welfare and Institutions Code, Section 11350.6.

**Durkee, Murvin**  
AG002976

12/9/99: License Reinstated. 11/9/99: License suspended. Violation of Welfare and Institutions Code, Section 11350.6.

**Ford, William**  
AR009072

11/23/99: License reinstated. 9/8/99: License suspended. Violation of Welfare and Institutions Code Section 11350.6.

**King, Anthony**  
AG007977

2/15/00: License suspended. Violation of Welfare and Institutions Code, Section 11350.6.

**Law, J. Douglas**  
AR0013328

4/13/00: License suspended. Violation of Welfare and Institutions Code, Section 11350.6.

**Mares, Timothy J.**  
AR0013051

4/20/00: License reinstated. 4/4/00: License suspended. Violation of Welfare and Institutions Code, Section 11350.6.

**Sage, Christopher**  
AR002034

12/9/99: License reinstated. 8/12/99: License suspended. Violation of Welfare and Institutions Code, Section 11350.6.

## ***USPAP 2000 IS ON-LINE!***

*The 2000 edition of the Uniform Standards of Professional Appraisal Practice can now be viewed on The Appraisal Foundation's website under the heading Appraisal Standards Board. There is a link to their website through OREA's web page under the heading Related Sites in the menu bar on the left-hand side of our home page.*

# Appraising Manufactured Housing/Mobile Homes

# Real Estate

## Fraud Seminar *(continued)*

A vital part of a real estate appraiser's responsibility whenever performing an appraisal of a manufactured housing unit (or a mobile home) is to accurately identify and report whether or not the improvements have been placed on a permanent foundation. This distinction is crucial because real estate loans are typically more attractive than manufactured housing loans and lenders do not make real estate loans unless the improvements have been placed on a permanent foundation.

Although appraisals of manufactured housing units (or mobile homes) that are not on permanent foundations are basically "personal property" appraisals, OREA licensees are nevertheless required to conform to the *Uniform Standards of Professional Appraisal Practice* (USPAP) at all times. Therefore, if you are performing appraisals of manufactured housing/mobile homes but do not feel fully competent in determining whether or not the units themselves or improvements to them are on permanent foundations, OREA strongly recommends that you acquire additional education in this area. Please be aware that failure to accurately identify whether or not improvements are on a permanent foundation could result in a misleading appraisal and/or a violation of USPAP's *Competency Rule*, which could result in disciplinary action.

**HOTEL DIRECTIONS:** From both the Riverside (91) and Santa Ana (1-5) Freeways, exit at Beach Boulevard and proceed south. Embassy Suites, Buena Park is on the left-hand side.

**PARKING:** Parking is complimentary.

**SEMINAR REGISTRATION:** To reserve your spot at the seminar, complete and mail the registration form below. There is limited space available at the seminar, so register early! Please make checks payable and mail to:

Office of Real Estate Appraisers  
1755 Creekside Oaks Drive, Suite 190  
Sacramento, California 95833  
Attention: Accounting.

**OREA CONTACT:** If you have any questions concerning the seminar, contact Tom Morrison, Legislative and External Affairs Coordinator, at (916) 263-0722, FAX (916) 263-0887. See you there!

## REGISTRATION FORM OREA REAL ESTATE FRAUD SEMINAR



**For Office Use Only**

**Amount**

**Source Code**

991937-12

Name(s) \_\_\_\_\_

Firm \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

Business Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Enclosed is \$ \_\_\_\_\_ for (#) \_\_\_\_\_ persons.

I will be reserving a room at Embassy Suites, Buena Park for the seminar.

Mail check and registration to: Office of Real Estate Appraisers, 1755 Creekside Oaks Drive, Suite 190, Sacramento, California 95833, Attention: Accounting.





# Kid's Day 2000



Deputy Director Tony Majewski poses for a photograph with our Kids Day 2000 participants, first row from left to right--Danielle Hatala, Samantha Patterson, Monique Avila, Mareena Avila, Elizabeth Scott, Amanda Neves, Khyree Jefferson, Tierney McCarty, and second row from left to right--Jordan Rahn, Colton Metteer, Robert Southards, Kayla Estampa, Angeliqua Ayala (not pictured) and Malicha Tuggle (also not pictured).

**A**pril 27, 2000, the State of California celebrated Kid's Day 2000. Each year, the event is designed to increase the confidence level of our youth as well as provide them with perspectives on career choices and opportunities the State of California has to offer. Participation throughout the state continues to grow each year.

Fourteen children of OREA employees participated in Kid's Day 2000 at our office location. They assembled license renewal notification packages and prepared Licensing Handbooks for mailing, among other scheduled activities.

In addition, Stephanie Neves, daughter of another OREA employee, was among a group of students selected to participate in Kid's Day 2000 at the Business, Transportation and Housing Agency. There, Secretary



Secretary Maria Contreras-Sweet and Assistant Secretary for Public Affairs Mark DeSio welcome Stephanie Neves to Kids Day 2000

Maria Contreras-Sweet provided the visitors with a day customized to their expressed interests in department programs.

It was a productive and enjoyable day for kids and employees alike. Thanks to all who planned this successful event!



STATE OF CALIFORNIA  
 GRAY DAVIS  
 GOVERNOR

MARIA CONTRERAS-SWEET  
 SECRETARY, BUSINESS, TRANSPORTATION AND HOUSING AGENCY

## OFFICE OF REAL ESTATE APPRAISERS CUSTOMER SERVICE SURVEY

Since our goal is to provide you with the best possible service, your input is vital to our success. Please help us serve you better by taking a few minutes to answer the questions below. Please return the completed survey to: Office of Real Estate Appraisers, 1755 Creekside Oaks Drive, Suite 190, Sacramento, California 95833. Thank you for responding.

(Optional)

Name:

Address:

Telephone:

What was the nature of your most recent (within the past 6 months) contact with us? (Please check, as appropriate)

- |                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Licensing assistance<br><input type="checkbox"/> Initial/Upgrade<br><input type="checkbox"/> Renewal<br><input type="checkbox"/> Course Approval<br><input type="checkbox"/> Other: (please explain) _____<br><input type="checkbox"/> Enforcement assistance | <input type="checkbox"/> General information<br><input type="checkbox"/> Other: (please explain) _____<br><input type="checkbox"/> By phone<br><input type="checkbox"/> In person<br>Month/Year: _____ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Statements	Check As Appropriate					
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Not Applicable
Staff was courteous and helpful						
Staff provided complete and accurate information						
A timely response was provided						
My overall experience was positive						
In addition, please complete the section below if your contact with us involved licensing assistance						
The application forms were understandable						
The application forms were easy to use						
The Real Estate Appraiser Licensing Handbook was understandable						

Please indicate your type of employment (check only one):

- \_\_\_ Independent fee appraiser
- \_\_\_ Employee of bank or savings and loan
- \_\_\_ Government employee as an appraiser
- \_\_\_ Employee of fee shop of consulting firm
- \_\_\_ Real estate appraiser employee or accounting firm
- \_\_\_ Review appraiser for one of the above
- \_\_\_ Other (please explain) \_\_\_\_\_

Please state license level:

- \_\_\_ Certified General (AG)
- \_\_\_ Certified Residential (AR)
- \_\_\_ Residential License (AL)
- \_\_\_ Trainee License (AT)

Other Comments:

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**State of California**

**GRAY DAVIS**

*Governor*

**Business, Transportation and Housing Agency**

**MARIA CONTRERAS-SWEET**

*Secretary*

**Office of Real Estate Appraisers**

**JERRY R. JOLLY**

*Acting Director*

**Office of Real Estate Appraisers**  
**1755 Creekside Oaks Drive, Suite 190**  
**Sacramento, CA 95833-3637**

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