



THE CALIFORNIA Appraiser

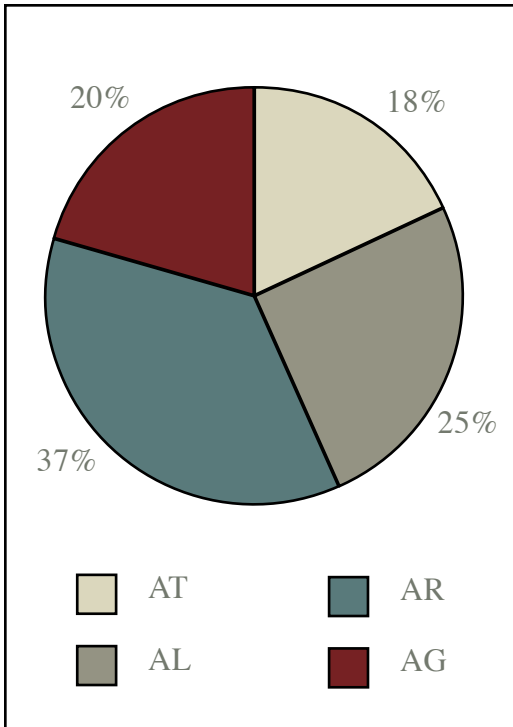
OREA
SPRING 2009

Arnold Schwarzenegger, Governor
Dale Bonner, Secretary, Business, Transportation, & Housing Agency
Bob Clark, Director, Office of Real Estate Appraisers

Office of Real Estate Appraisers

ACTIVE LICENSES IN CALIFORNIA

As of March 10, 2009



Trainee License (AT)	3,152
Residential License (AL)	4,337
Certified Residential (AR)	6,254
Certified General (AG)	3,537
TOTAL	17,280

DIRECTOR'S MESSAGE



OREA Director
Bob Clark

In this, my first message to the appraisal industry, I would like to express my appreciation for the opportunity to serve the California public and the appraisal profession by my appointment as Director of the Office of Real Estate Appraisers (OREA) in April 2008. I am honored by the confidence placed in me by the Schwarzenegger Administration, the California State Senate, and the Business Transportation & Housing Agency to lead the dedicated staff of OREA. I pledge to consistently strive for improvement upon the departmental mission of protecting public safety by ensuring the competency and integrity of licensed real estate appraisers.

Additionally, I want to thank former Acting Director Anthony Majewski, who stayed on during my first several months at OREA to assure a smooth transition of leadership. I commend Mr. Majewski for serving as OREA's Acting Director for over 7½ years during a time of significant change in the appraisal profession, and wish him all the best in retirement.

Much has occurred since The California Appraiser was last published in 2005. With the unprecedented appreciation in real estate values, OREA experienced a dramatic increase in licensing activity, going from approximately 18,800 licensees in 2005 to over 20,100 licensees by the beginning of 2007. With the decline in the real estate market, the pendulum has swung in the opposite direction, with a current license population of approximately 17,300. The declining market has also resulted in more enforcement complaints; the first three months of 2009 indicate that OREA may receive over 600 complaints for the year, an increase of approximately 15% from 2008. In order to meet this challenge, OREA requested authorization to increase its enforcement staff in the 2009-10 fiscal year. This request would add three property appraiser investigator positions and a staff legal counsel. These additional positions should greatly enhance our efforts to administer an effective enforcement and disciplinary program.

The most significant change in appraisal licensing has been the increased educational and national licensing examination requirements that took effect in January 2008, increasing the standards for entering the profession.

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Official Publication of the
California Office of Real Estate
Appraisers

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The majority of applicants that took the new examination in 2008 qualified under the pre-2008 education standard. This has resulted in a lower pass rate (approximately 30%) for the new examination in 2008, possibly indicating that the more stringent standard has attained the goal of "raising the bar." I anticipate that the pass rate for the examination will increase in the months ahead, as all license applicants must qualify for the exam under the new criteria.

One of my goals for OREA is to improve upon its use of information technology to more effectively and efficiently administer its regulatory program. We are currently evaluating our systems to implement: 1) an expanded online licensing system to include all renewal and initial license applications; 2) a conversion of OREA's filing system from paper files to a secure electronic database; 3) improvements to existing databases to provide streamlined functionality; and 4) improvements to OREA's website to make it more user-friendly. While these changes will not occur overnight, they are a priority for us, and we will continue to strive to attain these goals as soon as possible.

The most common concern expressed to me from licensees over the past year has been the unethical and unlawful pressuring of appraisers by real estate and lending professionals. Chapter 291, Statutes of 2007 (SB 223), provides in part that "No person with an interest in a real estate transaction involving an appraisal shall improperly influence or attempt to improperly influence, through coercion, extortion, or bribery, the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan." To further restrain undue influence upon appraisers, the law also provides that if a person who violates the law is licensed under any State licensing law, and the violation occurs within the course and scope of the person's duties as a licensee, it shall be deemed a violation of that State licensing law. In order to effectively implement this important legislation, OREA recently completed a joint communication with the Department of Real Estate, the Department of Financial Institutions, and the Department of Corporations that provides examples of actions that may constitute a violation of the law. Each of these departments has provided this information to its licensees, as well as the possible disciplinary actions that may result from violations of the law.

The most prescient issue for the appraisal profession is the May 1st implementation of the Home Valuation Code of Conduct (HVCC), and the commensurate impact of Appraisal Management Companies (AMC's) on licensed appraisers. Although a lawsuit has been filed by the National Association of Mortgage Brokers in opposition to the HVCC, it is unknown at the time of this writing if implementation will be stopped or delayed, or if more modifications to the HVCC will result. (Please see the article in this newsletter for a summary of the HVCC as presently proposed.) There is a legislative proposal by Senator Ron Calderon (SB 237), which would require AMC's to register with OREA, and would subject them to the provisions of the Real Estate Appraisers' Licensing and Certification Law. Another important change for all appraisers to note is the requirement that no later than October 1, 2009, all Federal Housing Administration (FHA) Appraiser Roster appraisers in all states and territories must be state certified (certified residential or certified general credentials) in order to be eligible to conduct appraisals for FHA-insured mortgages and to remain on the FHA Appraiser Roster. If you currently hold an AL license with OREA, and prepare reports for FHA transactions, we encourage you to upgrade to an AR or AG credential as soon as possible.

Please take the time to read additional articles in this edition of The California Appraiser on Licensing Work Samples, Relevance of Zoning on the Appraisal Process, OREA's Complaint Process, Appraiser Liability Issues, Energy Efficiency Issues in Appraisals, and Inspections Performed by Unlicensed Appraisers. We welcome and encourage your feedback in order to more effectively serve the appraisal profession. Should you have any suggestions to improve upon our website (www.orea.ca.gov), or upon administration of the appraiser licensing and enforcement program, please call our office at (916) 552-9000.

My commitment as Director of OREA is to continually improve our operations and to strive for efficiencies that result in effective use of our available resources. I look forward to meeting and interacting with appraisal professionals in the months ahead. The staff of OREA appreciates your support and looks forward to your comments and suggestions.

COMPLAINT PROCESS AT OREA

OREA is currently experiencing an increased inflow of complaints against licensed appraisers for violations of the Uniform Standards of Professional Appraisal Practice (USPAP). The screening of complaints is time consuming. Complaints that are not well documented and lack appropriate evidence are common and ultimately negatively impact the production level of the investigative staff. Accordingly, a review of the complaint process is in order to assist Complainants in submitting complaints that are well founded and deserving of the Enforcement Unit's time.

OREA will pursue complaints that contain sufficient support indicating that a licensed appraiser committed significant violations of USPAP or committed acts in violation of laws and regulations. Differences in opinions of value are not the basis for a constructive complaint. OREA does not have the jurisdiction to refund monies, award damages, or cancel contracts. Errors in methodology, the inaccurate reporting of property characteristics, inaccurate or insufficient levels of analysis, and ethical violations constitute grounds for viable complaints. OREA will fully investigate complaints with these attributes. Significant disciplinary action will occur when these attributes have resulted in overvaluations and the potential for damages.

Complaints are investigated in a confidential manner. Throughout the investigative process the Complainant's name is treated with confidentiality. It must be understood, however, that in the course of administrative law due process it may become necessary to release the Complainant's name.

Complainants must submit their allegations on the OREA Complaint Form (REA4001). It is important to read the complaint form instructions before starting to complete the form. The first item to be completed in the form is the personal information about the Complainant. It is important to provide phone numbers where you are readily available and, if possible, an email address. Some Complainants wish to be anonymous. This is an option, although OREA discourages this because Complainants are often excellent witnesses for the case. We do understand, however, that in certain cases anonymity is important.

Next, provide the contact information you have regarding the appraiser that is the subject of the complaint. It is important that you carefully document your dates of contact with the appraiser regarding the problems. It is helpful for OREA to know if there were attempts to resolve the issues with the appraiser. This is particularly important when the Complainant is the review appraiser. If this is a case that has been adjudicated, it is important to include with your submission the relevant court documents. In a situation in which the case is in the legal process, please provide the name of any legal counsel you might have retained, and provide information on the current status of the case.

Our goal is to investigate cases that are fully adjudicated. We refrain on concluding investigations where OREA is being used as a tool to assist in settling the case.

Page three of the complaint form requests information on witnesses. The witnesses may include individuals that are knowledgeable in the real estate market and can provide supporting information. In cases where appraisers have misrepresented their role in assignments, witnesses may be individuals who could provide evidence on who actually performed the appraisal assignment or the levels of due diligence performed. It is essential that accurate contact information be provided on the witnesses.

A listing of the documents the Complainant is providing is requested on page four of the complaint form. There must be sufficient information to support the allegations. Copies of appraisal reports transmitted to the intended user are key as well as evidence gathered to refute the appraisal. If the Complainant has appraisal reports in their possession, it is important that these reports be provided to OREA in their entirety with as much supporting data as possible. Appraisal review reports, market data information, and other documented information are essential in supporting the allegations. If the Complainant is a review appraiser, the appraisal review report with its supporting data and analysis should be part of the complaint submission. There are situations in which OREA received complaints from review appraisers who do not provide supporting information, but merely allege violations including overvaluations. In these cases the Complainant will be contacted to provide additional information in order for the case to proceed.

Item 20 on page four of the complaint form is the key section of the complaint. This section affords the Complainant the opportunity to present an overview of the complaint. It is best to state the allegations, and provide supporting information. The items of evidence previously listed can be referenced here. The events should be presented in chronological order. The goal of this section is to lead the screener of the complaint to a conclusion that would support the allegations. It is of prime importance that there be sufficient evidence to justify OREA pursuing the case. Complaint submissions without merit cannot be pursued. Provide as much detail as possible in your explanation of the complaint. The detail is optimal when it contains verified relevant market data. The Complainant can often be of assistance as OREA proceeds with the investigative process. Because of the knowledge of real estate markets possessed by certain Complainants, the investigator may be further soliciting their assistance. If you have questions on how to proceed with the complaint, please phone the OREA Enforcement Unit at (916) 552-9020.

APPRAISER LIABILITY ISSUES

The mortgage meltdown is a constant news item and a major cause in our worsening economy. To date lenders and mortgage brokers have taken the bulk of the criticism, which is well deserved. As quality conscious appraisers are well aware, there has always been pressure on appraisers to make mortgage transactions work. The role of the real estate appraiser is to conclude an independent opinion of value without succumbing to the client's wishes. Unfortunately, many appraisers during the mortgage crisis did not adhere to this most basic requirement and must share blame for the crisis as well. When scam artists needed a specific value to complete their transaction, they could find an appraiser willing to be complicit in their scam. Following is an overview of the Uniform Standards of Professional Appraisal Practice (USPAP) standards that appraisers typically violate as they supported these transactions.

One of the biggest problems that appraisers encountered was business pressure. The problem here is twofold. First, in order to ensure future business, many appraisers believed they had an obligation to be flexible with values in order to retain their clients. In many cases they yielded to lender pressure. As a result they lost their independence and objectivity as appraisers, which is a violation of the Conduct section of the Ethics Rule. If appraisers have evidence of lender pressure, they should report it to the appropriate agencies as a result of Senate Bill 223. The second business-related problem was the lack of due diligence in the appraisal process in order to accommodate a client's deadline. The most common violation here involved USPAP Standards Rule 1-2(e)(i); the failure to identify the relevant property characteristics of the subject property. These failures often result in the significant misrepresentation of the subject property resulting in a very misleading report. Very often the appropriate data sources for zoning or entitlement verification were not utilized resulting in violations of Standards Rule 1-3(a). Public record data sources are not the appropriate source, for example, of zoning verification. The appropriate municipality must be contacted to verify zoning and entitlement issues. We observe appraisals of land in which data verification is insufficient. Very often appraisers, some of whom are very experienced, do not adequately research the subject property or the sales comparables level or potential level of approvals. In addition, constraints to development are often not verified or analyzed appropriately. This is very often the result of insufficient due diligence in the appraisal process.

Another frequently occurring violation of USPAP resulting from lender pressure and the lack of due diligence, is inadequate analysis. This results in violations of Standards Rule 1-4 that states that an appraiser "must collect, verify, and analyze all information necessary for credible assignment results." In these cases the appraiser fails to

appropriately collect and accurately analyze market data. OREA often investigates complaints where only secondary data sources are utilized as a source for verification. In many instances it is necessary to contact the primary data sources in order to obtain the required information to appropriately analyze the sales comparables.

Unfortunately when surrendering to client pressure appraisers often become advocates for their clients. In these situations they do not comply with one of the most basic tenets of the Conduct section of the Ethics Rule that states "An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests." Where this is especially evident is when the errors observed in appraisal reports all tend to result in positive analysis or benefit for the intended user. These errors can include omissions of relevant data or the inaccurate disclosure and analysis that benefits the subject property.

Often times when appraisers are involved in overvaluations, they fail to accurately analyze or even disclose any current listings of the subject property or agreements of sale. This is a violation of Standards Rule 1-5(a). In order to comply with Standards Rule 1-5(b), appraisers must "analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal." In fraudulent transactions involving residential properties, the omission of past sales history can assist in supporting an overvaluation.

Many of the OREA investigative cases involve appraisers that perform appraisal assignments that are beyond their level of expertise, which violates the Competency Rule. There are instances of technical competency as well as geographic competency. In some of our cases it is evident that appraisers have become involved in assignments in which they lack the proper expertise to complete the assignment. In residential cases this is observed when inexperienced appraisers become involved in unique custom homes, residences with rural attributes, or two to four unit investment properties. For non-residential appraisers, an increasing area of concern involves the appraisal of land. Land can be very difficult especially when it concerns the analysis of entitlements, land use restrictions, or conservation easements. Geographic competency is a major concern especially in residential assignments. There have been cases where appraisers have traveled to areas in which they do not have the appropriate data sources including the multiple listing service. In some instances the perpetrators of fraud have selected certain appraisers because of their lack of knowledge and inadequate data sources in a particular market area.

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Appraiser Liability Issues

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One of the biggest issues today facing residential appraisers is the appropriate analysis of concessions in the market place. First, concessions must be analyzed for the subject property in compliance with Standards Rule 1-5(a). Concessions must also be verified and analyzed for the sales comparables in accordance with Standards Rule 1-4(a). It is important to understand the concessions that have occurred in the sales comparables and their inherent impact on market value.

In order to avoid becoming complicit in unscrupulous transactions, appraisers must always maintain their independence and objectivity in assignments. It is important not to yield to client's pressure. Staying informed of current appraisal issues through continuing education and association with other competent appraisers is key to avoiding problems.

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OREA has initiated an email subscribers list for The California Appraiser, important industry news, announcements of website updates and new publications. This will be a low volume list and the addresses will not be made available to any other entity unless required by law. You can join the list by going to the link below and sending a blank email. If you use web-based email, you may have to copy the address and paste it into a new, blank message in your webmail.

Subscription Address:

orea_notices-join@orea.ca.gov

HOME VALUATION CODE OF CONDUCT

TO TAKE EFFECT MAY 1, 2009

Fannie Mae and Freddie Mac have announced that they will implement a revised Home Valuation Code of Conduct (HVCC) effective May 1, 2009. The HVCC is based on an agreement between Fannie Mae, Freddie Mac, New York State Attorney General Andrew Cuomo and the Federal Housing Finance Agency (FHFA). The HVCC applies to lenders that sell single-family mortgage loans to Fannie and Freddie. They plan to provide more information in early 2009 to address implementation questions.

Some of the highlights of the revised HVCC are:

No employee, director, officer, or agent of the lender, or any other third party (including an appraisal management company) shall influence or attempt to influence the development, reporting, result, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or in any other manner including but not limited to:

- "withholding or threatening to withhold timely payment or partial payment for an appraisal report;
- withholding or threatening to withhold future business for an appraiser, or demoting or terminating or threatening to demote or terminate an appraiser;
- conditioning the ordering of an appraisal report or the payment of an appraisal fee or salary or bonus on the valuation to be reached, or on a preliminary value estimate requested from an appraiser;
- requesting that an appraiser provide an estimated valuation in an appraisal report prior to the completion of the appraisal report, or requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal report;
- providing to an appraiser an estimated or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- allowing the removal of an appraiser from a list of qualified appraisers without prompt written notice to such appraiser,
- any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, or impartiality or violates law or regulation, including USPAP. "

The lender or the lender's agent may ask for additional information or an explanation of information in the report, and may ask the appraiser to correct objective factual errors in an appraisal report.

The lender must provide the borrower a copy of the appraisal report promptly upon completion at no additional cost to the borrower.

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The lender cannot accept an appraisal report completed by an appraiser selected, retained, or compensated in any manner by a mortgage broker or real estate agent. Only third parties authorized by the lender (such as appraisal companies, appraisal management companies, and correspondent lenders) may contract for an appraisal report. There is no requirement that the lender use an appraisal management company.

The appraiser cannot be selected by a member of the lender's loan production staff or by anyone employed by the lender who will receive a commission from the loan. In other words, the person on the staff of the lender who selects the appraiser must be wholly independent of the loan production staff and process.

The lender may use in-house staff appraisers to: 1) order appraisals, 2) conduct appraisal reviews or other quality control, 3) use internal automated valuation models, and 4) prepare appraisals in connection with transactions other than mortgage origination transactions.

An Independent Valuation Protection Institute (IVPI) will be created. The IVPI will have a telephone hotline and email address to receive complaints of HVCC non-compliance, including complaints from appraisers and other concerning the improper influencing or attempted improper influencing of appraisers or the appraisal process. The lender is not allowed to retaliate, in any manner or method, against the person that makes a complaint to the IVPI. At this writing, the IVPI has not been established.

The full text of the HVCC is posted at:

[http://www.ofheo.gov/
media/news%20releases/
HVCCFinalCODE122308.pdf](http://www.ofheo.gov/media/news%20releases/HVCCFinalCODE122308.pdf)

Fannie Mae has issued a six page list of Frequently Asked Questions detailing HVCC implementation plans, posted at:

[https://www.efanniemae.com/sf/guides/ssg/
relatedsellinginfo/appcode/pdf/hvccfaqs.pdf](https://www.efanniemae.com/sf/guides/ssg/relatedsellinginfo/appcode/pdf/hvccfaqs.pdf)

ENERGY EFFICIENCY ISSUES IN APPRAISALS

Energy efficiency in homes and non-residential properties is an attribute appraisers should familiarize themselves with and understand. California is a national leader in promoting energy efficiency. The California Energy Commission has developed a rating system for home energy efficiency; the California Home Energy Rating System, (HERS). Home energy audits, conducted by certified HERS raters, rate a home's energy efficiency based on an index rating schedule. Ratings are also performed on many multi-residential properties. After completion of the audit, a HERS Certificate is issued rating a home's energy efficiency. The index rating ranges from 0 to 250. A rating at the 0 level denotes a "Net Zero Energy Home", a home that consumes no more energy than it generates. A rating at a 250 index would represent a home that is not energy efficient and would encounter high-energy costs. A 100 rating is considered a home that complies with current energy codes.

Appraisers must be aware of energy efficient items in the properties they appraise. With rising energy costs, homeowners will typically pay a premium for energy efficient homes. Adjustments to appraisals must be supported. It is incumbent upon appraisers to collect and analyze market information on energy efficient items in the properties they appraise. These might include the use of solar energy and increased insulation throughout the home including windows. Ideally, sales of high energy-efficient homes, where buyers have paid a premium for these items, would yield a supportable adjustment through market extraction. For income producing properties, the reduction in costs from the use of energy efficient items can be verified through the result of a reduction in operating expenses and increased net income streams. For more information about the HERS energy rating system, please visit the California Energy Commission website at www.energy.ca.gov/.



INSPECTIONS PERFORMED BY UNLICENSED APPRAISERS

Q: How do I note in the current Fannie Mae forms (effective March, 2005) that I did not inspect the property and delegated the inspection to an unlicensed individual?

A: There are NO circumstances under which an unlicensed person can be the sole inspector in an appraisal assignment when using the current FNMA forms. The person signing and authenticating the report on the left hand side MUST INSPECT the property.

Appraisers are responsible for reading and understanding the documents that they sign. There are three places in the new forms that indicate the person who signs on the left hand side of the report has performed a personal inspection of the property (note—excluding drive-by forms):

- “Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser’s certification, my (our) opinion of market value, as defined...”
- Scope of Work: “The Appraiser (person signing on the left hand side of the report) must at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from the street...” and
- Appraiser’s Certification—#2. “I (the person signing on the left side of the report) performed a complete visual inspection of the interior and exterior areas of the subject property”

The new reports state strongly that “Modifications or deletions to the certifications are also not permitted.” In other words, the appraiser cannot include an addendum for the report that states that he did not inspect the property and relied on others to perform the inspection.

Q: How can I employ unlicensed people to perform inspections for me in my appraisal business?

A: Unlicensed parties can only perform inspections on real property under the following conditions:

- When accompanied by a licensed appraiser on all assignments;
- If clearly reported and contradictory forms are not used (i.e., ones that indicate the appraisal is for a Federally Related Transaction.
- On some narrative appraisal assignments and non-FNMA forms where the assistance of the unlicensed individual is fully disclosed.

Please note that FannieMae further clarified the “Use of Supervisory Appraisers” in Announcement 08-30 released on November 14, 2008. The announcement can be viewed online at:

<https://www.efanniemae.com/sf/guides/ssg/annltrs/pdf/2008/0830.pdf>

WORK SAMPLES FOR LICENSING

Work samples are required when an applicant is applying for license levels AL, AR, and AG. The work samples provided should demonstrate the applicant's ability to appraise at the license level applied for. Work samples for the certified levels should demonstrate the applicant's ability to perform complex assignments.

1. Inadequate recognition of significant professional assistance provided in the preparation of the appraisal report.
2. Inappropriate use and/or abuse of boilerplate commentary (often in the neighborhood description and reconciliation section of the Sales Comparison Approach).
3. Failure to recognize, analyze, and report changing market trends and to report those trends in a manner that is consistent throughout the appraisal.
4. "Backing into" the predominant price and age of the neighborhood to "fit" the subject property.
5. Inadequate zoning description and analysis related to highest and best use of the subject property (particularly for 2-4 unit properties).
6. Inadequate description of the subject property's amenities and condition (particularly remodeling and/or deferred maintenance).
7. Failure to disclose and analyze additions, studios, secondary units and garage conversions. Failure to verify whether additions and conversions were completed with the appropriate permits and if they conform to the zoning. Inappropriate assumptions that additions and conversions were completed with permits due to the inclusion of the additional square footage in data sources (assessor/county records).
8. Insufficient justification supporting the subject property's estimated effective age, particularly when it is substantially less than the chronological age.
9. Replacement cost figures that are not supported by the stated data source.

The work samples are reviewed by staff members of the Enforcement Unit, whose appraisal related experience ranges from 19 to 32 years. The following is a list of the most common deficiencies noted in the residential work samples reviewed:

10. Failure to use an appropriate method to estimate depreciation in the Cost Approach.
11. Failure to appropriately adjust for functional obsolescence in the Cost Approach when the depreciated value of the subject property improvements is not fully recognized by the market.
12. Failure to adjust for external obsolescence, and to appropriately allocate this loss in value between the land and improvements.
13. Rate per square foot adjustments for differences in site area without discussion or consideration of the site utility or land values in the area.
14. Insufficient reasoning and support for adjustments applied in the Sales Comparison Approach (particularly when the adjustments are made across-the-board).
15. Insufficient analysis and support for the Gross Rent Multiplier in the Income Approach.
16. Inadequate commentary on actual versus economic rents of the comparable sale properties.
17. Inadequate analysis of the subject property's prior sale(s).
18. Inadequate analysis of a current sales agreement for the subject property (or alternatively, disclosure of the steps taken to obtain a copy of the sales agreement).
19. Inadequate reconciliation of the quality and quantity of data available and analyzed within the approaches to value used, as well as, the applicability or suitability of the approaches used.

THE RELEVANCE OF SPECIFIC ZONING TO THE APPRAISAL PROCESS

What is zoning?

Zoning is a police power exercised by the government for the purpose of regulating the intensity and character of land use. Zoning implements the general plan, which is the long-range land use policy document for any given city or county in California.

Why is zoning important?

Zoning regulations dictate the immediate, legally allowable uses for any given property located within the jurisdiction of a city or county. The subject property specific zoning should always be duly noted and described, even though in conforming single-family residential subdivisions, zoning will rarely, if ever, be a significant factor in the appraisal process. A basic understanding of zoning regulations is required in situations where development is not completely homogenous and there is the potential for a change in land use, as "legally permitted uses" is one of the criteria utilized to establish highest and best use. To adequately establish and support an opinion of highest and best use, it is necessary to ascertain the specific zoning designation applicable to the property under appraisal and to understand the uses that are legally permitted within that specific zoning designation.

Where do I research specific zoning designations and zoning regulations?

The primary source for obtaining zoning information is the applicable city or county planning department. Many of the more populated cities and counties in California now offer online resources including zoning maps and ordinances. It is important to note that many of the published information sources typically utilized by appraisers may not reflect current or specific zoning. It is the appraiser's responsibility to ensure that the data source utilized to obtain zoning information is current and accurate as to content.

How do I apply specific zoning information to my subject property?

If the property under appraisal is improved, determine if the improvement, the use, and the site conform to current zoning regulations. If the improvements or use do not conform, determine if the improvements or use

were legally constructed or established prior to the date of the current zoning regulations and are considered legal, but nonconforming. Improvement, use, and site nonconformities typically arise due to changes in zoning occurring subsequent to development of property.

Improvement nonconformity can be evidenced by a variety of factors, including, intensity of use, parking provided, and property line setbacks, among others. An existing use may be considered nonconforming, perhaps illustrated by a residential use in an industrial zone. Site nonconformity can also exist, for example, due to less than required square footage or frontage.

If the existing improvement or use is legal, but nonconforming to zoning, the appraiser should inform the reader of this fact, and also provide a statement about any applicable zoning regulations pertaining to reconstruction of the improvements and/or continuance of the existing use in the event of destruction or damage of the improvements. If there is a question as to the legality of a nonconforming improvement or use, it is necessary to include a clearly stated and prominent extraordinary assumption concerning the legality of the improvement or use, or to obtain documentation from the appropriate authority stating the legally recognized improvement on, or use of, the subject property.

If the property under appraisal is vacant (or not developed to its highest and best use), it becomes necessary to determine the uses that could potentially be developed, and to analyze those uses within the context of highest and best use, which generally considers four criteria: legally permissible, physically possible, market demand, and maximum market value.

When am I in over my head?

Developing an opinion of value for vacant land (or property not developed to its highest and best use) can be fraught with complexity, and all but the most simplistic assignments should not be attempted without a thorough understanding of land use issues in the area where the property under appraisal is located. The appraiser should also be aware of other factors that may impact the legally permitted uses of property that may include, but are not limited to, the general plan, a community plan or specific plan, private deed restrictions, the California Environmental Quality Act, and a myriad of other potential ordinances and regulations.

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The Relevance of Specific Zoning to the Appraisal Process

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The Competency Rule of USPAP requires the appraiser to possess the knowledge and experience necessary to complete an assignment competently. If you hold an AL or AR license and the specific zoning of the property you are appraising for a federally related transaction allows for uses other than residential (up to four units), you should decline the assignment. If you hold an AL license and the residential property you are appraising for a federally related transaction is considered complex, you should decline the assignment (reference the Fall 2005 edition of the California Appraiser for the definition of complex).

Alternatively, you may notify your client of your lack of experience and knowledge, and (if the client is amenable) seek the assistance of an appraiser who is qualified to appraise the property, will work with you on the assignment, and will sign the report as your supervisory appraiser.

Under the right circumstances, participating in challenging assignments and gaining knowledge working with more seasoned appraisers can be an excellent way for less practiced appraisers to gain the experience necessary to qualify for a more advanced license level, and to expand potential business opportunities.

ENFORCEMENT ACTIONS

The following actions against real estate appraisers involved disciplinary sanctions that warranted public reproof during the time period of October 16, 2005 to March 15, 2009. Each entry references the USPAP rules and standards violated as well as relevant statutes and regulations, if applicable. The description of the violations have been omitted due to space limitation but are available on the OREA website.

PUBLIC DISCIPLINARY ACTIONS

JULIE ADAMS AR007562 SAN LUIS OBISPO

5/5/2006. Stipulated Settlement to revoke license effective 6/4/2006; \$2,943 enforcement costs at reapplication (if applicable). Violations of Title 10, California Code of Regulations sections 3721(a)(2)(4) & (7); Business and Professions Code sections 11321(a)(b)(c) & (d), 11328; Conduct section of the Ethics Rule.

KENNETH AIKENS AR006996 LOS ANGELES

4/21/2006. Director adopted Administrative Law Judge's proposed decision revoking appraiser's license effective 5/22/2006; \$19,648.54 enforcement costs. Violations of USPAP S.R. 1&2, Conduct section of the Ethics Rule, Competency Rule.

ALEX ALANIZ AR014913 LOS ANGELES

8/11/08. Stipulated Surrender of License effective 8/11/08, \$5,000 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 3; Conduct section of the Ethics Rule.

FRED ALTENBURG AR008010 SAN BERNARDINO

8/13/2007. Default Decision effective 9/12/2007, ordering license revocation and enforcement costs of \$17,556 if respondent reapplies for licensure at a future date. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

RAFAEL ARANDA AR031959 NAPA

7/16/2008. Stipulated Surrender of License effective 7/16/2008, \$5,000 enforcement costs deferred until reapplication. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, California Code of Regulations 3568(e)(2)(3)(4), 3702(a)(1)(2), 3705(a), 3721(a)(2)(4)(5)(6)(7), 3722(a)(9).

ANAIT ATOYAN AT036492 SACRAMENTO

10/29/08. Director adopted Default Decision revoking appraiser's license effective 11/28/08. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule and Title 10, California Code of Regulations sections 3721(a)(6) & (7).

HOLDEN AU AL015083 LOS ANGELES

3/29/06. Settlement Agreement effective 4/28/06, \$2,000 fine, \$4,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semi-annual appraisal logs for three years for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Record Keeping section of the Ethics Rule, Competency Rule.

CHARLES BADGLEY AR025856 LOS ANGELES

2/11/08. Default Decision effective 3/12/08; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Record Keeping section of the Ethics Rule, Business and Professional Code section 11328.

MICHAEL BATES AL032857 RIVERSIDE

8/11/08. Stipulated Surrender of License effective 8/11/08, \$1,000 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 2, Conduct section of the Ethics Rule.

SAMUEL BELENKY AL011176 SAN FRANCISCO

3/18/08. Settlement Agreement effective 4/17/08, revocation with revocation stayed, \$2,500 fine, \$2,500 enforcement costs, 24 months probation, 15 hour USPAP, 30 hours. basic education, bi-annual appraisal logs for two years, public reproof. Alleged violations of USPAP S.R. 1 and 2.

ANDREW BLACK AR016081 ORANGE

3/12/09. Stipulated Surrender of License effective 3/12/09. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule.

LAWRENCE BRUMM AR010733 ALAMEDA

7/2/07. Settlement Agreement stipulating stayed revocation of appraisal license effective 8/1/07, \$2,000 fine, \$3,000 enforcement costs, 15 hrs. USPAP, 20 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Record Keeping section of the Ethics Rule.

RANDOLPH BUCKINGHAM AL006492 VENTURA

01/18/2008. Stipulated Surrender of License effective 2/17/2008, \$5,000 enforcement costs deferred until reapplication. Alleged violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), 3721(a)(2)(4)(5)(6), and 3722(a)(9).

PHOC BUI AL033710 ORANGE

5/1/08. Stipulated Surrender of License effective 5/1/08, \$1,000 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule; , Title 10, California Code of Regulations sections 3702(a)(1)(D)(E),(B),(C), 3702(a)(1)(2), 3721(a)(2),(5),(6),(7), 3722(a)(9), Business and Professions Code section 11319.

SHARON BURK AL027854 LOS ANGELES

5/11/07. Settlement Agreement stipulating stayed revocation effective 6/10/07, \$3,000 fine, \$3,000 enforcement costs, 15 hours USPAP, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

JHONNY CASTRILLON AT037081 ORANGE

6/7/07. Default Decision effective 7/7/2007; License Revocation, enforcement costs. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), 3721(a)(2)(4)(6)(7), 3722(a)(2).

MICHAEL CHUNG AT029788 CONTRA COSTA

11/27/2007. Default Decision effective 12/27/2007, ordering license revocation. Violations of Conduct section of the Ethics Rule, Business and Professions Code section 11328; Title 10, California Code of regulations sections 3527(a) and 3582(c); USPAP.

DENISE CIFU AR027999 VENTURA

6/26/06. Settlement Agreement effective 7/26/06, \$3,000 fine, \$5,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semi-annual appraisal logs for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

RICHARD COLE AL028678 SONOMA

3/7/2006. Director adopted administrative Law Judge's proposed decision to revoke license effective 4/6/06, enforcement costs \$6,464.57. Violations of USPAP S.R. 1&2, Record Keeping section and Conduct section of Ethics Rule.

RODNEY CORDERO AT040544 VENTURA

1/22/08. Default Decision effective 1/22/2008 adopting Stipulated Surrender of License. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), 3721(a)(2)(4)(6), 3722(a)(2).

DANYELLE CRUZ AL029486 ALAMEDA

12/26/08. Default Decision effective 1/25/09; License Revocation. Violations of USPAP S.R. 1& 2, Conduct and Management sections of the Ethics Rule, Competency Rule, Scope of work Rule.

DAMEENE DEDRICK AT038748 SACRAMENTO

12/24/08. Default Decision effective 1/23/09; license revocation and denial of upgrade application. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), 3721(a)(2)(4)(6)(7), 3722(a)(2)(6), Business and Professions Code 11328.

NATHAN DOBYNS AT035883 RIVERSIDE

5/31/07. Default Decision effective 5/31/2007 adopting Stipulated Surrender of License. Violations of USPAP S.R. 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(2), 3721(a)(2)(4)(6), 3722(a)(2)(6).

GEORGE DUTTON AG026971 SONOMA

12/7/05. Settlement Agreement effective 1/6/06, \$3,000 fine, \$2,000 enforcement costs, 15 hrs. USPAP, 25 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

JAMES EATON AR010313 ORANGE

3/12/09. Stipulated Surrender of License effective 3/12/09; \$7,977.87 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Title 10, California Code of Regulations sections 3568(e)(2)(3)(4), 3701, 3702(a)(1)(2), 3705(a), and 3721(a)(2)(4)(5)(6)(7), 3722(a)(1)(3).

CHARLES EDWARDS AR018068 LOS ANGELES

1/3/2006. Stipulated Settlement ordering stayed revocation effective 2/2/2006; \$2,500 fine, \$2,000 enforcement costs, 15 hrs. USPAP, 20 hrs. basic education, 2 year log for monitoring, public reproof. Violations of USPAP S.R. 3, Conduct and Confidentiality sections of the Ethics Rule.

ERIC FERDINANDSEN AG010169 FRESNO

9/25/08. Stipulated Surrender of License effective 9/25/08, \$11,114.70 enforcement costs of which \$9,114.70 are deferred until reapplication, if applicable. Violations of USPAP S.R. 1 and 2, Conduct and Record Keeping sections of the Ethics Rule.

JAMES FORDE AR019478 ORANGE

2/28/2006. Default Decision and Order to Revoke Probation effective 3/30/06, enforcement costs \$1,971. Violations of USPAP S.R. 1&2, Record Keeping section and Conduct section of Ethics Rule.

RUSSELL FREEMAN AR023568 SAN DIEGO

2/1/2008. Stipulated Surrender of License effective 3/2/2008, \$5,000 enforcement costs deferred until reapplication. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

JONATHAN FRENCH AL030379 SAN DIEGO

8/1/08. Stipulated Revocation of License effective 8/1/08, \$5,502.83 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(2), 3721(a)(2)(4)(6), 3722(a)(2), California Business and Professions Code section 11328.

TING GAO AL035278 LOS ANGELES

3/3/08. Settlement Agreement effective 3/3/09, \$2,000 enforcement costs, 15 hrs. USPAP, submission of appraisal logs during probation for work sample review, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

TERESA GILLIS AG014369 SANTA CLARA

11/27/06. Settlement Agreement effective 12/26/06, \$3,000 fine, \$4,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

IRA GLUCK AR006886 VENTURA

3/30/07. Stipulated Surrender of License and Order effective 4/29/07, reapplication for an appraisal license will be treated as a new application requiring compliance with all qualifications in place for licensure at time of application, must pay a fine of \$4,000 and enforcement costs of \$5,000 at reapplication. Violations of USPAP S.R. 1 and 2, Conduct and Confidentiality sections of the Ethics Rule.

JULIE GOBEL AL028077 ORANGE

3/21/07. Settlement Agreement stipulating stayed revocation of appraisal license effective 4/20/07, \$3,000 fine, \$2,500 enforcement costs, semi-annual appraisal logs for two years for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule; Business and Professions Codes section 11321(a); Title 10, California Code of Regulations sections 3721(a)(7).

DAVID GODFREY AG002355 CLARK

AG002355. 5/30/06. Settlement Agreement effective 6/29/06, \$3,000 fine, \$2,000 enforcement costs, 15 hrs. USPAP, 21 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Record Keeping section of the Ethics Rule, Competency Rule.

HILARY GRANT AT033041 SACRAMENTO

4/5/2006. Default Decision and Order to revoke appraisal license effective 5/5/06, enforcement costs \$3,149.59. Violations of Business and Professions Code sections 11314 and Title 10, California Code of Regulations sections 3701 and 3721(a)(2), (6), and (7).

ANNA NICOLE GRIFFITH AT031734 SONOMA

1/4/2006. Stipulated Surrender of License effective 2/3/2006; shall not reapply for license for at least one year, \$2,000 enforcement costs at reapplication (if applicable). Violations of Title 10, California Code of Regulations sections 3702(a)(1)(2), 3721(a)(2)(4)(6)(7) and 3722(a)(2)(6)(7); Business and Professions Code sections 11321(a), 11324(a)(b); Conduct section of the Ethics Rule of USPAP.

ANDY GRUNEWALD AL035866 SAN DIEGO

9/26/06. Stipulated Settlement effective 10/26/06, \$2,000 fine, enforcement costs \$4,000, 15 hrs. USPAP, 20 hrs. basic education, public reproof, 18 month appraisal log for monitoring. All appraisals must be cosigned by a certified appraiser in good standing with OREA. Violations of USPAP S.R. 1&2, Competency Rule and Conduct section of the Ethics Rule.

DAVID GUTIERREZ AL026533 LOS ANGELES

7/22/08. Settlement Agreement stipulating stayed revocation of appraisal license effective 7/22/08, \$2,000 fine, \$2,000 enforcement costs, 15 hrs. USPAP, semi-annual appraisal logs for two years for monitoring, public reproof. Violations of USPAP S.R. 1 and 2, Conduct and Record Keeping sections of the Ethics Rule, Business and Professional Code section 11328.

MATTHEW HALPERT AT038983 VENTURA

3/13/08. Default Decision effective 4/12/08; License Revocation. Violations of Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3701, 3702(a)(1), 3721(a)(1)(2)(4), 3722(a)(2) and (b).

SANDRA HANDLEY AL014669 SONOMA

06/13/2006. Stipulated Surrender of License effective 7/13/2006, \$3,000 enforcement costs deferred until reapplication. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

JOHN HERNANDEZ AR003903 CONTRA COSTA

8/20/08. Settlement Agreement stipulating stayed revocation of appraisal license effective 8/20/08, \$3,000 fine, \$3,000 enforcement costs, 30 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

STEPHEN HOBBS AG003710 LOS ANGELES

10/4/07. Director adopted Administrative Law Judge's Proposed Decision to affirm Citation. \$2,000 fine, 15 hrs. USPAP, public reproof. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

PATRICK JACKSON AG028673 ORANGE

9/17/07. Stipulated Surrender of License and Order effective 10/17/07, reapplication for an appraisal license will be treated as a new application requiring compliance with all qualifications in place for licensure at time of application, and must pay enforcement costs of \$1,027 at reapplication. Violations of USPAP S.R. 2, Conduct section of the Ethics Rule; Title 10, California Code of Regulations sections 3721(a)(2)&(6), 3722(a)(2).

ERIC JOHNSON AL028152 LOS ANGELES

7/10/06. Settlement Agreement effective 8/10/06, \$3,000 fine, \$3,000 enforcement costs, 15 hrs. USPAP, semi-annual appraisal logs for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

JOHN JOHNSON AL033957 RIVERSIDE

6/22/06. Citation/Final Order effective 6/22/06. \$2,000 fine, 15 hrs USPAP, 21 hrs. basic education, Public reproof. Violations of USPAP S.R. 1 and 2, Conduct section of Ethics Rule, Competency Rule.

CHARLES KIRK AL034084 SACRAMENTO

12/13/07. Stipulated Settlement effective 1/12/08, \$2,500 fine, \$2,500 enforcement costs, 15 hrs. USPAP, 30 hours basic education, public reproof, semi-annual appraisal logs for monitoring. Violations of USPAP S.R. 1 & 2, Conduct and Confidentiality sections of Ethics Rule.

JOHN KRIZO AG007834 KERN

7/10/08. Stipulated Settlement effective 7/10/08, \$3,000 fine, \$3,000 enforcement costs, 15 hrs. USPAP, 15 hrs basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Alleged violations of USPAP S.R. 1&2, Conduct and Record Keeping sections of Ethics Rule, Competency Rule, Business and Professional Code section 11328.

WALTER LARRINAGA AL006088 SAN DIEGO

8/16/07. Stipulated Surrender of License and Order effective 8/16/07, reapplication for an appraisal license will be treated as a new application requiring compliance with all qualifications in place for licensure at time of application, must pay enforcement costs of \$1,000 at reapplication, if applicable. Violations of USPAP S.R. 1 and 2, Conduct and Confidentiality sections of the Ethics Rule.

ABDUL LECKY AL029347 ALAMEDA

4/7/08. Stipulated Surrender of License effective 5/7/08, \$13,107 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule; Competency Rule.

MARC LENK AL029354 SACRAMENTO

10/15/07. Settlement Agreement stipulating stayed revocation of appraisal license effective 11/14/07, \$2,000 fine, \$4,000 enforcement costs, 15 hrs. USPAP, 20 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

JOHN LICHTY AR004444 PLACER

6/20/07. Settlement Agreement stipulating stayed revocation of appraisal license effective 7/20/07, \$3,000 fine, \$5,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

ALEC MANOCCHIO AL030643 SAN DIEGO

11/3/08. Default Decision effective 12/3/08; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Scope of Work Rule.

RAYMOND MATRANGA AL029760 ORANGE

12/29/08. Stipulated Settlement and Disciplinary Order stipulating stayed revocation of appraisal license effective 12/29/08 and denial of upgrade application, \$1,500 fine, \$2,500 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, submission of appraisal logs during probation for work sample review, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

DAVID MAZURE AG007982 ORANGE

7/19/07. Director adopted Administrative Law Judge's decision ordering a stayed revocation of appraisal license effective 8/18/07, license suspended for 60 days effective 9/17/07; Respondent must pay restitution in the sum of \$8,000 to intended user of appraisal assignments within 180 days of effective date of decision. Violations of Conduct section of the Ethics Rule of USPAP; Title 10, California Code of Regulations section 3721.

RICHARD MCCALL AL022005 TEXAS

03/18/2008. Stipulated Surrender of License effective 4/17/2008, \$10,000 enforcement costs deferred until reapplication. Violations of USPAP S.R. 1, 2 & 3, Conduct section of the Ethics Rule.

ROBERT MICHOWSKI AL030473 ORANGE

8/15/07. Settlement Agreement stipulating stayed revocation of appraisal license effective 9/14/07, \$3,000 fine, \$4,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

RYAN MILLER AL030429 SAN DIEGO

Citation/Final Order effective 12/14/06. \$2,000 fine, 15 hrs USPAP, public reproof. Violations of USPAP S.R. 1 & 2, Conduct section of Ethics Rule.

MATTHEW MONSON AT030914 SAN LUIS OBISPO

11/3/06. Stipulated Surrender of License effective 12/3/2006. Violations of the California Code of Regulations sections 3568(d)(3), (g)(4), 3701(a)(1),(2)3721(a)(2),(4),(5),(7), and 3722(a)(2),(9).

BENJAMIN MORILLAS AL028449 SHASTA

2/26/07. Settlement Agreement effective 3/27/07, \$5,000 fine, \$3,000 enforcement costs, 15 hrs. USPAP, 40 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

TAYLOR NEWMAN AL039013 CONTRA COSTA

12/18/2007. Stipulated Surrender of License and Order effective 1/17/2008. Violations of USPAP S.R. 2, Conduct section of the Ethics Rule, California Code of Regulations sections 3702(a)(1)(2), 3721(a)(2)(4)(6)(7), 3722(a)(2)(6).

THIEN NGUYEN AL031528 ORANGE

8/25/08. Stipulated Surrender of License effective 8/25/08, \$5,000 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Business and Professions Code section 11328.

RANDY NIXON AR001950 SAN DIEGO

11/13/06. Settlement Agreement effective 12/13/06, \$4,000 fine, \$3,000 enforcement costs, 15 hrs. USPAP, 15 hrs. basic education, restricted from supervising trainees for one year, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

YVETTE NOLTA AL039958 SAN DIEGO

7/22/08. Stipulated Surrender of License effective 7/22/08. \$5,000 enforcement costs deferred until reapplication. Violations of USPAP 1 & 2, Conduct section of the Ethics Rule, Competency Rule, Scope of Work Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), 3721 (a)(2)(4), 3722(a)(6).

ARI OCHOA AT032028 CALAVERAS

12/18/2007. Stipulated Surrender of License and Order effective 1/17/2008. Violations of USPAP S.R. 2, Conduct section of the Ethics Rule, California Code of Regulations sections 3702(a)(1)(2), 3721(a)(2)(4)(6), 3722(a)(2)(6)

FESTUS OGBEIDE AG007698 ALAMEDA

1/3/08. Settlement Agreement stipulating stayed revocation of appraisal license effective 2/2/08, \$2,500 fine, \$2,500 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semi-annual appraisal logs for two years for monitoring, public reproof. Violations of USPAP S.R. 1 and 2, Conduct section of Ethics Rule, Competency Rule.

ELIZABETH OLSON AL031895 ORANGE

10/19/07. Default Decision effective 11/18/07; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Competency Rule.

KAREN ORLANDO AR030162 SONOMA

10/17/08. Stipulated Surrender of License effective 10/17/08; \$4,502.89 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Title 10, California Code of Regulations sections 3702(a)(1) & (2) and 3721(a)(2), (4), & (6).

MARK PREBE AR008892 ORANGE

9/24/08. Default Decision effective 10/24/08; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Scope of Work Rule.

SERAFINO PRESTA AR012500 MARIN

7/13/06. Settlement Agreement effective 8/12/06, \$3,000 fine, \$3,000 enforcement costs, 15 hrs. USPAP, 28 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct and Record Keeping sections of the Ethics Rule, Competency Rule.

MIDHAT QURASHI AL016802 SANTA CLARA

10/25/2006. Stipulated Surrender of License effective 10/25/2006. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule and Competency Rule.

THOMAS RAIL AL038827 MOHAVE

3/3/09. Stipulated Surrender of License effective 3/3/09; \$4,500 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Title 10, Business and Professions Code 11319; California Code of Regulations sections 3542(a)(1)(D)(E), 3702(a)(1)(2), 3721(a)(2)(5)(6)(7), 3722(a)(9).

MICHAEL RAMBO AR015715 LOS ANGELES

4/21/08. Settlement Agreement stipulating stayed revocation of appraisal license effective 4/21/08, \$2,000 fine, \$2,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semiannual appraisal logs for eighteen months, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

RAHUL RAVULAPATI AL033020 ALAMEDA

3/24/08. Stipulated Surrender of License effective 4/23/08, \$5,000 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

ROBERT READER AL009358 KERN

8/22/06. Default Decision effective 9/21/06 revoking license. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

LARRY RIBARICH AR012319 CONTRA COSTA

7/18/06. Settlement Agreement effective 8/17/06, \$2,000 fine, \$3,000 enforcement costs, public reproof. Alleged violations of USPAP S.R. 1 and 2, Competency Rule.

STEPHEN RICH AG010280 LOS ANGELES

11/13/08. Default Decision and Order revoking appraisal license effective 12/13/08. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

RICHARD ROBERTS AR028033 RIVERSIDE

1/5/07. Settlement Agreement effective 2/4/07, \$3,000 fine, \$4,000 enforcement costs, 15 hrs. USPAP, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

CARLOS RODRIGUEZ AT034537 SANTA CLARA

7/13/06. Default Decision effective 8/12/06 revoking license, \$3,591.92 enforcement costs. Violations of Business and Professions Code section 11321 (b); Title 10 California Code of Regulations sections 3721 (a)(2), (4), (6), and (7); USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

D. MICHAEL ROGERS AG013825 ORANGE

10/20/06. Stipulated Settlement effective 11/19/06, 60 day license suspension, one year restricted license for residential appraisals only, \$2,000 fine, \$4,000 enforcement costs, 15 hrs. USPAP. All assignments must be cosigned by a supervising appraiser in good standing with OREA. Violations of USPAP Conduct section of the Ethics Rule; Business and Professions Code 11314 & 11320; Title 10, California Code of Regulations 3721(a)(4).

MATTHEW SAVAGE AL028722 SAN DIEGO

7/16/2007. Default Decision effective 8/15/2007, ordering license revocation. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

FLORIAN SAYLOR AL029359 ORANGE

10/21/08. Stipulated Surrender of License effective 10/21/08, \$5,000 enforcement costs deferred until reapplication, if applicable. Violations of USPAP S.R. 1 and 2; Conduct section of the Ethics Rule; Competency Rule; Title 10, California Code of Regulations sections 3721(a)(2), (6) and (7).

LISA SCARBROUGH AL033876 SAN BERNARDINO

2/27/09. Default Decision and Order revoking appraisal license effective 2/27/09. Violations of USPAP S.R. 1 & 2; Conduct section of the Ethics Rule; Title 10, California Code of Regulations sections 3721(a)(1), 3722(a)(3) and 3722(b).

ALLEN SCHEINOK AR006237 SAN DIEGO

8/5/08. Stipulated Surrender of License effective 9/4/08; \$15,000 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2; Conduct and Record Keeping sections of the Ethics Rule.

LENA SETIAWAN AT030361 LOS ANGELES

12/26/08. Stipulated Surrender of License effective 12/26/08, \$5,000 enforcement costs deferred until reapplication, which will not be permitted sooner than three years. Violations of USPAP S.R. 2, Conduct section of the Ethics Rule; Title 10, California Code of Regulations sections 3701, 3702(a)(2), 3721(a)(2)(4)(6), 3722(a)(2).

PATRICK SEYMOUR AL031577 PLACER

2/29/2008. Stipulated Surrender of License effective 3/30/2008, \$2,500 enforcement costs deferred until reapplication. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule; Business and Professional Code section 11328.

FREDERICK SIMPSON AG007395 NEVADA

5/26/2006. Director adopted Administrative Law Judge's proposed decision revoking appraiser's license effective 6/25/2006; \$7,440.08 enforcement costs. Violations of USPAP S.R. 1&2, Conduct section of the Ethics Rule, Competency Rule.

KANWARDEEP SINGH AT036850 PLACER

02/22/2007. Stipulated Surrender of License effective 4/10/07. Violations of USPAP Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3721(a)(2)

JAMES SLOATE AR010846 SAN FRANCISCO

11/27/06. Director adopted Administrative Law Judge's proposed decision revoking appraiser's license effective 12/26/06; \$6,340.20 enforcement costs. Violations of USPAP, Conduct section of the Ethics Rule; Business and Professions Code sections 11328; California Code of Regulations, Title 10, sections 3702(a)(1)(2), 3721(a)(2) and 3722(a)(2).

KAREN SOIKA AT035220 SAN DIEGO

8/28/06. Stipulated Surrender of License effective 9/27/06. Violations of the Conduct section of the Ethics Rule, California Code of Regulations sections 3702(a)(2), 3721(a)(2)(4)(6).

BRIAN SPEAR AL035463 VENTURA

4/18/08. Director adopted Administrative Law Judge's decision ordering a stayed revocation of appraisal license effective 5/19/08, license suspended for 60 days effective 5/19/08; Respondent is issued restricted license for three years prohibiting the employment or supervision of any trainees; \$8,486 enforcement costs, 15 hours USPAP. Violations of Conduct section of the Ethics Rule of USPAP; Title 10, California Code of Regulations sections 3721(a)(2) and 3722(a)(6).

BRETT STAMER AL032516 CALAVERAS

5/22/08. Settlement Agreement stipulating stayed revocation of appraisal license effective 6/21/08, \$3,000 fine, \$3,000 enforcement costs, 15 hrs. USPAP, 30 hrs. basic education, semiannual appraisal logs for two years for monitoring, public reproval, restricted from supervising trainees during probationary period. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

FRANK SWATEK AR023076 LOS ANGELES

4/24/07. Settlement Agreement effective 5/24/07, \$2,000 fine, \$3,000 enforcement costs, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

TRACY TURNER AR030296 ALAMEDA

12/26/08. Default Decision effective 1/25/09; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), 3705(a), 3721(a).

CORRINE VILLALOBOS AL031550 LOS ANGELES

2/11/09. Stipulated Surrender of License effective 2/11/09; \$2,000 enforcement costs payable at reapplication, if applicable. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule; Scope of Work Rule.

LEON WASHINGTON AT041955 ALAMEDA

6/10/08. Default Decision effective 7/10/08; License Revocation. Violations of USPAP S.R. 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(1)(2), 3705(a), 3721(a)(2)(4)(6)(7), 3722(a)(6), Business and Professional Code section 11328.

KEITH WEBBER AR009313 SHASTA

1/2/08. Director adopted Administrative Law Judge's decision ordering revocation of appraisal license effective 2/1/08, \$28,068 enforcement costs. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule; Title 10, California Code of Regulations section 3568(e).

SCOTT WILLIAMS AG021394 ORANGE

12/11/08. Settlement Agreement stipulating stayed revocation of appraisal license effective 1/10/09, \$3,000 fine, \$5,000 enforcement costs, 30 hrs. basic education, submission of appraisal logs during probation for work sample review, public reproval. Alleged violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule, Competency Rule.

JOSEPH WILLIAMSON AR023517 ORANGE

11/30/06. Citation/Final Order. \$2,000 fine, 15 hrs USPAP, 30 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

MARK WOOD AT035962 SAN DIEGO

2/14/08. Default Decision effective 3/15/08; License Revocation. Violations of USPAP S.R. 2, Conduct and Record Keeping sections of the Ethics Rule, Title 10, California Code of Regulations sections 3702(a)(2), 3721(a)(2)(6), 3722(a)(2), Business and Professional Code section 11328.

TONY YUKE AL014304 SACRAMENTO

9/28/06. Citation/Final Order. \$2,000 fine, 15 hrs USPAP, public reproof, Violations of USPAP S.R. 1 and 2, Conduct section of the Ethics Rule.

TOM ZINZER AG008054 LOS ANGELES

6/18/2008. Stipulated Surrender of License effective 7/18/2008. \$10,000 enforcement costs deferred until reapplication, if applicable. Violations of USPAP 1 & 2, Conduct section of the Ethics Rule, Title 10, California Code of Regulations section 3721(a)(4)(6).

NON-PUBLIC DISCIPLINARY ACTIONS

The cases referenced above all resulted in public discipline. During the time period of October 16, 2005, through March 15, 2009, there were 245 cases that resulted in discipline that did not warrant public notification. In addition, there were 44 letters of warning issued for minor violations. The violations committed in these cases were similar to those noted in the article "Appraiser Liability Issues" on page 10, but to a lesser degree.