

## Notes from the NCAB meeting 11/10/2009:

Hearing 9am – Certified Residential appraiser, who works and lives in Hampton, VA, completed an appraisal in January 2007 on a beach house in the Outer Banks, NC. Review appraiser from NC filed complaint. Reviewer and investigator testified that the subject was “sound-side”, not “ocean-side” as the original appraiser stated in the report. All comparables were “ocean-side” with no adjustments for location. The appraisal order stated that the estimate of value was \$850,000 and the appraised value was \$850,000. The review appraiser had previously appraised the same house and claimed that this appraiser must have had a copy of his report and “plagiarized” his neighborhood description verbiage since it seemed to contain identical language. The review appraiser’s estimate of value was in the mid-\$700’s.

Following the filing of the complaint, which appeared to have happened approximately one year after the time of the review, the respondent was offered 2 months active suspension with classes. Apparently believing that if he surrendered his NC certification he would avoid any record of disciplinary action, the respondent surrendered his NC license. The respondent testified that upon doing this he realized that it was a mistake as HUD pulled him off their approved roster and most of his clients stopped giving him work. At this time he requested that the NCAB reinstate his certification but this also required him to go through a disciplinary hearing. The respondent testified that at the time he completed the appraisal in question he was under a lot of stress due to the caretaking of his sick father and his eventual death. The errors in his report he described and admitted to. He also said that they were most likely the result of cloning previous reports that he had completed in the area. The appraised value being identical to the estimate of value on the order was just a coincidence.

The NCAB found that the lack of adjustments for “ocean-side” versus “sound-side” properties and other errors resulted in an erroneous value. They required that the respondent’s certification be suspended for six months, one month being active and also to attend supplemental classes.

There were four consent orders that the Board agreed to on the advice of the Board’s legal council. While the details were not given, the results were a 2 month active suspension with classes, a 3 month active suspension with classes, a reduction from a General certification to a residential certification with full qualification and exam requirements being retaken in order to reinstate the General certification, and one license surrender.

Applications for new licenses are “better than expected” but it is believed that this was likely due to the tail-end surge under the old requirements.

Due to an apparent recommendation to dismiss one case, there was some discussion and emphasis that the NCAB only enforces USPAP standards I, II and III. NCAB does not enforce standards that relate to “consulting assignments” and it was also mentioned that consulting assignments are apparently not regulated at all in NC.

There are currently approximately 220-230 complaints filed for this year at this point which Don Rogers said is a more normal pace than last years drop-off.

There are also not apparently enough people taking the new General Exam in order to conclude a consistent pass/fail rate.