The new education and exam requirements that have been publicized for the last four years became effective January 1, 2008. These changes represent the largest change in qualification requirements since appraiser licensing began in 1991. The new criteria will apply to new applicants and also to applicants who are upgrading a current level of licensure. A detailed explanation of the minimum requirements to become a registered trainee or to upgrade to certified residential or general is contained in an article in this publication.

Information that is required reading of all applicants and a new application is located on our website at www.ncappraisalboard.org. After accessing the homepage, click on Forms and then click on Information and Application to read and use this information. The new application is designed to be used by both applicants using the Segmented Approach of pre 2008 education and the new 2008 Education Criteria.

Experience requirements are also explained in detail in this information and note that the schedule for experience points has been revised effective January 1, 2008.

The Board no longer publishes a hardcopy of the Information and Application booklet but this information is available on the website and may be copied for your use. The use of old publications should be discontinued as the information is not correct as of January 1, 2008.

Recent Board Appointments

Governor Michael F. Easley has appointed J. David Brooks of Oxford to the Board for a three-year term. Mr. Brooks attended North Carolina State University and has been in the appraisal business for over 22 years and was certified in 1991. He is currently the owner of Brooks Appraisals, Inc., with primary business in Vance, Granville, Warren and Person Counties. Mr. Brooks is very active in church, civic and government organizations in his local community. He is a deacon, Trustee of Vance Granville Community College and past Chairman of the Granville County Commissioners. He and his wife, Melinda, make their home in Granville County.

Speaker of the House Joe Hackney has appointed Donald S. Johnson to the Board to fill the remainder of the term of W. Tom Morgan who resigned due to health reasons. Mr. Johnson is a certified general appraiser and is a member of the Appraisal Institute with the designation of MAI. He is a current member of the Ethics Administration Division of the Appraisal Institute. He is President of Johnson and Knight Appraisal Services located in Henderson. He has a BA degree from the University of South Florida and his practice concentrates on the appraisal of complex properties in a narrative format. Mr. Johnson and his wife Nancy, who is also an MAI, make their home in Franklin County.

Governor Michael F. Easley has reappointed J. Vance Thompson to a three-year term. Mr. Thompson was originally appointed to the Board in 1998 by Gov. James B. Hunt, Jr. Mr. Thompson is a certified appraiser and real estate broker. He was County Tax Supervisor for Surry County. He has been very active in local civic and community affairs. He and his wife, Betty, make their home in Elkin.

Governor Michael F. Easley has appointed John D. Lyon, Jr. to the Board for a three-year term. Mr. Lyon graduated from the University of North Carolina with a BA degree in political science. He has been an appraiser for 17 years and is Certified General. He is a real estate broker and has a great deal of experience in both residential and commercial real estate. Mr. Lyon is a North Carolina Superior Court Mediator. Mr. Lyon also serves as a member of the North Carolina Alcoholic Beverage Control Commission. He and his wife, Dolly, make their home in Raleigh.
Mortgage Brokers Now Cannot Try To Improperly Influence Appraisals

A law passed in 2007 will increase the authority of the Commissioner of Banks regarding mortgage brokers. Currently, it is prohibited for mortgage brokers to influence or attempt to influence the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan through coercion, extortion, or bribery. A mortgage broker may ask an appraiser to consider additional appropriate property information, provide further detail, substantiation, or explanation for the appraiser’s value conclusion, or to correct errors in the appraisal report.

The 2007 bill amended the existing law. Effective January 1, 2008, mortgage brokers are prohibited from improperly influencing or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan.

Residential Mortgage Fraud Act Effective December 1, 2007

A law that may have a significant effect on appraisers became effective on December 1, 2007. The Residential Mortgage Fraud Act provides that a person is guilty of residential mortgage fraud when, for financial gain and with the intent to defraud, that person does any of the following:

1. Knowingly makes or attempts to make any material misstatement, misrepresentation, or omission within the mortgage lending process with the intention that a mortgage lender, mortgage broker, borrower, or any other person or entity that is involved in the mortgage lending process relies on it.

2. Knowingly uses or facilitates or attempts to use or facilitate the use of any misstatement, misrepresentation, or omission within the mortgage lending process with the intention that a mortgage lender, borrower, or any other person or entity that is involved in the mortgage lending process relies on it.

3. Receives or attempts to receive proceeds or any other funds in connection with a residential mortgage closing that the person knew, or should have known, resulted from a violation of subdivision (1) or (2) of this subsection.

4. Conspires or solicits another to violate any of the above.

The mortgage lending process includes the appraisal of real property, and documents involved in the mortgage lending process include appraisal reports. Cases are prosecuted by the District Attorney upon referral from the Office of the Commissioner of Banks, the North Carolina Real Estate Commission, the Attorney General, the North Carolina Appraisal Board, or other parties.

There is no requirement to show that anyone was harmed financially in the transaction or that anyone relied on the misrepresentation. Violation of the law is a felony and can result in a fine and imprisonment. In addition, any real or personal property used in the commission of mortgage fraud may be seized by the state. This can include an appraiser’s computer equipment or even a personal residence if it is used as an appraisal office.

The new law also provides that unless someone acts with fraud, bad faith or malice, a person can’t be sued for civil liability for filing reports or furnishing information regarding suspected mortgage fraud to the Appraisal Board or any other regulatory or law enforcement agency.
The Trainee Registration Process

In order to become registered as a trainee, you must complete four classes. These are: Basic Appraisal Principles, Basic Appraisal Procedures, Residential Market Analysis and Highest and Best Use, and the 15 hour National USPAP course. All courses must have been completed within 5 years of the date of application.

You must be at least 18 years of age and must have a high school diploma or a GED. You must be a United States citizen or a permanent resident to become a trainee.

Once you complete the four classes, you will file an application with us. The application fee is $200.00.

You must obtain a criminal record report from Carolina Investigative Reporting and send a copy of the results to us with your application. You get the report online at www.ncab.myrecordcheck.com.

After we receive your complete application, we will send you a ticket so that you can schedule the state trainee examination.

Once you pass the examination, we will look to see if you have had a character issue. For those applicants who do not have a character issue, your registered trainee number will be assigned and mailed to you. For those applicants with a character issue, your application must go before the Board for approval. We do not decide whether you possess the requisite character for registration until you have successfully passed the state examination.

Application Form

The application form constitutes a sworn affidavit; therefore, you must sign it before a Notary Public.

In addition to general biographical information, the application form requires:

1. A recent photograph of yourself;
2. A list of your previous places of residence and employment;
3. Information pertaining to your character and reputation;
4. Information pertaining to your appraisal education; and;
5. The application fee of $200.00.

Examination

The examination is given by Person Vue (formerly Promissor), a private testing company. You will contact them directly to schedule the state exam. The exam is given in several locations around the state, six days a week. The testing fee is $90.00 per test.

If you do not pass the examination, you must wait 30 days before you can take it again. You will need to pay another fee to take it again. Your test ticket is good for one year from the date it is issued. You can take the examination three times on one ticket.

If you fail the test three times, or if you do not pass the examination within one year, your application is cancelled. You must wait six months before you can file a new application.

Use of Titles

Registered Trainees must utilize only the title “registered trainee.” You must be actively and personally supervised by a licensed or certified real estate appraiser.

You cannot hold yourself out as or engage in the business of a Registered Trainee until your registration has been issued and you have your pocket card in your possession.

Finding a Supervisor

The Appraisal Board cannot assist you in finding a supervisor. Ask your instructor for more information.

2008 Board Meeting Dates

January—No meeting
February 12
March 18
April—No meeting
May 13
June 17
July—No meeting
August 12
September 16
October—No meeting
November 18
December 16

All meetings are conducted at the North Carolina Appraisal Board building located at 5830 Six Forks Road, Raleigh.
Upgrading to Certified Residential or Certified General

In order to upgrade to Certified Residential, you must complete the following courses in addition to the courses required to become a trainee.

- 15 hours in Residential Appraiser Site Valuation and Cost Approach;
- 30 hours in Residential Sales Comparison and Income Approaches;
- 15 hours in Residential Report Writing and Case Studies;
- 15 hours in Advanced Residential Applications and Case Studies; and
- 20 hours of appraisal subject matter electives.

In addition, you must have an Associate degree or higher or must have completed twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers-Word Processing/Spreadsheets; and Business or Real Estate Law.

You must also have obtained 2500 hours of appraisal experience over a minimum of two years working under the supervision of a licensed or certified appraiser. At least half of your appraisal experience must be one to four unit single-family residential properties where the sales comparison approach is used.

In order to upgrade to Certified General, you must complete the following courses in addition to the courses required to become a trainee.

- 30 hours in General Appraiser Market Analysis and Highest and Best Use;
- 15 hours in Statistics, Modeling and Finance;
- 30 hours in General Appraiser Sales Comparison Approach;
- 30 hours in General Appraiser Site Valuation and Cost Approach;
- 60 hours in General Appraiser Income Approach;
- 30 hours in General Appraiser Report Writing and Case Studies;
- 30 hours of appraisal subject matter electives.

In addition, you must have a Bachelor's degree or must have completed thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science; Business or Real Estate Law; and two elective courses in accounting, geography, agricultural economics, and business management or real estate.

You must also have obtained 3000 hours of appraisal experience over a minimum of two and one half years working under the supervision of a certified appraiser. At least half of your appraisal experience must have been in appraising non-residential real estate. At least 50 percent of the non-residential appraisal experience must have been of complex properties or of improved properties in which the income approach was utilized in the appraisal process.

Required Appraisal Experience

To better assure consistency and fairness in evaluating appraisal experience, we use a point system that serves as a guideline for evaluating experience. This point system takes into consideration the number of appraisals you perform, the types of appraisals performed, and the types of properties appraised.

All qualifying experience must have been obtained by performing or reviewing appraisals using appraisal methods and processes that are commonly employed by real estate appraisers. All qualifying experience must comply with USPAP.

All experience must have been obtained within the five (5) year period immediately preceding the date of examination. You must keep a log of all appraisals you perform.

You may receive experience credit for appraisals where you perform at least 75% of the work on the appraisal. Up to 50% of your experience may be in appraisal reviews, and up to 20% may be demonstration appraisals.

Your supervisor will be able to answer questions about appraisal experience.
Mechanic’s Liens on Real Property For Non-payment of Appraisal Fees

Appraisers may not place a mechanic’s lien on real property for non-payment of appraisal fees. Current law does not allow such a lien. State law allows a mechanic’s lien for any person who performs or furnishes labor or materials pursuant to a contract with the owner of real property for making an improvement thereon or for professional design or surveying services. A lien for non-payment of appraisal fees is not allowed, since an appraisal is not an improvement to the real property. An appraiser must file suit in court (usually small claims court) and obtain a judgment. If the judgment is not paid, the appraiser can then ask the court for a lien on any property owned by the judgment debtor.

There are several problems with allowing a mechanic’s lien on real property for appraisal fees. In many situations, there is no contract with the owner of the subject property as a mortgage broker, AMC or financial institution is the appraiser’s client. An appraisal is generally done on behalf of a financial institution in order to value collateral for a loan. The owner may not even know that an appraisal is being performed. For example, a financial institution may be valuing its portfolio in order to sell some loans, or may value a specific property to make a decision on foreclosure. Although in some circumstances the property owner may get some benefit from the appraisal and may consent to the appraisal being done, this does not give rise to a relationship that allows the placement of a lien.

State law provides that any person who files a claim of a lien on real property, knowing that the filing is not authorized by statute, or with the intent that the filing is made for an improper purpose such as to hinder, harass, or otherwise wrongfully interfere with any person, is guilty of a Class 1 misdemeanor.

**USPAP Q & A**

**Question:** Does the expectation to have a transcript or a summary apply only in assignments when an appraiser provides an oral report?

**Response:** No. The requirements identified in the Record Keeping section of the Ethics Rule apply to both oral reports and testimony in an appraisal, appraisal review, or appraisal consulting assignment.

**Question:** Is a transcript of an oral report or testimony required for the workfile when an appraiser testifies about an appraisal assignment?

**Response:** No. There is no absolute requirement to have a transcript of the appraisal oral report testimony. The Record Keeping section of the Ethics Rule requirement is for the workfile to contain summaries (which are typically prepared by the appraiser) or a transcript. In cases where summaries are retained, a transcript is not required.

**Question:** Does the expectation to have a transcript or summary of testimony apply if the appraiser has a written appraisal report and testifies about the information contained in that report?

**Response:** Yes. A transcript or summary of the testimony must be included in the workfile when the appraiser testifies about a written report. While the report that is the subject of the appraiser’s testimony must also be included in the assignment workfile, it does not replace a summary of the testimony.

**Question:** If an appraiser prepares a written appraisal report, is the workfile required to contain a separate signed certification for any testimony the appraiser provided in support of that report?

**Response:** In cases where testimony is provided about information contained in a written appraisal, appraisal review, or appraisal consulting report, a signed certification is required to be included in the written report. The requirement to include a signed certification is satisfied by including a true copy of the report in the workfile, consistent with the Record Keeping section of the Ethics Rule.

**Question:** Must the workfile contain a transcript or summary of an appraiser’s testimony for the entire proceeding, or only for that portion that contains the appraiser’s testimony?

**Response:** The appraiser’s workfile must contain a summary or a transcript of the appraiser’s testimony in an appraisal, appraisal review, or appraisal consulting assignment. The appraiser is not obligated to retain summaries or transcripts for other segments of the proceedings in which testimony was provided by individuals other than the appraiser.
Approved Continuing Education Courses
(As of January 29, 2008)

Listed below are the courses approved for appraiser continuing education credit as of date shown above. Course sponsors are listed alphabetically with their approved courses. Shown parenthetically beside each course title are sets of numbers [for example: (15/10)]. The first number indicates the number of actual classroom hours and the second number indicates the number of approved continuing education credit hours. You must contact the course sponsor at the address or telephone number provided to obtain information regarding course schedules and locations.

Allen Tate School of Real Estate—A Dan Mohr School
5000 Nations Crossing Road, Suite 206
Charlotte, NC 28217
704-362-2296
Mig/Mod Homes & Real Property (15/7)
New Rules & Regs FHA/HUD Appraisal Requirements (14/4)
Residential Construction Seminar (14/4)
Staying Out of Trouble—NC App (17/7)

American Society of Appraisers and Rural Appraisers
950 South Cherry Street, Suite 508
Denver, CO 80222
303-739-3113
16-Hr Uniform Agricultural Appraisal Report Seminar (16/16)
8-Hr Uniform Agricultural Appraisal (8/8)
A-25 Eminent Domain (95/95)
A-36 Intro to Appraisal Review (14/14)
A-370 Appraisal Review (12/11)
Advanced Appraisal Review Case Studies (A390) (16/16)
Advanced Approaches to Value for Rural Appraisal (41.5/30)
Advanced Rural Case Studies (36/30)
Advanced Sales Confirmation & Analysis (8/8)
Appraising Agricultural Land in Transition (14/14)
Appraising Agricultural Land in Transition (8/8)
ASFMRA Code of Ethics (4/4)
Cost Estimating (8/8)
Dairy Facility Appraising - A Mooving Target (16/16)
Intermediate Approaches to Value for Rural Appraisal (41/10)
Intro to the Approaches to Value for Rural Appraisal (41/30)
National USPAP Update 2008 (7/7)
Valuation of Conservation Easements (53/30)

American Society of Appraisers, NC Chapter
121 SE 21st Street
Oak Island, NC 28465
910-278-7151
Appraising Small Residential Income Properties (7/7)
The Appraisal of Small Subdivisions (7/7)

Appraisal Schools by M. Curtis West
P.O. Box 937
Zebulon, NC 27597
770-404-5115
800-337-8040
Scope of Work in the Appraisal Process (7/7)

Appraisal Institute
550 W. Van Buren Street, Suite 1000
Chicago, IL 60607
312-333-4100
330 Apartment Appr: Cncpts & (14/14)
420 Business Practice and Ethics (7/7)
350 Adv Sales Comp & Cost Appr (40/50)
600 Inc Val of Sm Mixed-Use Prop (15/15)
610 Cost Val of Sm Mixed-Use Prop (15/15)
620 Sls Comp Val Sm Mixed-Use (15/15)
700 Appraisers as Expert Witness (15/15)
705 Litigation Appr: Spclzd Topics & (16/16)
720 Condemnation Appr: Basic Prin & (15/15)
720 Condemnation Appr: Adv Topics & (15/15)
810 Computer-Enhanced Cash Flow Mod (15/15)
Adv Res Apprlctns & Case Studies (15/14)
Adv Res Report Writing Pt 2 (28/28)
An Introduction to Valuing Green Buildings (7/7)
Analytics with the Site to do Business (7/7)
Appraisal Challenges: Declining Markets & Sales (7/7)
Appraising Manufactured Housing (7/7)
Condominiums Co-Ops & PUDs (7/7)
Forecasting Revenue (7/7)
General Appraiser Income Approach Part 1 (27/27)
General Appraiser Income Approach Part 2 (27/27)
General Appraiser Report Writing & Case Studies (28/28)
Gen Appr Sales Comp Approach (28/28)
Gen Appr Site Valuation & Cost Approach (27/27)
Gen Demo Appr Rpt Writing Sem (7/7)
General Market Analysis & Highest & Best Use (28/8)
Liability Management for Residential Appraisers (7/7)
Office Bldg Valuation: A Contemporary Perspective (7/7)
O/L 15-Hour National USPAP Equivalent Course (53/14)
O/L 420: Business Practices & Ethics (8/7)
O/L Analyzing Distressed Real Estate (4/4)
O/L Analyzing Operating Expenses (7/7)
O/L Appraisal of Nursing Facilities (7/7)
O/L Appraising Convenience Stores (7/7)
O/L Appraising from Blueprints (7/7)
O/L Apartment Appraisal, Concepts & Applications (15/14)
O/L Appraising Manufactured Housing (7/7)
O/L Basic Appraisal Principles (28/14)
O/L Basic Appraisal Procedures (28/14)
O/L Condominiums, Co-ops & PUDs (7/7)
O/L Cool Tools: New Technology for RE Appraisers (7/7)
O/L Eminent Domain & Condemnation (7/7)
O/L Feasibility, Market Value, Investment Timing: Option Value (7/7)
O/L GIS - The Building Case Study (14/14)
O/L GIS - The Novice Case Study (7/7)
O/L Internet Search Strategies for R (7/7)
O/L Intro to GIS Apps for RE App (7/7)
O/L Intro to International Valuation Standards (8/8)
O/L Marshall & Swift Commercial Cost Training (7/7)
O/L Prof Guide to the FNMA 2-4 Unit Form 1025 (10/10)
O/L Real Estate Finance, Statistics & Valuation Modeling (14/4)
O/L Res Design & Functional Utility (7/7)
O/L Res Mkt Analysis & Highest & Best Use (14/14)
O/L Res Property Construction & In (7/7)
O/L Residential Report Writing & Case Studies (14/14)
O/L Res Sales Comparison & Income Approach (18/14)
O/L Reviewing Residential Appraisals and Using Fannie Mae forms (7/7)
O/L Scope of Work: Expanding Your Range of Services (7/7)
O/L Sm Hotel/Motel Val: Lmtd S (7/7)
O/L The FHA and the Appr Proc (7/7)
O/L The Professional's Guide to the URAR (7/7)
O/L Using Your HP12C Financial (7/7)
O/L Val of Detrimental Conditions (7/7)
O/L What Commercial Clients Would Like Appraisers to Know (7/7)
National USPAP Update 2008 (7/7)
Quality Assurance in Residential Appraisals (7/7)
RE Finance, Stats, Valuation M (14/14)
Real Estate Investing & Development: A Valuation Prosp (7/7)
REO Appraisal: Appraisal of Residential Property (7/7)
Report Writing & Valuation Analysis (40/30)
Res Demo Appr Report Writing S (7/7)
Res Market Analysis & Highest and Best Use (14/14)
Residential Report Writing & Case Stud (14/14)
Reviewing Residential Appr Rpt (7/7)
Residential Sales Comparison & Income Approaches (28/8)
Residential Site Valuation & Cost Approach (14/14)
Scope of Work: Expanding Range (7/7)
Subdivision Valuation (7/7)
Uniform Appraisal Standards for Federal Land Acquisitions (6/15)
Valuation of Conservation Easements (33/30)

Appraisal Institute NC Chapter
377 W. Market Street, Suite C
Greensboro, NC 27403
336-297-9511
Evaluating Commercial Construction (16/16)

Bob Ipock & Associates, Inc
1218 Heatherloch Drive
Gastonia, NC 28054
704-867-9985
National USPAP Update 2008 (7/7)

BudBlack.net
P.O. Box 11111
Cherryville, NC 28021
800-750-1114
National USPAP Update 2008 (7/7)
Sales Comparison Analyses Based on Market Data (7/7)
Value? What Value? (4/4)

Career WebSchool
1395 S. Marietta Pkwy., Bldg. 400, Suite 107
Marietta, GA 30067
770-919-9191
O/L A URAR Form Review (7/7)
O/L Appraisal Methods (14/14)
O/L Overview of Appr Process (14/14)
O/L Residential Appr Site Valuation & Cost Approach (14/14)
O/L Res Mkt Analysis & Highest & Best Use (14/14)
O/L Residential Report Writing & Cases (14/14)

CCIM Institute
430 N. Michigan Avenue, 8th Floor
Chicago, IL 60611-4092
312-521-4473
C101 Financial Analysis of Commercial Invest. (30/30)
C102 Market Analysis Comm Inv. (30/30)
C103 User Decision Analysis Comm Inv. (30/30)
C104 Invest Analysis Comm Inv. (30/30)
Intro to Com Investment RE An (12/12)

Columbia Institute (The)
85-46 Broadway, Suite 165
San Antonio, TX 78217
800-460-3147
FHA, the URAR & the 1025, No. 104 (8/8)
Fundamentals of Appraisal Review No. 105 (8/8)
National USPAP Update 2008 (7/7)
O/L Residential Report Writing & Case Studies (14/14)
O/L URAR Form Review (7/7)
Scope of Work & Appraiser Due Diligence (4/4)
Disciplinary Actions

The following is a summary of recent disciplinary actions taken by the Appraisal Board. This is only a summary; for brevity, some of the facts and conclusions may have not been included. Because these are summaries only, and because each case is unique, these summaries should not be relied on as precedent as to how similar cases may be handled.

Catherine Alexander A5734 (Cornelius)
By consent, the Board issued a reprimand to Ms. Alexander and ordered her to take a course in sales comparison and a course in appraising manufactured or factory built homes by December 1, 2007. If she fails to take these courses by that date, the reprimand will be vacated and a one-month active suspension will be imposed on December 1, 2007. The Board alleged that Ms. Alexander appraised a property located in Davidson, North Carolina in August 2005, finding an appraised value of $350,000. The subject property is a 1.5 story modular home containing 2427 square feet. It was built in 2002, and it is located on a 2-acre site. Ms. Alexander did not note in the report that the subject dwelling is modular construction. In the Sales Comparison Approach, Ms. Alexander selected properties that were stick built for comparison. There were few sales of modular homes in the area. Ms. Alexander should have made location adjustments to her comparable sales.

Dawn M. Cook T5327 (Durham)
By consent, the Board suspended Ms. Cook’s trainee registration for a period of one month, which is stayed until June 30, 2008. If she takes courses in sales comparison and in appraising difficult properties by that date, the suspension will be inactive. The Board alleged that Ms. Cook appraised a property located in Durham, North Carolina in May 2006, finding a value of $650,000. The subject property is a two-story farmhouse built in 1989. It is located on a site consisting of 3.437 acres. The property was appraised subject to it being located on 4.5 acres of the total acreage. The subject has an in-ground pool that is enclosed within the dwelling. The pool area contains approximately 330 square feet. The area of the pool was included in the total gross living area, which brought the calculated square footage for the subject to 3762. In the sales comparison approach, adjustments were made to the sales based on the subject containing 3762 square feet, and there were adjustments of negative $5000 made to the comparable sales for the lack of a pool. In the cost approach, the entire square footage, including the pool area, was valued at $100 a square foot. The subject dwelling and outbuildings were in various stages of completion and repair. Adjustments were made to the comparable sales for the differences in condition compared to the subject. The third comparable sale sold for $1,895,000. This sale required adjustments of $1,135,900 and should have been accompanied by more explanation.

Michael J. Daly A49945 (Kitty Hawk)
By consent, the Board issued a reprimand to Mr. Daly and ordered him to take a course in the sales comparison approach and a course in the income approach by June 1, 2008. If he fails to do so, a three-month suspension will be activated on that date. The Board alleged that Mr. Daly appraised a property located in Nags Head, North Carolina in August 2005, finding a value of $580,000. The subject property is an oceanfront beach house containing 1812 square feet. Mr. Daly used four comparables in his sales comparison approach. One of the sales had a fireplace and boardwalk to beach that were not noted or adjusted for. Although the subject and most of the properties in this area were used as rentals, Mr. Daly did not utilize the Income Approach and could have included more information in the report to support his conclusion that the Income Approach was not applicable or necessary. Mr. Daly also appraised a property located in Kill Devil Hills, North Carolina in August 2005, finding a value of $270,000. This property is a beach box style home on pilings, with 960 square feet. Mr. Daly did not develop the income approach on this property, although he did include a rental addendum and an operating income statement in the report. The operating income reconciliation included in the report did not take into account monthly housing expense.

Peter J. Gallo A5849 (Charlotte)
By consent, the Board suspended Mr. Gallo’s residential certification for a period of one month. Mr. Gallo also agrees to complete a course in sales comparison, a course in appraising manufactured or factory built housing and the 15 hour National USPAP course. If he fails to complete the courses, he will be suspended for an additional eleven months. The Board alleged that Mr. Gallo appraised a property located in Charlotte, North Carolina in May 2005, finding an appraised value of $315,000. For comparable sales, Mr. Gallo selected three stick built properties and two manufactured/modular homes from other areas. He made negative adjustments to his comparable sales for the differences. Although Mr. Gallo signed a certification that he had inspected the exterior of his comparable sales, he did not do so.

William D. Graves, III A4133 (Oriental)
By consent, the Board suspended Mr. Graves’ residential certification for a period of one month. Mr. Graves must also complete courses in sales comparison, the cost approach and the valuation of vacant land. If he fails to take the courses, he will receive an additional three-month suspension. The Board alleged that Mr. Graves appraised four properties located in Pamlico County, North Carolina in October 2005. The first subject property consists of a 560 square foot cottage built in 1933 located on a 10-acre lot fronting on a river. Mr. Graves valued the subject at $148,000 as of October 20, 2005. The appraisal was reported on a Land Appraisal Report form. The dwelling was noted as a structure but given no value. The comparable lot sales are all larger and adjustments were made for this fact. The second subject property is a 1.39 acre vacant lot bordering the river. Mr. Graves valued the subject at $233,000 as of October 18, 2005.

The original appraisal report did not mention that there is a 100-foot wide permanent access easement from the road to the river deeded to the lot across the street from the subject. After this was pointed out to the Mr. Graves, he changed the value to $175,000 in May 2006 to reflect the easement. The third subject property is a .46 acre vacant lot in a riverside neighborhood, located across the street from the river lots. The property was valued at $67,000 as of October 18, 2005. The fourth subject property is a .46 acre vacant lot located on a corner with canal access. The property was valued at $82,000 as of October 20, 2005. Mr. Graves did not note in this report that has an access easement for a neighbor, a drainage easement, and a CAMA setback. He made a positive adjustment of $15,000 because the subject had a boat shed, bulk head, canal frontage, and access to the river. The highest and best use was stated as “present use” on all four appraisal reports. The intended use and purpose of the appraisal was not stated on any of the reports.

Donald Haynes A2696 (Dallas)
By consent, the Board suspended Mr. Haynes’ general certification for a period of two years. If Mr. Haynes completes a course in sales comparison, a course in appraising complex properties and a course in highest and best use, only the first twelve months of the suspension will be active. The Board alleged that Mr. Haynes appraised a property located in Leland, North Carolina in November 2005, finding an appraised value of $70,100,000. The subject property constitutes multiple tracts of land totaling 2,200 acres that is situated adjacent to an industrial park. The purpose of the appraisal was to determine market value of the subject property in connection with the possible sale of the subject. Mr. Haynes described the report as a “complete narrative” and does not indicate whether the report is self-contained, summary, or restricted. On the effective date of the report, the subject was under contract for $38,500,000. This was not mentioned or analyzed in the report. Mr. Haynes determined that the highest and best use of the subject property was multi-use, incorporating both residential and commercial uses. He divided the tract into a residential area and a commercial/manufacturing area. His comparable sales were all much smaller in size than the subject and did not share the same highest and best use. Mr. Haynes made minimal adjustments to the sales for these factors. By failing to make appropriate adjustments, he over valued the subject property. There were other sales available that would have led to a lower value for the subject property.

Teri A. Hoke A4201 (Mount Holly)
By consent, the Board suspended Ms. Hoke’s residential certification for a period of six months. The first month of the suspension is active and the remainder is stayed until July 1, 2008. If Ms. Hoke completes a course in appraising modular homes and a course in appraiser liability by that date, the remainder of the suspension will be inactive. In addition, Ms. Hoke agrees to not perform any appraisal services that involve the development and subsequent reporting of her opinion of value for a period of twelve months from the date of the consent order. Ms. Hoke will only serve in a review capacity under the direct supervision of a manager. Ms. Hoke performed an appraisal of a property located in Rockwell, North Carolina in September 2002, finding an appraised value of $385,000. The appraisal was performed per plans and specifications. The subject property was a proposed modular dwelling to be

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located on a 2 acre site. Ms. Hoke did not note in the report that the subject was modular. The Board alleged that the sales she used were superior to the subject in location and appeal, and she made inadequate adjustments for these factors. There were other sales available that were more comparable to the subject property.

Robert Katen T4002 (Raleigh)
By consent, the Board suspended Mr. Katen’s trainee registration for a period of three months. The suspension is stayed until March 1, 2008. If Mr. Katen completes a course in appraiser liability and a course in sales comparison by that date, the suspension will be inactive. The Board alleged that Mr. Katen, working under the supervision of a certified residential appraiser, appraised a property located in Durham, North Carolina in August 2006, finding an appraised value of $335,000. The appraisal reported the GLA as 1450 square feet, when it was actually closer to 1270 square feet. Mr. Katen and his supervisor were using a rain-damaged sketch when they prepared the appraisal report, so they could not read some of their measurements. In addition, they included a small amount of unfinished/unheated area in their GLA. As a result of miscalculating the subject’s GLA, Mr. Katen and his supervisor chose comparable sales that ranged in GLA from 1470 to 1650 square feet. This resulted in an inflated value for the subject property. The seller had purchased the property for $58,000 in July 2006, and subsequently made over $30,000 in repairs and renovations to it. Mr. Katen and his supervisor did not report this sale in their report.

Roger Knox A5355 (Winterville)
By consent, the Board suspended Mr. Knox’s residential certification for a period of one year. The first six months of the suspension is active and the remainder is stayed until April 1, 2008. If Mr. Knox completes a course in highest and best use and a course in the valuation of detrimental conditions by that date, the remainder of the suspension will be inactive. The Board alleged that Mr. Knox appraised a property located in Emerald Isle, North Carolina in June 2006, finding an appraised value of $900,000. The subject property is one half of an oceanfront duplex that had been turned into a condo. It has 2405 square feet, was built in 1985, and had an effective age of 10. It is located on a nonconforming ocean front beach lot. The majority of the dwelling is located between the vegetation line and the surf. If it were destroyed, it could not be rebuilt with the setbacks and restrictions in place at the time of the appraisal. On the effective date of the appraisal, both units were listed for sale as one property for $1,250,000, but this information was not noted in the appraisal report. Mr. Knox inserted the contract price in this section. His comparable sales are all located on superior lots (conforming) but no adjustments were made. The subject is a rental property, but the income approach was not developed and no explanation was given. Although the subject lot was in the nonconforming area of the beach, Mr. Knox made no adjustment for this fact to his comparable sales. There were sales more similar to the subject that would indicate a lower value for the subject property. By failing to make adjustments in the sales comparison approach for the fact that the property was nonconforming, and by failing to choose sales that were more comparable to the subject, Mr. Knox overvalued the subject property.

Justin D. Loeback A5380 (Raleigh)
By consent, the Board suspended Mr. Loeback’s residential license for a period of six months. The first two months of the suspension shall be active and the remainder stayed until March 1, 2008. If Mr. Loeback completes a course in sales comparison and the 15 hour National USPAP course by March 1, 2008, the remainder of the suspension will be inactive. The Board alleged that Mr. Loeback performed an appraisal of a property located in High Point, North Carolina in September 2005, finding an appraised value of $195,000. The subject is a 1071 square foot, one-story house with six rooms including three bedrooms and one bath. All of the comparable used in the report were superior to the subject in location and appeal, yet Mr. Loeback made inadequate adjustments for the differences. There were other sales available that would have led to a lower value for the subject property. Mr. Loeback overvalued the subject property.

John P. McPherson, Sr. A2017 (Pinehurst)
The Board accepted the voluntary surrender of Mr. McPherson’s general certification.

Joseph F. Moore A2655 (Asheville)
By consent, the Board suspended Mr. Moore’s general certification for a period of two months. Mr. Moore also agrees to complete a course in a course in the income approach and a course in the cost approach by April 30, 2008. If he fails to complete these courses by that date, the two-month suspension will be extended until he successfully complete the courses. The Board alleged that Mr. Moore was one of two appraisers who signed two appraisals of a proposed veterinary clinic located in Henderson, North Carolina in 2004. The first report was performed effective January 23, 2004, with a value of $460,000, for the purchase of the property. The report utilized a hypothetical condition that the subject was being appraised as though vacant and the appraisers gave no value to the existing improvements. This hypothetical condition was not adequately stated in the report. The second report was performed effective May 25, 2004, with a value of $1,020,000, subject to the construction of a veterinary clinic. The appraisers used the income approach to value as there was sufficient data to credibly develop an opinion with this approach. The appraisers considered the cost approach to value and found it applicable but not necessary.

In the income approach to value on the second report, the appraisers used a capitalization rate of 7.4%. The rate was derived using a web-based national data service as a source for the cap. rate. The capitalization rate used in the appraisal was inappropriate for the market area and was too low.

David C. Norris A6051 (Wake Forest)
By consent, the Board suspended Mr. Norris’ residential certification for a period of one month. Mr. Norris must also complete courses in sales comparison, the cost approach, and the 15 hour National USPAP course with exam. If he fails to complete the courses, he will receive an additional eleven month suspension. There were two cases against Mr. Norris. In the first case, the Board alleged that Mr. Norris appraised a property located in Raleigh, North Carolina in April 2006. The subject property is a contemporary 2 story that was built in 1973 and renovated in 2004. It contains 2077 square feet and is located on a .16 acre site. The property had sold in June 2004 for $352,000. It sold again in November 2005 for $405,000 after significant renovations. It was listed for sale for $410,000 from December 2004 until October 2005. Mr. Norris first appraised the property in April 2006, finding a value of $580,000. No client was shown on the report. He appraised it again, in a report also dated April 11, 2006. A client and borrower are indicated on the report. The report shows a contract price of $496,000 with contract date of April 17, 2006. The report also found a value of $580,000. The third appraisal was dated July 26, 2006. This report is identical to the other two reports, with the addition of one sale that closed in 2006. The appraised value is $585,000. On all three reports, Mr. Norris did not report the complete 3-year sales history, just the most recent sale. There were other sales in the subject's immediate area that he should have considered in these reports. In the second case, the Board alleged that Mr. Norris completed a total of four appraisals on a property located in Raleigh, North Carolina. The subject property is a one and a half-story home that contains 1870 square feet and has a 992 square foot basement. It is located on a .4 acre lot in an area of a city that is in transition. The first report was done effective January 17, 2006, finding an appraised value of $500,000. On the effective date of the appraisal, the subject was listed for sale for $389,900. The report noted the fact that the subject was offered for sale, but did not include the listing price. The second report was done effective March 27, 2006, finding an appraised value of $500,000. Mr. Norris noted on the report that the subject sold for $378,000 on March 17, 2006. Otherwise, this report is identical to the first report, with the addition of the cost approach. Mr. Norris considered but did not use a similar property on the same street that sold for $385,000 in February 2006. The third report was done effective June 1, 2006, finding an appraised value of $500,000. The subject sold in April 2006 for $410,000. This report is a clone of the second report. There was a more recent sale that could have been used in the report. That property sold in March 2006 for $409,000. The fourth report was done in July 2006, and the appraised value is $510,000. This report has three additional sales that closed in February 2006 and June 2006. In this report, Mr. Norris increased the costs in his cost approach due to what he termed as his re-evaluation of costs. The March and April 2006 sales of the subject are noted. On all four reports, there were other sales in the subject's immediate area that Mr. Norris should have considered.

Jane H. Payne A4861 (Sherrill's Ford)
By consent, the Board suspended Ms. Payne's residential certification for a period of six months. The first two months of the suspension are active and the remainder is stayed until March 1, 2008. If Ms. Payne completes a course in sales comparison, a course in appraising the oddball and the 15 hour National USPAP course by that date, the remainder of the suspension will be inactive. The Board alleged that Ms. Payne appraised a property located in Statesville, North Carolina in May 2006, finding an estimate of value of $241,000. The subject property is a brick ranch that has a 624 square feet addition. It is located on a .31 acre site that is improved with an in ground pool, extensive brick fence, covered brick patio, 2-car carport, and...
pool house. With the addition, the subject is substantially larger than the homes in the subject subdivision. The amenities are also not typical for the subdivision. Ms. Payne chose comparable sales from outside the subject subdivision. These sales, although similar in size and room count to the subject, were located in superior areas and were superior in amenity appeal and quality of construction, and she made inadequate adjustments for these factors. There were other sales available that would have led to a lower value for the subject property.

Terry Poole A6100 (Raleigh) By consent, the Board suspended Mr. Poole's residential certification for a period of three months. The suspension is stayed until March 1, 2008. If Mr. Poole completes a course in appraiser liability and a course in sales comparison by that date, the suspension will be inactive. The Board alleged that Mr. Poole and a trainee working under his supervision appraised a property located in Durham, North Carolina in August 2006, finding an appraised value of $135,000. The appraisal reported the GLA as 1540 square feet, when it was actually closer to 1270 square feet. Mr. Poole and his trainee were using a rain-damaged sketch when they prepared the appraisal report, so they could not read some of their measurements. In addition, they included a small amount of unfinished/unheated area in their GLA. As a result of miscalculating the subject's GLA, Mr. Poole and his trainee chose comparable sales that ranged in GLA from 1470 to 1650 square feet. This resulted in an inflated value for the subject property. The seller had purchased the property for $58,000 in July 2006, and subsequently made over $30,000 in repairs and renovations to it. Mr. Poole and his trainee did not report this sale in their report.

Regina Reaves A4668 (Wilmingon) By consent, the Board suspended Ms. Reaves' residential certification for a period of for a period of one year. The first three months of the suspension are active and the remainder is stayed until June 1, 2008. If Ms. Reaves completes a course in sales comparison and a course in appraiser liability by that date, the remainder of the suspension will be inactive. The board alleged that Ms. Reaves appraised a property located in Dunn, North Carolina in October 2006, November 2006 and February 2007, each time finding a value of $90,000. The subject is an 1197 square foot, one-level home, located in Dunn, North Carolina in October 2006, November 2006 and February 2007, each time finding a value of $90,000. The subject is an 1197 square foot, one-level home located in Dunn, North Carolina in October 2006, November 2006 and February 2007, each time finding a value of $90,000. The appraisal reported the GLA as 1540 square feet, when it was actually closer to 1270 square feet. Mr. Poole and his trainee were using a rain-damaged sketch when they prepared the appraisal report, so they could not read some of their measurements. In addition, they included a small amount of unfinished/unheated area in their GLA. As a result of miscalculating the subject's GLA, Mr. Poole and his trainee chose comparable sales that ranged in GLA from 1470 to 1650 square feet. This resulted in an inflated value for the subject property. The seller had purchased the property for $58,000 in July 2006, and subsequently made over $30,000 in repairs and renovations to it. Mr. Poole and his trainee did not report this sale in their report.

Ralph Reels A4747 (Durham) By consent, the Board suspended Mr. Reels' residential certification for a period of for a period of one year. The first three months of the suspension are active and the remainder is stayed until June 1, 2008. If Ms. Reaves completes a course in sales comparison and a course in appraiser liability by that date, the remainder of the suspension will be inactive. The board alleged that Ms. Reaves appraised a property located in Dunn, North Carolina in October 2006, November 2006 and February 2007, each time finding a value of $90,000. The subject is an 1197 square foot, one-level home, located in Dunn, North Carolina in October 2006, November 2006 and February 2007, each time finding a value of $90,000. The appraisal reported the GLA as 1540 square feet, when it was actually closer to 1270 square feet. Mr. Poole and his trainee were using a rain-damaged sketch when they prepared the appraisal report, so they could not read some of their measurements. In addition, they included a small amount of unfinished/unheated area in their GLA. As a result of miscalculating the subject's GLA, Mr. Poole and his trainee chose comparable sales that ranged in GLA from 1470 to 1650 square feet. This resulted in an inflated value for the subject property. The seller had purchased the property for $58,000 in July 2006, and subsequently made over $30,000 in repairs and renovations to it. Mr. Poole and his trainee did not report this sale in their report.

Leon Schearer A2806 (Chapel Hill) By consent, the Board suspended Mr. Schearer's residential certification for a period of for a period of one year. The first three months of the suspension are active and the remainder is stayed until July 1, 2008. If Mr. Schearer completes a course in the sales comparison approach and a course in the cost approach before April 1, 2008, the remainder of the suspension will be inactive. Mr. Schearer performed three appraisals of a property located in Raleigh, North Carolina. The Board alleged that the first report was performed "subject to completion per plans and specifications", it was performed in August 2004 and indicated a value of $158,000. The second report was performed "subject to repairs". It was performed in May 2005 and indicated a value of $660,500. The final report was performed "as is". It was performed in September 2005 and indicated a value of $690,900. The dwelling was originally built as a one and one half story frame dwelling on a crawl space foundation. There was an addition to the first floor of the original dwelling that contained a new master bedroom, bath, laundry, deck and porch. Other additions and remodeling was performed. The in-ground pool was remodeled with extensive stonework. At the time of all three inspections, the original portion of the dwelling had not been remodeled and was in average condition. The addition and remodeled kitchen used good quality materials. Mr. Schearer used a cost per square foot for the reproduction cost new of the garage in the second and third reports that was too high. His adjustments to his sales for the room above the garage were inconsistent among the reports. Although the third appraisal was performed "as is" and states that the dwelling has a "completely renovated interior and exterior", in fact about half of the subject had not been remodeled. Mr. Schearer indicated an "as is" value of the site improvements in the first report at $18,500 and $60,000 in the second and third reports, even though the first report was done subject to completion of renovations to the pool. He used several sales on all three reports. He made inconsistent adjustments to his sales between his reports, and failed to report prior sales of the subject on one of his sales. Many of his adjustments were too low; had appropriate adjustments been made, his appraised values would have been lower on his second and third reports.

Donald E. Spake A2890 (Hickory) By consent, the Board suspended Mr. Spake's general certification for a period of for a period of two years. If Mr. Spake completes the 15 hour National USPAP course with exam and a course in business practices and ethics, only the first year of the suspension shall be active. Mr. Spake also agrees that he will no longer perform any condemnation appraisals or any appraisals for litigation purposes. He further agrees that he will not serve as a consultant on any appraisal assignment, and he will not appear as an expert witness for court or administrative agency testimony related to a real estate appraisal or to the value of identified property. There were a total of three cases against Mr. Spake. In the first two cases, the Board alleged that Mr. Spake appraised a property located in Conover, NC. The city had filed a condemnation action against the property owner for the acquisition of a permanent easement of a portion of the tract for the establishment of a forced main sanitary sewer line. In the appraisal process, Mr. Spake utilized an after value study prepared by another appraiser. He was unfamiliar with the properties utilized in the study, and he did not utilize the study in an appropriate manner. The taking consisted of .320 acres of permanent easement for the construction, maintenance, reconstruction, enlargement, inspection, and use for a forced main sewer line. The appraisal report did not provide an adequate description of the subject property in the before condition in his appraisal report. Mr. Spake did not address the topography or the flood plain. He also did not address the fact that a creek dissects the subject, and there is no bridge from one side of the creek to the other. Mr. Spake stated that in the before condition, the highest and best use of the .51 acre tract would be the development of upper scale residential homes that would enjoy the proximity to a country club, and especially the view of the golf course afforded the subject property. In order to develop this property in the before condition in this manner, the property owner would have to construct a bridge over the creek, build a lengthy driveway, and do extensive site preparation. None of this was discussed in the highest and best use.
analysis in the before condition. Development of this property in this fashion would not be financially feasible, and may not be physically possible. Mr. Spake valued the 16.30 acres in the before condition at $10,384 an acre, for a total of $169,000. He used five sales in his sales comparison approach. Two of those sales were improved at the time of sale, but he made no adjustment to those sales for the improvements. All five sales represented a transfer from their respective owners to the adjacent property owner and were not arms length transactions due to the motivation of the buyer. In the after value, Mr. Spake first applied his before value to the land to be acquired, and valued the taking at $3,322 (13,936 square feet at $.2384 per square foot). He then treated the permanent easement as if it were a “wall” across the subject property that would preclude the construction of a bridge to connect the northern part with the southern part of subject property. Mr. Spake assigned 50% in damages to the entire property rather than just the 5.11 acres of what was considered developable property in the before condition, even though the report does not specify a change in the remainder’s highest and best use. He based that 50% damage amount from two after value studies. One was the report prepared by the other appraiser, and one he prepared himself. Using the study from the other appraiser, Mr. Spake delivered a range from 25% to 84% between variously impaired properties as compared to unimpaired properties, settling on a damage factor of 50%. The study he performed indicated a percentage range of 34% to 64% divergence in value between properties with impaired access versus properties with unimpaired access. Mr. Spake applied this 50% damage factor to his after value of $185,678, resulting in $82,839 in damages to the remainder. The application of a 50% damage factor to the entire property in the after value was inappropriate and unsupported. Mr. Spake applied damages to the entire property regardless of whether or not access was available, which was inconsistent with his methodology.

In the third case, the Board alleged that Mr. Spake appraised a property in Conover, North Carolina. The effective date of the subject report is the date of taking, which was September 10, 2001. The appraisal was performed in April 2006. The subject property is a 3.35-acre tract of land improved with a 45-year-old single-family dwelling and ancillary improvements. The property was subject to a condemnation action initiated by the NCDOT that involved the acquisition of a permanent right of way of a portion of the subject property. The purpose of the acquisition was for lane creation in order to widen a road that abuts the subject property along its eastern boundary. The taking is essentially a 32-foot wide strip that parallels the eastern boundary of the subject property. Mr. Spake’s estimate of the before value was $575,000. He concluded that the highest and best use of the subject property before the taking would be to convert subject dwelling into a general office or medical office. He used commercial sales from within the immediate market area of the subject property and determined a vacant land value of $436,000. The single-family dwelling located on the subject property provided utility for the current owners, but would have to be razed or converted to a commercial use for the subject to attain its highest and best use as indicated by Mr. Spake. Mr. Spake, however, gave the improvements their full depreciated value in his analysis without the application of obsolescence. This violates the principle of consistent use. In his cost approach, Mr. Spake contends that the depreciated reproduction cost of the total of the improvements would be $139,053.19. He then added the commercial value of the land ($436,000) to the residential value of the improvements to obtain a total before value in the cost approach. Mr. Spake’s election to apply a commercial value to the before land value and then a residential value to the improvements without the application of obsolescence is inconsistent with the principle of consistent value. He valued the land, however, as commercial. The property could have been appraised as a single-family home with excess acreage adjusted with values derived from similar properties. It could also have been appraised as a development property that had a dwelling on it. By appraising the property as residential, then adjusting his sales for the land based on commercial use, Mr. Wilson violated the principal of consistent use. In the second case, the Board alleged that Mr. Wilson appraised a property located in Pisgah Forest, North Carolina in April 2006. The properties are adjacent to each other and were appraised for a potential purchaser for both properties in one transaction. The purchaser was interested in purchasing this property to live in part of it and build a dog-motel on the rest of the two lots. The first property is an 1866 square foot house with a basement located on .73 acres. Mr. Wilson appraised this property for $460,000. The second property is a 1.71-acre vacant tract of land. Mr. Wilson appraised this property at $429,000. He first valued the vacant tract as commercial land, which was appropriate due to its location. In the appraisal of the improved property, he stated that the highest and best use was its current use as a residence. He valued the land, however, as commercial. The property could have been appraised as a single-family home with excess acreage adjusted with values derived from similar properties. It could also have been appraised as a development property that had a dwelling on it. By appraising the property as residential, then adjusting his sales for the land based on commercial use, Mr. Wilson violated the principal of consistent use.

James E. Wilson A6017 (Whiteville)
By consent, the Board suspended Mr. Wilson’s general certification for a period of three months. The suspension is stayed until March 1, 2008. If Mr. Wilson completes a course in highest and best use and a course in sales comparison by that date, the suspension will be inactive. There were two cases against Mr. Wilson. In the first case, the Board alleged that Mr. Wilson appraised two properties located in Pisgah Forest, North Carolina in April 2006. The properties are adjacent to each other and were appraised for a potential purchaser for both properties in one transaction. The purchaser was interested in purchasing this property to live in part of it and build a dog-motel on the rest of the two lots. The first property is an 1866 square foot house with a basement located on .73 acres. Mr. Wilson appraised this property for $460,000. The second property is a 1.71-acre vacant tract of land. Mr. Wilson appraised this property at $429,000. He first valued the vacant tract as commercial land, which was appropriate due to its location. In the appraisal of the improved property, he stated that the highest and best use was its current use as a residence. He valued the land, however, as commercial. The property could have been appraised as a single-family home with excess acreage adjusted with values derived from similar properties. It could also have been appraised as a development property that had a dwelling on it. By appraising the property as residential, then adjusting his sales for the land based on commercial use, Mr. Wilson violated the principal of consistent use. In the second case, the Board alleged that Mr. Wilson appraised a property located in Penrose, North Carolina in May 2006, finding an appraised value of $147,000. The subject property is a 1946 square foot doublewide manufactured home located on .59 acres that has an aboveground pool. Mr. Wilson adjusted two of his sales upward $10,000 as none of the sales had a pool. He made no adjustment to a third comparable sale that had outbuildings that he considered equal in value to the pool. These adjustments were incorrect, as the pool should have been considered personal property and not real property.

Sherman W. Young A5234 (Asheville)
The Board accepted the voluntary surrender of Mr. Young’s residential certification.
2008 Renewal Information

All registrations, licenses and certificates expire on June 30th and must be renewed before this date to maintain your current status. Renewal notice forms will be mailed in early May, so be sure your address is correct. Send in your change of address form if there have been changes since last year. You will only receive one renewal notice.

If you do not renew by June 30, your registration, license or certificate will expire. Any person who acts as a trainee, licensed or certified real estate appraiser while expired shall be subject to disciplinary action and penalties as prescribed by the Appraiser’s Act.

You are not required to have continuing education in order to renew this year. You will be required to have 28 hours of continuing education of which 7 hours must be the National 7-Hour USPAP Update course by June 1, 2009 to renew next year. It is strongly suggested that you not wait until next year to obtain all of your required continuing education.

The renewal fee is $200.00 and if you want to be on the National Registry, there is an additional fee of $45.00. You must be on the National Registry to prepare appraisals related to federally related transactions. Registered trainees are not permitted to be on the Registry, but are allowed to work on any assignments their supervising appraiser is allowed to prepare. Please note that the fee for late renewal has increased from $5.00 to $10.00 per month.