

FILED May 16, 2011 (Date)
IAB Appraiser Exam Board

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

Signature, Executive Officer

IN THE MATTER OF:)

Karen Long)
CR02466)

RESPONDENT)

Case No. 10-60

COMBINED STATEMENT OF
CHARGES AND CONSENT ORDER

A. Statement of Charges

1. The Iowa Real Estate Appraiser Examining Board ("Board") has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 543D (2011).

2. Respondent is a certified residential real estate appraiser in Iowa. She was issued Certificate No. CR02466 on June 11, 2003.

3. Certificate No. CR02466 is currently valid and in good standing, and is scheduled to expire on June 30, 2011.

4. The Board received a complaint in 2010 raising questions about Respondent's compliance with USPAP in the development and reporting of an appraisal assignment which included two versions of one appraisal. The Board submitted the appraisals to a Standard Three USPAP review. The appraisal review revealed multiple issues with appraisal methodology and adherence to USPAP standards of practice. The Board picked two additional appraisals from a log and submitted them to review. All appraisals revealed concerns about Respondent's compliance with USPAP standards, although one of the appraisals from Respondent's log was noticeably more compliant than the other two.

5. During the investigation Respondent informed the Board she did not complete two of the appraisals at issue. She had inspected the properties and selected comparable properties when she encountered a sudden health issue and asked another appraiser to complete the appraisals. The other appraiser, unbeknownst to Respondent, is not an active certified appraiser because that appraiser's certificate had been revoked by the Board. Respondent was aware the other appraiser signed Respondent's name to the appraisals. She learned that when an appraisal was rejected in the lender's review process, requiring Respondent to revise and resubmit the appraisal report. The rejected appraisal is the appraisal submitted as a complaint to the Board. The appraisal report that demonstrated more compliance with appraisal standards was a report Respondent completed on her own.

6. Following investigation, the Board charges Respondent with repeated failure to adhere to appraisal standards in the development and communication of appraisals, including the Ethics Rule; (b) failure to exercise reasonable diligence in the development, preparation and communication of appraisals; (c) demonstrating negligence or incompetence in the development, preparation and communication of appraisals; and (d) a deceptive practice that is harmful and detrimental to the public, in violation of Iowa Code sections 272C.10(3); 543D.17(1)(d), (e), and (f), and 543D.18(1) (2009), and 193F Iowa Admin. Code 7.2, 7.3(2)(c), (d), 7.3(3), 7.3(6)(a), and 7.3(7)(a).

7. The Board and Respondent have agreed to fully resolve these charges through the following Consent Order, rather than proceed to contested case hearing.

8. The Respondent denies the allegations, but does agree to comply with the Consent Order to resolve disputed matters.

B. Settlement Agreement and Consent Order

9. Respondent has a right to a hearing on the charges, but waives Respondent's right to hearing and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Order. This Consent Order constitutes discipline against the Respondent, and is the final agency order in the contested case, pursuant to Iowa Code section 17A.10 and 193 Iowa Administrative Code 7.4.

10. Respondent agrees the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.

11. This Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any future disciplinary action to be imposed in the event of any future violations.

12. This Combined Statement of Charges and Consent Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (2011).

13. Failure to comply with the provisions of this Order shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (2011). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.

14. This Order is subject to approval of the Board: (a) If the Board fails to approve this Order, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter; (b) If the Board approves this Order, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. Reprimand and Civil Penalty

1. Respondent is reprimanded for allowing another person to sign appraisals in her name.
2. Respondent shall pay a civil penalty of \$1,000 within 30 days of the date this Consent Order is signed by all parties.

B. Education

1. Respondent shall complete by September 1, 2011, following courses, which shall be AQB approved qualifying courses, which Respondent may take in person or on-line, and may apply to her continuing education requirements for renewal:

a. A 15-hour, tested USPAP course. Respondent is cautioned that the 15-hour course will not satisfy the requirement that she complete a 7-hour USPAP update course for her 2011 renewal.

Qp. 15 hr.
A ~~7~~-hour course entitled, "Residential appraiser site valuation and cost approach."

2. Respondent shall forward to the Board a certificate of completion for each course within 10 calendar days of completion.

C. Logs and Desk Review

1. Within 90 days of completing all education, Respondent shall submit a log to the Board of all appraisals completed for the two month period after the completion of all education. The Board shall select two appraisals for review.

2. Section B provides the deadline within which education must be completed. Respondent is free to escalate the time frame by completing the education earlier than the deadline.

3. The Board will retain a certified appraiser to complete Standard Three reviews on the appraisals selected for review. The Respondent shall provide the Board, within 10 days of request, five copies of the appraisals and associated work files, and the sum of \$300 to be paid by the Board to the retained appraiser.

4. The reviewing appraiser shall complete a comprehensive Standard Three review for each appraisal. The review shall be for facial compliance with USPAP. The reviewer will not perform inspections or warrant the accuracy of

Respondent's work product, but will review work papers, calculations and any other documents reasonably needed. Along with appraisal reports and work files, Respondent shall provide the reviewing appraiser copies of all documents verifying the accuracy of factual representations in each appraisal. The reviewer may request additional information, if needed, such as documentation of paired sales analysis, documentation of support for site values, and the like. The costs associated with desk review are the responsibility of the Respondent, but are capped at the amounts noted in paragraph 3.

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

6. At the next meeting following the Board's receipt of the two review appraisals, the Board shall enter an order indicating Respondent's full compliance with this Consent Order, or, if the desk review comments and appraisals reveal significant USPAP violations, the Board shall defer final ruling and may order additional education or desk reviews, or other rehabilitative measures. No such order will be issued without affording Respondent reasonable notice and an opportunity to request hearing.

7. Respondent shall not supervise an associate appraiser or otherwise co-sign another appraiser's work as a supervisor until he has complied all terms of the Consent Order. Until Respondent has complied with all terms of the Consent Order she shall send the Board appraisal logs on the 10th day of each month for the prior month's appraisals.

8. This settlement shall not preclude the Board from filing additional charges if one or more of the appraisals submitted for desk review demonstrate probable cause to take such an action. Respondent agrees Board review of desk review reports or appraisals subject to desk review shall not constitute "personal investigation" or otherwise disqualify a Board member from acting as a presiding officer in any subsequent contested case.

AGREED AND ACCEPTED:

The Respondent



Karen Long

Iowa Real Estate Appraiser Examining Board



Chair

05-06-11

Date

5-16-11

Date

FILED 2/29/12 (Date)

BEFORE THE IOWA REAL ESTATE APPRAISER EXAMINING BOARD

ARE Appr. Ex. Board

[Redacted Signature]

Signature, Executive Officer

IN THE MATTER OF:

Case No. 10-60

Karen Long
Respondent

RELEASE OF PROBATION IN
A DISCIPLINARY CASE

The Iowa Real Estate Appraiser Examining Board, having reviewed the records in the above captioned files, finds that Respondent has complied with terms of her probation and should be released. The Board voted unanimously to release probation on February 29, 2012.

IT IS THEREFORE ORDERED that the Respondent's probation is released.

[Redacted Signature]

Toni A Bright, Executive Director
Iowa Real Estate Appraiser Examining Board
1920 SE Hulsizer Road
Ankeny, IA 50021
Email: toni.bright@iowa.gov