

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

IN THE MATTER OF:)	
Merle T McDermott)	CASE NO. 98-13
)	
CERTIFICATE NO. CR01629)	STATEMENT OF CHARGES
)	
RESPONDENT)	

COMES NOW, the Complainant William M. Schroeder, and states:

1. He is the Executive Secretary of the Iowa Real Estate Appraiser Examining Board and files this Complaint solely in his official capacity.
2. The Board has jurisdiction in this matter pursuant to Iowa Code Chapters 17A, 543D, 272C(1999).
3. On February 17, 1993, Merle T. McDermott, the Respondent, was issued an Iowa Real Estate Appraiser Certificate by the Board.
4. The Certificate No. CR01629 is currently in good standing.

COUNT I

The Respondent is charged with violation of the Uniform Standards of Professional Appraisal Practice (USPAP) in connection with the development of a real estate appraisal pursuant to Iowa Code sections 543D.17(1)(d) and 543D.18(1)(1999) and Iowa Administrative Code 193F-7.1(5).

COUNT II

The Respondent is charged with failing to exercise reasonable diligence in the preparation and communication of a real estate appraisal in violation of Iowa Code section 543D.17(1)(e)(1999).

COUNT II

The Respondent is charged with negligence or incompetence in the preparation and communication of a nonresidential real estate appraisal in violation of Iowa Code Section 543D.17(1)(F)(1999).

CIRCUMSTANCES

1. The Respondent prepared and communicated two (2) appraisals for real property identified as 620 Alta Vista, Dubuque, Iowa and 803 South 5th Street, Maquoketa, Iowa.
2. The above appraisals were prepared and communicated after the Respondent was issued Iowa Certified Residential Real Property Certificate No. CR01629.
3. The 620 Alta Vista (dated June 15, 1998) report contains deficiencies including but not limited to the following:
 - a. Failure to prominently state the report option used (2-2).
 - b. Failure to consider and identify the purpose of the appraisal [1-2(a) and 2-2(b)(iii)].
 - c. Failure to consider and identify the intended use and user(s) of the appraisal [1-2(a) and 2-2(b)(iii)].
 - d. Failure to provide a definition of value [1-2(b) and 2-2(b)(iv)].
 - e. Failure to clearly and accurately set forth the appraisal in a manner that will not be misleading [2-1(a)].
 - f. Failure to report on the extent of the process of collecting, confirming and reporting data [1-2(a) and 2-2(b)(vi)].
 - g. Failure to state all assumptions and limiting conditions that affect the analysis and conclusions of the appraisal [1-2(a) and 2-2(b)(vii)].
 - h. Failure to adequately identify and report the site description [1-2(a) and 2-2(b)(i)].
 - i. Failure to collect, verify, analyze and reconcile comparable sales, adequately identified and described [1-4(b)(iii) and 2-2(b)(viii)].

- j. Failure to adequately identify and report improvement(s) description [1-2(a) and 2-2(b)(i)].
 - k. Failure to collect, verify, analyze and reconcile the cost new of improvements [1-4(b)(i) and 2-2(b)(viii)].
 - l. Failure to collect, verify, analyze and reconcile comparable sales adequately identified and described [1-4(b)(iii) and 2-2(b)(viii)].
 - m. Failure to collect, verify, analyze and reconcile comparable rental data for subject rent [1-4(b)(iv) and 2-2(b)(viii)].
 - n. Has committed a substantial error of omission or commission that significantly affects the appraisal [1-1(b)].
 - o. Failure to employ recognized methods and techniques [1-1(a) and 2-2(b)(viii)].
 - p. Rendered appraisal services in a careless or negligent manner [1-1(c)].
 - q. Failure to report clearly and accurately set forth the appraisal in a manner that is not misleading [2-1(a)].
 - r. Failure to include sufficient information to enable the person(s) who are expected to receive or rely on the report to understand in properly [2-1(b)].
 - s. Failure to include a signed certification (2-3).
 - t. Failure to identify the date of the report [2-2(b)(v)].
4. The 803 South 5th Street (dated June 15, 1998) report contains deficiencies including but not limited to the following?
- a. Failure to prominently state the report option used (2-2).
 - b. Failure to consider and identify the purpose of the appraisal [1-2(a) and 2-2(b)(iii)].
 - c. Failure to consider and identify the intended use and user(s) of the appraisal [1-2(a) and 2-2(b)(iii)].
 - d. Failure to provide a definition of value [1-2(b) and 2-2(b)(iv)].

- e. Failure to clearly and accurately set forth the appraisal in a manner that will not be misleading [2-1(a)].
- f. Failure to report on the extent of the process of collecting, confirming and reporting data [1-2(a) and 2-2(b)(vi)].
- g. Failure to state all assumptions and limiting conditions that affect the analysis and conclusions of the appraisal [1-2(a) and 2-2(b)(vii)].
- h. Failure to adequately identify and report the site description [1-2(a) and 2-2(b)(i)].
- i. Failure to collect, verify, analyze and reconcile comparable sales, adequately identified and described [1-4(b)(iii) and 2-2(b)(viii)].
- j. Failure to include a signed certification (2-3).

WHEREAS, the Complainant prays that a hearing be held in this matter and that the Board take such action as it deems appropriate under the law.

William M. Schroeder, Executive Secretary
Complainant

On this day of , 1999, the Iowa Real Estate Appraisal Examining Board found probable cause to file this complaint and to order a hearing in this case.

Gary Johnson, Chair
Iowa Real Estate Appraiser Examining board

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

IN THE MATTER OF:)	
MERLE T. MCDERMOTT)	CASE NO. 98-13
Certificate Number CR01629)	CONSENT ORDER
RESPONDENT)	

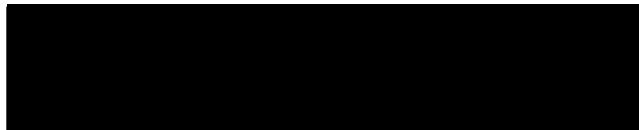
The Iowa Real Estate Appraiser Examining Board (Board) and Merle T. McDermott (Respondent) enter into this Settlement Agreement and Consent Order (Order) pursuant to Iowa Code sections 17A.10(1999) and 193F IAC 8.6:

1. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543D, and 272C (1999).
2. The Board issued a Statement of Charges against the Respondent on September 21, 1999.
3. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights, including the right to appeal, by freely and voluntarily agreeing to this Order. Once entered, this Order shall have the force and effect of a disciplinary order entered following contested case hearing.
4. 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.
5. 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 disciplinary action to be imposed in the event of any future violations.
6. This Order and the Statement of Charges are public records available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (1999).
7. Failure to comply with the provisions of this Order shall be considered prima facie evidence of a violation of Iowa Code section 543D.17(1) (1999), and shall be grounds for disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (1999). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.
8. This Agreement is subject to approval of the Board. If the Board fails to approve this Agreement, 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. If the Board approves this Agreement, it shall fully dispose of all issues in this case.


IT IS THEREFORE ORDERED:

- A. Respondent shall successfully complete fifteen (15) tested hours of USPAP.
- B. Respondent shall complete fifteen (15) hours of course work covering income producing properties, the course work must be pre approved by the Board.
- C. The respondent shall not complete any appraisals on income properties until having completed the course work that would bring him to a level of competency for developing and reporting that type of property.
- D. After the completion of the education the first three (3) reports shall be submitted to the Board for review. If significant deviations from the minimum appraisal standards are found, the review process shall continue until further notice order of the Board. The Board's review of the appraisals, in connection with this order, shall not constitute "personal investigation" under 1998 Iowa Acts, ch. 1202.

AGREED AND ACCEPTED:



Merle T. McDermott
Respondent



Gary Johnson, Chair
Iowa Real Estate Appraiser Examining Board

10-05-99
Date

10/20/99
Date