

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

IN THE MATTER OF:	Case No. 16-32
Kevin T. Klaassen, CG01436	COMBINED STATEMENT OF CHARGES AND SETTLEMENT AGREEMENT
RESPONDENT	

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 (2015).
2. Respondent is a certified general real estate appraiser in Iowa. He was issued Certificate No. CG01436 on March 16, 1992.
3. Certificate No. CG01436 is currently valid and scheduled to expire on June 30, 2018.
4. In September of 2016, the Board received a complaint against Respondent raising questions about Respondent’s compliance with USPAP in the development and reporting of an appraisal assignment. The Board submitted the appraisal report underlying the complaint for Standard Three USPAP review. The appraisal review revealed serious issues related to report writing, understanding and application of proper methodology, and adherence to USPAP standards of practice.
5. In light of these issues, and in order to review Respondent’s work product as a whole, the Board obtained two additional appraisal reports from Respondent and submitted them for Standard Three USPAP review. Both of these appraisal reviews revealed serious issues related to report writing, understanding and application of proper methodology, and adherence to USPAP standards of practice.
6. The Board charges Respondent with failure to adhere to USPAP in violation of Iowa Code sections 543D.17(1)(d) and .18(1) and Iowa Administrative Code rules 193F—7.2 and .3(2).
7. The Board and Respondent have agreed to fully resolve these charges through the following Settlement Agreement, rather than proceed to a contested case hearing.
8. Respondent neither admits the factual allegations underlying this Statement of Charges nor that he violated any appraisal standards related hereto, and agrees to comply with the Settlement Agreement to resolve disputed matters.

B. Settlement Agreement

1. Respondent has a right to a hearing on the charges. However, by freely and voluntarily entering into this Settlement Agreement, Respondent waives Respondent’s right to hearing and all attendant rights, including the right to appeal to the superintendent and seek

judicial review.

2. This Settlement Agreement constitutes discipline against Respondent, and, subject to Iowa Administrative Code rule 193F—17.2(4), is the final agency action in this contested case, pursuant to Iowa Code section 17A.10 and Iowa Administrative Code rule 193—7.4.

3. Respondent acknowledges Respondent had the opportunity to consult with counsel before agreeing to this Settlement Agreement.

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

5. This Settlement Agreement 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.

6. This Combined Statement of Charges and Settlement Agreement is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22.

7. Failure to comply with the provisions of this Settlement Agreement shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a).

8. This Settlement Agreement is subject to approval of the Board:

- a) If the Board fails to approve this Settlement 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;
- b) If the Board approves this Settlement Agreement, it shall fully dispose of all issues in this case.

9. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 543D.

IT IS THEREFORE ORDERED:

- A. Respondent shall **VOLUNTARILY SURRENDER** his certified general real-estate appraiser Certificate, **No. CG01436**, within ten (10) days of the execution of this Settlement Agreement. Respondent shall return his wall certificate and renewal card to the Board office within ten (10) days of the execution of this Settlement Agreement. Such voluntary surrender shall constitute discipline against Respondent and shall be treated as a **REVOCATION**.
- B. Should Respondent apply to reinstate his certificate at any point in the future, such reinstatement will be governed by the requirements of Iowa Administrative Code rules 193F—8.17 and 193—7.38, or any successor provisions thereof.
- C. In order to aid a future Board in determining what terms and conditions may be appropriate to include in a future order granting any application for reinstatement, **Exhibit A** (attached hereto and incorporated as if set forth herein) sets forth the educational requirements and desk review process the Board felt was appropriate to

address the practice issues forming the basis of this Statement of Charges prior to Respondent deciding to voluntarily surrender his license. Respondent acknowledges and agrees that the Board may consider the contents of Exhibit A in determining what terms and conditions may be appropriate to include in a future order granting any application for reinstatement, if granted.

D. Nothing in this Combined Statement of Charges and Settlement Agreement, including Exhibit A, shall be interpreted or construed to preclude the Board from imposing additional or other requirements, terms, or conditions to protect the public interest as a condition of any reinstatement subsequently granted by the Board.

Case No. 16-32

AGREED AND ACCEPTED:

Respondent

Iowa Real Estate Appraiser Examining Board

Kevin T. Klaassen
Kevin T. Klaassen

Amanda Luscombe, Chair
Amanda Luscombe, Chair

3-31-17
Date

4-14-2017
Date

Exhibit A

A. Education

1. Respondent shall successfully complete, prior to resuming practice as a certified residential real property appraiser, the following qualifying education courses:

- a. A tested fifteen (15) hour national USPAP course;
- b. A tested thirty (30) hour general appraiser market analysis and highest and best use course;
- c. A tested thirty (30) hour general appraiser sales comparison approach course;
- d. A tested sixty (60) hour general appraiser income approach course.

To the extent available, Respondent may take these courses online. Respondent shall bear any and all costs associated with these courses, and may not apply the hours towards his continuing education requirements for any renewal.

2. Respondent shall forward to the Board a certificate of completion or other similar documentation or confirmation demonstrating completion within 10 days of completion of each course required by paragraph 1.

B. Logs and Desk Review

1. After Respondent has completed all of the education required by Section A, Respondent shall send the Board appraisal logs on the 10th day of each month for the prior month's appraisals. Approximately 60 days thereafter, Board Staff shall randomly select three (3) appraisals from Respondent's logs for review.

2. The Board will retain a certified appraiser to complete Standard Three reviews on the appraisals selected for review. Respondent shall provide the Board, within 10 days of request, eight copies of the appraisals and associated work files, and the actual cost to the Board to retain the review appraiser.

3. 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.

4. The reviewer shall prepare written comments on each appraisals' compliance with USPAP, and shall provide copies of the written comments to the Board. The Board shall provide redacted versions of the reviews to the Respondent.

5. Following the Board's receipt of the three review appraisals, the Board shall either:

- a. Enter an order indicating Respondent's full compliance with these requirements;
or
 - b. 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.
6. Respondent shall not supervise an associate appraiser or otherwise co-sign another appraiser's work as a supervisor until Respondent has complied with all the Log and Desk Review Requirements.
7. 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(s).