

# THE IOWA APPRAISER

Volume 1, Issue 1

May 2017

IOWA DIVISION OF BANKING

## Our First Issue! A Letter From The Editor

In an attempt to foster communication between the board, state licensees, registrants, and the general public, *The Iowa Appraiser* newsletter was born. Of course, I identified more ways to utilize the newsletter such as promote adherence to regulations, keep licensees and registrants abreast of current news and regulatory changes, and highlight individuals in the appraiser business. Let me introduce myself. I became the Executive Officer of the Real Estate Appraiser (REAP) Board in May 2016 after serving as a licensing specialist for the Professional Licensing Bureau from October 2015 to May 2016. I moved to Des Moines, IA in March of 2015. I was previously employed with

the Department of Health and Senior Services of Missouri where I worked with federally regulated programs. I have a Bachelor's of Science degree in Management, Human Resource Management, and Health Care Administration. I am currently an Alternate Director for AARO (Association of Appraiser Regulatory Officials).

As a state regulator, my goal is to provide quality customer service, timely processing of applications and requests, foster relationships and be a valuable resource between other states, licensees, and industry repre-



sentatives. I will ensure the REAP Board follows applicable laws and regulations and process complaints as efficiently and quickly as possible.

Lastly, I wish to personally thank both Caryl Swaim and Gene Nelsen for their service to the State of Iowa. Their knowledge and patience has helped me tremendously as the new Executive Officer.

—Brandy March

## Real Estate Appraiser Board Member Update

### Thank you for your service.

After six years of service, Gene Nelsen and Caryl Swaim have retired from the Board, effective April 30, 2017. The Board and staff wish them well in their new endeavors. You will be missed.

### Warm welcomes.

As one door closes, another opens. It is with great excitement that the Board and staff announce Teresa Selberg, James Pooley, and Dan O'Hern as the

new board members effective May 1, 2017. Welcome!

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## Contact Information

Iowa Division of Banking  
200 E. Grand Ave, Suite 350  
Des Moines, IA 50309  
AMCSupervision@iowa.gov  
realestateappraiserboard@iowa.gov  
Phone: 515-725-9025 Fax: 515-725-9032



## Welcome Appraisers

### ASSOCIATE APPRAISER

Fisher, Henry AG03535  
 Hassebroek, Steven AG03528  
 Herold, Joshua AR03539  
 Lamont, David AR03531  
 Maurer, Kevin AR03541  
 McCarville, Patrick AR03540

### INITIAL CERTIFICATION

Hayes, Brad CG03183  
 Loppnow, Piper CG02947  
 Prall, James CR03238  
 VanderHeiden, Erin CG03348

### RECIPROCITY

Bentle, Thomas CG03536  
 Brovold, Trevor CG03542  
 Caldwell, Eric CG03543  
 Hartung, Leah CG03529  
 Hawkins, James CG03534  
 Hawks, Thomas CG03526  
 Kjolsing, Daniel CG03530  
 Lindh, James CR03537  
 Lockard, Bryan CG03544  
 Luther, Joshua CG03527  
 Pace, Mark CG03533  
 Quist, Jeffrey CG03525  
 Richmond, Jonathan CG03538  
 Wise, Travis CG03532

**AMC Regulations  
 went into  
 effect on  
 January 1, 2017.**

**Are you  
 registered?**

## Welcome AMC Registrants

360 Appraisal Group 00028  
 Accurate Group, LLC 00034  
 ACT Appraisal, Inc. 00012  
 Allstate Appraisal, LP 00047  
 AMC Settlement Services, LLC 00030  
 Appraisal and Valuation Services, LLC 00080  
 Appraisal Links, Inc. 00071  
 Appraisal Linx, Inc. 00041  
 Appraisal Management Solutions, LLC 00082  
 Asset Management Outsourcing Services, Inc. 00031  
 Assurant Appraisals, LLC 00033  
 Axios Valuation Solutions, LLC 00032  
 Axis Appraisal Management Solutions, Inc. 00024  
 Broad Street Valuations, Inc. 00013  
 Class Appraisal Inc. 00023

ClearCapital.com, Inc. 00010  
 CoesterVMS.com, Inc. 00007  
 Collateral Intelligence LLC dba ATI Valuations 00061  
 Consolidated Analytics, Inc. 00068  
 CoreLogic Valuation Solutions, Inc. 00006  
 Credit Bureau of Council Bluffs, Inc. dba Star Appraisal Management Company 00050  
 DartAppraisal.com, Inc. 00004  
 Dwellworks Residential Services, LLC 00048  
 Elliott & Company Appraisers, Inc. 00051  
 Equity Solutions USA, Inc. 00075  
 Evaluation Zone, Inc. 00057  
 First American Mortgage Solutions, LLC 00073  
 First Look Appraisals, LLC 00063  
 Frisco Lender Services, LLC 00029



## AMC Registrants, Continued

Guideline Real Estate Services, LLC dba  
Guideline AMC 00049

Independent Settlement Services 00018

InHouse, Inc. 00077

ISGN Solutions, Inc. 00027

Land Gorilla 00067

Landmark Network, Inc. 00058

Lincoln Appraisal & Settlement Services,  
LLC 00044

LRES Corporation 00039

Market Valuation Services 00076

MCS Valuations, LLC 0005

Mortgage Information Services, Inc 00072

MountainSeed Appraisal Management, LLC  
00035

Murcor, Inc. 00021

MyAMC, LLC 00043

NationalLink Valuations, LLC 00036

Nations Valuation Services, Inc. 00025

Nationwide Appraisal Network, LLC 00056

Nationwide Property & Appraisal Services,  
LLC 00015

Novo Appraisal Management Corporation  
00060

Old Republic Diversified Services, Inc.  
00003

OrderProUSA, LLC 00014

Pendo Management, LLC 00054

Property Interlink LLC 00064

Pro Teck Valuation Services 00008

Real Estate Valuation Partners, LLC 00009

RRR Appraisal Services, Inc 00037

Schaeffer Appraisal Management Compa-  
ny, Inc. dba 1st National Appraisal Source  
00045

Service 1st Valuation and Settlement Ser-  
vices, Inc. 00074

ServiceLink Valuation Solutions, LLC  
00011

SingleSource Property Solutions, LLC  
00042

Solidifi US Inc. 00001

Speedy Title & Appraisal Review Ser-  
vices LLC 00016

Springhouse, LLC 00046

Stewart Valuation Services, LLC  
00017

SWBC Lending Solutions, LLC 00055

TCValuations, Inc. 00070

Title Source, Inc. 00002

Trimavin, LLC 00052

U.S. Real Estate Services, Inc. 00059

United States Appraisals, LLC 00038

Urban Lending Solutions Appraisal,  
LLC 00062

Valco Management 00069

Valuation Link LLC 00065

Valuation Management Group, LLC  
00053

Value Trend Solutions, LLC 00066

Valued Veterans, LLC 00040

Valustrust Solutions, LLC 00026

Xome Settlement Services LLC 00020



## Noticed Rules-Appraisers



The Iowa Real Estate Appraiser Board recently noticed changes to Administrative Rules 193F specifically Chapters 1, 5, and 6. This new change will help to identify the timeframe for which background checks will be valid once completed and prior to an application being submitted. The proposed rule sets the timeframe at 180 days. You may find the draft rules (ARC2966C) at the Iowa Legislature website:

<https://www.legis.iowa.gov/law/administrativeRules/arrc>.

The Board is in the process of conducting a full review of Administrative Rules 193F. There should be a draft version available for public review around July 2017. Be sure to check out our website at: <https://www.idob.state.ia.us/REAP/> for upcoming in-

formation on the new rule changes. We'd love your input on any regulatory changes.

## Industry Headlines

**Washington, Illinois & California highlight examples of appraiser fraud schemes.**

Appraisal Buzz published an article on February 28, 2017, titled *Fraud Alert: Appraisal Identity Theft* in which it reported three cases of individuals using the credentials and identity of other appraisers to commit fraud. The article provides appraisers with helpful hints on reducing the potential for credential identity theft.

The Huffington Post published a column on February 23, 2017, titled *Communicating with Real Estate Appraisers* in which it outlined that communication with an appraiser can be necessary for the scope of work. There are many resources listed in the article regarding appraisal myths, understanding the appraisal process and the need for an appraiser.

## Look To The Past



ARRO hosted its spring conference April 7 through April 9, 2017, in Tampa, FL. You can find the presentations and highlights at: [www.aaro.net](http://www.aaro.net). Two topics consisted of developing the next generation of appraisers and the future of regulatory boards. The Appraisal Foundation met prior to AARO. The Fall 2017 Conference will be held October 13-October 16, 2017, at the Westin in Washington, DC.

## Submit A Story

We'd love to hear from you. If you have a story to submit, or are aware of something going on in the profession, let us know. Maybe you have an interesting story that pertains to the profession or would benefit our readers. Email Brandy March at: [brandy.march@iowa.gov](mailto:brandy.march@iowa.gov) with the subject line Story Submission. Your story may be published in the next newsletter.

### WORD FROM THE BOARD



Welcome to the newsletter for the Iowa Real Estate Examining Board. Our vision is that the newsletter will better inform Iowa appraisers and members of the public. We will try to keep you updated on recent Board actions, helpful articles and links, and appraisal industry news. We are also available at our website at: <https://www.idob.state.ia.us/REAP/>. The board members are appointed by the Governor's office and serve three year terms with a limit of nine years. The purpose of the real estate appraiser examin-

ing board is to administer and enforce the provisions of Iowa Code chapter 543D (Iowa Voluntary Appraisal Standards and Appraiser Certification Law of 1989) with regard to the appraisal of real property in the state of Iowa, including the examination of candidates and issuance of certificates and registrations; investigation of alleged violations and infractions of the appraisal standards and appraiser certification law; and the disciplining of appraisers. The importance of the role of the appraiser places ethical and professional stand-

ards on those who serve in its capacity. To this end, the board has promulgated these rules and has adopted the Uniform Standards of Professional Appraisal Practice (USPAP) to clarify the board's intent and procedures and to promote and maintain a high level of public trust in professional appraisal practice.

-Amanda Luscombe,  
Board Chair

### Appraiser Exam Pass Rates

2008-2016																		
National Uniform Licensing and Certification Examination Pass Rates																		
	2008		2009		2010		2011		2012		2013		2014		2015		2016	
	#	Pass	#	Pass	#	Pass	#	Pass	#	Pass	#	Pass	#	Pass	#	Pass	#	Pass
	Passed	Rate	Passed	Rate	Passed	Rate	Passed	Rate	Passed	Rate	Passed	Rate	Passed	Rate	Passed	Rate	Passed	Rate
LR	1096	40%	872	53%	329	52%	191	61%	173	76%	317	43%	447	53%	169	53%	175	62%
	435		464		172		117		132		137		236		89		108	
CR	2848	41%	3146	57%	1266	55%	770	70%	614	80%	796	69%	1531	67%	411	64%	402	66%
	1170		1805		699		540		494		552		1033		262		267	
CG	824	58%	772	57%	399	59%	391	73%	383	78%	407	54%	652	64%	393	66%	407	71%
	482		439		235		287		299		220		415		259		287	
TOTAL	4768	44%	4790	56%	1994	55%	1352	70%	1170	79%	1520	60%	2630	64%	973	63%	984	67%
	2087		2708		1106		944		925		909		1684		610		662	

- Data applies to first time test-takers only
- Because there is no Trainee Appraiser examination, many states require Trainees to take the Licensed Residential exam

The 2016 exam pass rates for the licensed residential (LR), certified residential (CR) and certified general (CG) categories

are above. As you can see, there was an increase in examinees from the 2015 year to the 2016 year and more examinees

passed the exam in 2016 than in 2013, 2014 and even 2015.



## USPAP Flexibility At A Glance

Compliments of The Appraisal Foundation Can't read the below? Go to: <http://www.appraisalfoundation.org/imis/TAF/USPAP.aspx>.

Some appraisers may not be aware of the inherent flexibility built into the *Uniform Standards of Professional Appraisal Practice* (USPAP). Because USPAP is a set of standards that is built on the basic principles of ethics and competency, those who do not appreciate such flexibility can sometimes view USPAP as vague. However, the scope of work concept in USPAP enables appraisers to perform many types of assignments while maintaining compliance with standards. Following are examples of such flexibility:

Assignment Types	Some Examples	Allowed by USPAP?	How Does USPAP Apply?
<i>Oral Appraisal Reports</i>	A client does not require a written report	Yes	STANDARDS 2, 8, 10
<i>Purchase Price Negotiation</i>	A potential buyer is considering purchasing a property or business	Yes	STANDARDS 1 & 2, 7 & 8, 9 & 10
<i>Calculation Engagement</i>	A CEO is considering an acquisition and wants to know the calculated result given a specific valuation method	Yes	STANDARDS 9 & 10
<i>Consulting/Appraisal Consulting<sup>1</sup></i>	A client is considering developing a vacant parcel and is looking for maximum return	Yes	Advisory Opinion 21
<i>Appraisals for Litigation/Expert Witness Testimony</i>	An attorney needs an impartial opinion of value for legal proceedings	Yes	STANDARDS 1 & 2, 6, 7 & 8, 9 & 10
<i>Evaluations<sup>2</sup> for Lending</i>	A lender needs an evaluation providing an opinion of market value to ensure a loan is adequately collateralized	Yes	STANDARDS 1 & 2 and Advisory Opinion 13 <sup>3</sup>
<i>Appraisals for Lending</i>	A lender needs an appraisal providing an opinion of value to ensure a loan is adequately collateralized	Yes	STANDARDS 1 & 2, 7 & 8
<i>Appraisal Review</i>	A client needs to know whether or not an appraisal is credible	Yes	STANDARD 3
<i>Appraisals for Charitable Contributions</i>	An individual donating real or personal property requires a qualified appraisal performed by a qualified appraiser <sup>4</sup>	Yes	STANDARDS 1 & 2, 7 & 8
<i>Appraisals for Estates</i>	An executor needs to know the value of property in order to equitably settle an estate; an executor needs to know the Fair Market Value to pay estate taxes	Yes	STANDARDS 1 & 2, 7 & 8, 9 & 10
<i>Appraisals for Insurance</i>	A property owner wants to know how much insurance coverage is adequate; a property owner needs an independent appraisal to help settle a damage/loss claim	Yes	STANDARDS 1 & 2, 7 & 8
<i>Advocacy</i>	An individual who is an appraiser is asked to represent one party in a court proceeding	Yes (see footnote)	ETHICS RULE and Advisory Opinion 21 <sup>5</sup>
<i>Assessment Appeals</i>	An appraiser is asked to work for a property owner in an assessment appeals hearing	Yes (see footnote)	ETHICS RULE and Advisory Opinion 21 <sup>6</sup>
<i>Contingent Fee</i>	An appraiser agrees to be compensated for the appraisal only when the loan closes	No	Management Section, ETHICS RULE

As illustrated in the preceding chart, USPAP provides tremendous flexibility for appraisers. The SCOPE OF WORK RULE in USPAP requires appraisers to produce credible assignment results, but USPAP requires only those analyses that are necessary for credible results, given the intended use. In assignments performed for real property, personal property, or business valuation/intangible assets, USPAP also includes provisions for an abbreviated reporting format.<sup>7</sup>

In order to protect public trust, USPAP does not permit assignments where an appraiser's fee is contingent on the outcome, or on a subsequent event directly related to the appraiser's opinions.<sup>8</sup>

1 Appraisal consulting is no longer defined in USPAP and the Real Property Appraisal Consulting Standards were retired; however, those services formerly called appraisal consulting are still permitted under USPAP.

2 As defined in the *Interagency Appraisal and Evaluation Guidelines*, December 2010.

3 Advisory Opinion 13, *Performing Evaluations of Real Property Collateral to Conform with USPAP*, provides guidance on this topic.

4 Internal Revenue Service, Publication 561.

5 An individual may provide services as an advocate, or as an appraiser (one who expected to perform in a manner that is independent, impartial, and objective); however, one cannot act in both roles in the same assignment. When acting as an advocate, the individual must not misrepresent his or her role.

6 Appraisers may perform assignments for assessment appeals, but cannot do so if the fee is based on a percentage of the cost savings or other events as stated in the Management section of the ETHICS RULE. Appraisers must also ensure they do not misrepresent their role in such assignments.

7 *Restricted Appraisal Reports* are allowed under STANDARDS 2, 8 and 10.

8 Management section of the ETHICS RULE.

## FAQ (Frequently Asked Questions) Renewals



**The online renewal system now accepts payment by electronic check!**



**Q:** When can I renew my license?

**A:** Between May 15 and June 30, 2017.

**Q:** How much continuing education do I need?

**A:** Most licensees will need 28 hours of continuing education with 7 of the 28 being the most recent USPAP update course. If your license was issued less than 185 days from June 30, 2017, you do not need to report any continuing education. If your license was issued between 185 days and 365 days prior to June 30, 2017, you will need 14 hours of continuing education with 7 of the 14 being the most recent USPAP update course.

**Q:** Can I renew online?

**A:** Yes, you may renew online at: [www.licensediniowa.gov](http://www.licensediniowa.gov).

**Q:** Can I pay by check?

**A:** Yes, the online system now allows for electronic check payments.

**Q:** Do I need to submit my course certificates?

**A:** If you apply via paper application you must submit course certificates with your application. Random Continuing Education Audits are conducted within 30 days of the renewal. You will receive a letter in the mail if you are selected for an audit.

**Q:** What happens if I forgot to renew by June 30, 2017?

**A:** Your license will be considered lapsed. You may not use the certified title or conduct appraisal work in Iowa if a license is required. You can still renew, with a late fee, by July 30, 2017. If a renewal application is not received by July 30, 2017, you must reinstate.

**Q:** Are there restrictions on how my continuing education is taken?

**A:** No, you may take your continuing education online, in classroom, or a combination of both.

**Q:** What courses do you accept for continuing education?

**A:** Courses are accepted if they are approved by the Iowa Real Estate Appraiser Examining Board, approved by the AQB (Appraiser Qualifications Board) or if they are approved by another state Appraiser Regulatory board/body.

**Q:** Can continuing education credits rollover?

**A:** No, credits cannot be carried forward.

**Q:** Where do I find the course number?

**A:** The course number should be on the certifi-

cate or , if approved by Iowa it is provided on the course list found on our website at: <https://www.idob.state.ia.us/reap/>.

**Q:** Can I use the Iowa course code if I took the course in another state?

**A:** No, you must use the course code provided by that state.

**Q:** Can I take the same continuing education course again?

**A:** Courses may only be taken once within each renewal period with the exception of USPAP courses. USPAP courses should be different types or years if taken in the same period.

### **EXTRA HELP**

To renew online, you must know your license number and the last 4 digits of your social security number. If you are unable to renew your license, you should check to make sure your license is active and that it expires in an odd year. If you still cannot renew, contact the Board at 515-725-9025 or via email at [realestateappraiser-board@iowa.gov](mailto:realestateappraiser-board@iowa.gov).

## Discipline (January 1-April 24, 2017)

Since January 1, 2017, the Board has received eight new complaints. The board has closed a total of 11 complaints (three being voluntary surrenders). You can find entire consent orders on the Board's website at: <https://www.idob.state.ia.us/REAP/>.

### Voluntary Surrender In Lieu Of Revocation:

James Hand

Effective 2/21/2017

Kevin Klaassen

Effective 4/14/2017

James Ahern

Effective 4/14/2017

### Consent Agreements

Mark Hanna (unlicensed) (Case 16-29)

Charged with attempting to improperly influence the development, reporting, result, or review of a real estate appraisal in violation of Iowa Code sections 543D.18A(1) and 543D.21(4)(b), and Iowa Administrative Code rule 193F-16.2(7). Hanna was ordered to pay a civil penalty of \$250.00 and maintain future compliance.

Jeff Boswell (CR02714)

Charged with failure to adhere to USPAP in violation of Iowa Code sections 543D.17(1)(d) and .18(1) and Iowa Administrative Code rule 193F-7.2 and .3(2); failure to exercise reasonable diligence in the development and communication of multiple appraisals in violation of Iowa Code section 543D.17(e) and Iowa Administrative Code rules 193F-7.3(6)(a) and demonstrating negligence or incompetence in the development, preparation and communication of multiple appraisals in violation of Iowa Code section 543D.17(f) and Iowa Administrative Code rules 193F-7.3(2) and (6). Boswell was ordered to complete 4 corrective education courses within 90 days; submit monthly appraisal logs; pay \$500 towards a peer reviewer to complete Standard 3 reviews on two reports 60 days after completion of the corrective education; and refrain from supervising.

Robert Olson (CG02731)

Charged 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). Olson was ordered to complete a 15 hour general report writing course plus 3 corrective action courses within 90 days; submit monthly logs; pay \$1,400 towards a peer reviewer to complete Standard 3 reviews on two reports 60 days after completion of the education; and refrain from supervising.

Brad Anderson (CR02342)

Charged 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) and practicing outside of the scope of a residential certification in violation of Iowa Code sections 543D.17 and Iowa Administrative Code rule 193F-7.3(5)(f). Anderson was ordered to complete a 15 hour USPAP course and a 30 hour residential sales comparison and income approach course within 90 days; submit monthly logs for one year; pay \$500 towards a peer reviewer to complete Standard 3 reviews on two reports 60 days after completion of the education; and refrain from supervising.



## Spotlight Interview (Todd Mortensen CR02933)

Todd Mortensen is a certified residential appraiser in Mason City. He's employed with Johnson Appraisal Services. Todd became an associate appraiser in April 2008. He obtained his certification status in October of 2014.

Todd is celebrating his 24th anniversary with his wife, Betsy, this May. They have one daughter and five grandchildren. His family is his greatest accomplishment, aside from being an appraiser.

Except while in the Airforce, Todd has always

called Iowa home.

Todd first got into the appraisal business while he and Betsy were trying to sell her business. They weren't having much luck and contacted Johnson Appraisals. Turns out, Johnson Appraisal Services didn't have an appraiser in their area. Todd had been working as a truck driver and became interested in the appraisal business. Johnson Appraisal Services hired him up and he's been there ever since.

When asked what major changes he's seen since he started appraising,

Todd stated the UAD form, the regulations and the changes in housing values. Todd stated that this is the type of industry where two years of experience just doesn't cut it. As with most appraisers, he struggles with finding proper comparable sales, especially in the small towns or when appraising atypical properties.

Todd hopes to stay in the business until he retires or, he may just continue to appraise for life.

**“My family is my greatest achievement; that, and being an appraiser.”**



Top Left Cameron (age 7), Todd Mortensen, Maclaine (age 9), Britt (age 4), Betsy (wife).  
Bottom Left: Morgan (daughter), Bria (age 8), Corbin (6 months) and Mark (son-in-law).