

# THE IOWA APPRAISER

## A Letter From The Editor

Greetings and Salutations!

There have been a lot of changes taking place here at the Board and within the AMC regulatory body. One significant change is the new website; we moved our website back over to the Professional Licensing Bureau at: [plb.iowa.gov](http://plb.iowa.gov). You should have received an email from me in late June about the new website address. Be sure to update your bookmarks or favorites with the new [link](#).

License renewals for appraisers with the last name starting with the letter A through K just finished. You can find a list of all the licenses who lapsed on page 15.

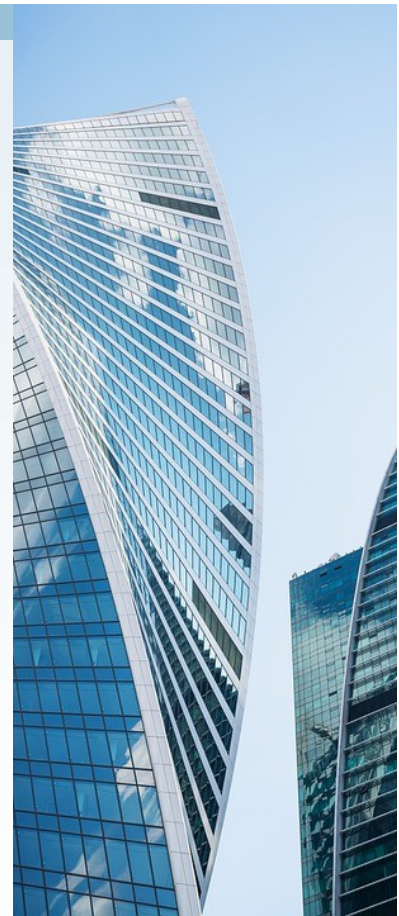
The last of the rule changes for the most recent five-year rolling review of the Administrative Rules went into effect on August 3, 2022 (refer to [ARC6375C](#)).

The Board and AMC regulatory body received the results of its State Offsite Assessment of the appraiser and appraisal management company program. I am pleased to announce that there were no concerns on the AMC program and only one minor area of concern on the appraiser program due to one complaint being open for over one year without a final disposition.

Many prospective trainee appraisers are eagerly awaiting a PAREA program to hit the streets. If you want to be informed of updates, fill out the participant interest survey [here](#).

Lastly, the Board will be in Dubuque, IA for its September Board meeting. We hope that you will come join us at Hotel Julien starting at 1:00 pm on September 23, 2022.

–Brandy March, MPA, CPM  
Executive Officer



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## Welcome Appraisers & Appraisal Management Companies

### Associate Appraisers

Arruda, Ronda AR03980  
Blough, Connor AG03973  
Claussen, Reid AG03994  
Donaker, Joel AR03991  
Dyslin, Tanner AG03979  
Jackson, Joe AR03966  
Jensen, Brian AR03972  
Manternach, Cole AG03974  
Mitchell, Brandon AR03965  
Sampson, Brandon AR03983  
Schorpp, Michael AG03987  
Skinner, Reese AR03969  
Spahn, Jennifer AR03989  
Twist, Noah AR03970

### Initial Certification

Ellison, Susan CR03683  
Klemish, Isaac CG03664  
Ries, Allison CR03751

### Reciprocity

Ard, Owen CG03982  
Caba, Michael CG03977  
Cleven, Bridget CG03992  
Declark, Gary CG03993  
Geiger, Gregory CR03988  
Guth, Anthony CG03978  
Heinrich, Douglas CG03981  
Hopewell, Scott CG03990  
Houghton, Steven CR03967  
Johnston, Hansen CR03968  
King, Stephen CG03986  
Kvols, Jonathan CG03984  
Lawrence, David CG03971  
McGee, Richard CG03985  
Rango, Mark CR03976  
Terpening, Scott CG03975

### Appraisal Management Companies

Timios Appraisal Management, Inc. 00138

### Board Member Vacancies

The Board has one vacancy for a certified appraiser. New board members are always being sought. If you want to serve on the Board, please apply at: <https://talentbank.iowa.gov/board-detail/ad75c5b9-b371-4f47-bf8a-eb316d8360da>.

## Word From The Board

Summer is flying by! Dan Fuhrmeister has been reelected as Chair and Jordan Maus was elected as Vice Chair. Both have served the board for several years now and are great assets!

Renewals have just ended for the 2022 year. The board received 590 renewals. There were 88 that had an active or inactive license that did not renew.

The Work Product Review committee is still active with several in the pipeline. If you are not familiar, the Work Product Review committee interviews candidates and is one of the last steps in the upgrade process for trainee appraisers. This is an informal meeting where the committee interviews the candidate and discusses reviewed reports while getting a general understanding of the candidate's knowledge of the appraisal field. Three reports are submitted to the Board and independent Standard 3 reviews are performed to determine USPAP compliance. The committee members do not perform any type of independent investigation. This meeting is not meant to be intimidating but is rather a team effort for the trainee, supervisor, and Board. After the work product review meeting, the committee makes a recommendation for approval, deferral, or denial to the entire Board. It would be very rare for the committee to recommend denial. Don't sweat it, we want you to succeed! Because the Work Product Review committee does not constitute a quorum, no decisions are made by the committee at the time of the interview, only a recommendation to the entire board. Unfortunately, the interviewee will not know the recommendation prior to the board meeting. If you have any questions on the process, please reach out to Executive Officer, Brandy March.

We have positions open to board members, appraisers, and the general public. Please contact the board office (realestateappraiserboard@iowa.gov; 515-725-9025) or the board Chair, Dan Fuhrmeister (dan.fuhrmeister@iowa.gov), if you are interested in serving on a committee. As of right now, we are in need of volunteers for the Reports and Rules committees.

Board meetings are open to the public. I encourage all appraisers to join a meeting via Zoom or in-person. I think you will find it very informative.

And...exciting news....mark your calendars, the September Board meeting is being held in Dubuque! The Board meeting will be held at the Hotel Julien on September 23, 2022, at 1:00 PM. Snacks will be provided. This is a great opportunity to meet Board members and other peers. Once a year, we move the location of the Board meeting to allow others to attend without as much travel.

Have a great summer! – Cody Seeley

## Future Meetings

### Board Meeting

Tuesday, August 16, 2022

10:30 AM\*

(\*Includes Public Hearing)

(In-Person & Zoom)

Join Zoom Meeting

<https://us02web.zoom.us/j/87361871490>

Meeting ID: 873 6187 1490

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### Traveling Board Meeting

Friday, September 23, 2022

1:00 PM

(In-Person & Zoom)

Join Zoom Meeting

<https://us02web.zoom.us/j/81151790866>

Meeting ID: 811 5179 0866

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### October Board Meeting

Thursday, October 27, 2022

(In-Person & Zoom)

Join Zoom Meeting

<https://us02web.zoom.us/j/86832276955>

Meeting ID: 868 3227 6955

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**Public attendance at board meetings is encouraged and appreciated. Please consider joining one or all of the above meetings.**

## Frequently Asked Questions (FAQs)

### FAQs — AMCs

**Q: The indirect owner of our AMC changed. How do I report that, and what forms are required?**

A: You are required, when feasible (meaning not an unexpected change), to give a 30 day notice of any ownership change. The designated controlling person should complete the maintenance form through the licensing system and upload a complete ownership organizational chart showing ownership down to individuals or publicly traded companies. Any indirect owner over 10% will need to create an account in the online licensing system and complete two applications: a) background packet request; b) controlling person change form (not the supplemental one).

**Q: An officer of the company changed. Do I need to report that?**

A: As long as the officer is not the CEO, President, Managing Member, designated controlling person, or does not have the power to vote more than 10%, notice is not needed. Examples of those typically NOT needing reported include Secretary, CFO, and Vice President.

**Q: I thought I renewed my license, but it is showing lapsed. How can I get it active again?**

A: You will need to create and submit the reinstatement application through the licensing system. You will be required to show 14 hours of continuing education for each year since your last ACTIVE renewal. If you were active on June 30, 2020, your last active renewal would have been June 2020, and you would be required to show 28 hours of continuing education, seven of which must be the most recent USPAP update course.

**Q: I plan on attending the Board meeting in Dubuque on September 23, 2022. How do I apply for continuing education (CE) credit?**

A: The Executive Officer of the Board will automatically issue you a course completion certificate for the time you attended the meeting so long as you were at the meeting for at least 100 minutes, or two credit hours of CE.

**Q: I have been thinking about giving back to the profession, but I don't want to supervise. Is there any other volunteer work?**

A: Yes, you can join certain Board committees without being a Board member, or you can apply to be a board member [here](#).

**Q: I have been thinking about becoming a supervisor. What do I need to do with the Board in advance?**

A: Supervisors are not approved by the Board in advance. A person who wishes to supervise will provide the Board with a copy of their supervisor/trainee course

certificate showing completion within five years of the date their trainee appraiser applies for registration. This can be done through the trainee appraiser's application. If the supervisor's official place of business is more than 30 miles from the trainee's place of residence, the supervisor is required to submit a statement of how supervision will occur. Once the trainee submits an application, which includes a request for a specific supervisor, that supervisor will receive an email from the licensing system to review the trainee's application and sign off (electronically) that they accept the role as supervisor of the trainee. The Executive Office will ensure all other requirements have been met prior to the trainee appraiser being granted registration. The Administrative Rules governing supervisory responsibilities can be found [here](#).

**Q: I had a trainee appraiser, but they are no longer working with me. Do I need to notify the Board?**

A: Yes, you will need to log into your online account in the licensing system and submit an application called Removal of Associate from Supervisor. The checklist will ask you for the date that supervision ceased so that the Board knows the last date in which the trainee appraiser can log hours under you. While you may still be able to see them under your licensing profile, the supervision link will be expired, and the end date of the relationship will be listed.





## In The News

### [U.S. Supreme Court declines to review case on floor plans and copyright protections](#)

The Supreme Court denied hearing the Columbia House of Brokers Realty, Inc., dba Jackie Bulgin & Associates, et al., versus DesignWorks Homes, Inc., et al. case regarding alleged copyright infringement violation in Columbia, Missouri. An architecture firm, DesignWorks Homes, Inc., sued a real estate company who created a mocked up floor plan to include in the homes sale back in 2010. The agent measured the house and created a floor plan to include in their marketing materials. In 2018, the architect's firm found the drawing and filed a lawsuit. An amicus brief was filed by the National Association of Realtors (NAR) who was in favor of Columbia House's right to create the floor plan.



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*Quote from [Don't Start Driving until You Know Where You're Going](#), "Make clear to them that they need to be sure of what they want, because there's no going back as a 'revision' to change it once the report is completed."*

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### [Maintain that Workfile](#)

On June 20, 2022, Frank Gregoire wrote an article that puts a positive spin on the USPAP Record Keeping Rule. Appraisers who maintain a proper workfile can use this as their defense to complaints and for any defense should a lawsuit arise. Many appraisers view a workfile as inconvenience or burden. The article states a workfile "must have enough information to support and justify the work completed as well as your opinions and conclusions."

### [Don't Start Driving until You Know Where You're Going](#)

In this article, Matt Simmons speaks about the need for appraisers to clearly understand the scope of work before the appraisal is completed. Not only does this ensure that adequate fees are being obtained, but it ensures that a new assignment is not going to be required once the report is turned in. Ms. Simmons highly recommends that engagement letters, for private work, clearly address all six assignment elements.

### [A Log Home Valuation](#)

The Log Home Council LLC states that each year, 60,000 log homes are being built, making it "a multi-billion dollar a year industry." Appraisers doing log home valuations should know and understand ICC-400, or the standard on design and construction of log homes and must also understand the various state, county, or township rules. They push for the need to have continuing education developed around this niche.

## 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 one that 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.



## Spotlight Interviewee: Brent Balduf

This month, the Board interviewed Brent Balduf, a Certified General Appraiser (CG01259) with the Story County Assessor's office. Mr. Balduf has been a Certified Appraiser since January 3, 1992.

### **When did you become an appraiser?**

I received my appraisal license in January of 1992. I had been working in the Assessor's office for 15 years prior to that.

### **What made you enter the profession and want to become an appraiser?**

I originally wanted to be an architect, but I was hired to work in the assessor's office, which introduced me to appraising. I found appraising property interesting and challenging, so I continued with it.

### **What areas do you serve (geographic-i.e., counties, cities, states, etc.)?**

My jurisdiction is strictly Story County excluding the city of Ames.

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**“Appraisal for assessments is quite different than fee appraisal. We have statutory requirements that we must follow and of course the valuation process is done on a mass basis.”**

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### **How did you find your supervisor (if an associate appraiser) and what advice do you have for those looking for a supervisor?**

My superiors in the Assessor's office encouraged me to take the education and pass the examinations needed to continue in the profession. I really didn't have a supervisory appraiser in the way others may have in the private sector.

### **Why did you choose to be a supervisor (if a supervisory appraiser) and what advice do you have for those thinking about becoming a supervisor?**

Other than training other personnel for the assessor's office, I have not had any reason to supervise anyone to become an appraiser.

### **What is your favorite type of property to appraise? Do you have a special niche?**

I would say that higher-end residential, apartments, and most commercial properties are what I like to value the most.

### **What major differences is there between being an appraiser for an Assessor's office and being a field appraiser?**

Appraisal for assessments is quite different than fee appraisal. We have statutory requirements that we must follow, and of course, the valuation process is done on a mass basis. Standardized methods and statistical analysis are key for mass appraisal. We rely heavily on the Cost Approach since it can be applied to all properties and then the use of statistics to measure accuracy and uniformity. We have a disadvantage because a lot of the time the data that is available to the fee appraiser is not shared with the Assessor, such as income and expense information.

## Spotlight Interviewee Continued: Brent Balduf

### **What changes have you seen since you became an appraiser? (good and bad)**

From an assessment standpoint, the biggest change has been the development of Computer Assisted Mass Appraisal (CAMA). With CAMA, you can value and analyze a universe of properties so much faster, it is hard to imagine how we lived without it. Another major change has been the development of Assessor's websites, which provide the appraisers, realtors, insurance agents, and the public easy access to most of our information, along with tax information.

### **What is something positive and negative about being an appraiser?**

I think the biggest change for the appraisal industry would have to be USPAP and appraiser certification. I would look at this as a positive change that provides a way for us as appraisers to maintain the public trust and enhance our credibility.

Since I'm an appraiser in the assessment field, some negatives would be how we are perceived, and that the result of the process is a property tax bill. Another negative is not being able to obtain valuable information that would be useful in the appraisal process. A positive would be going through the mass appraisal process and seeing that the model you developed has resulted in accurate and uniform assessments.

### **What are your future goals with regard to the appraisal profession?**

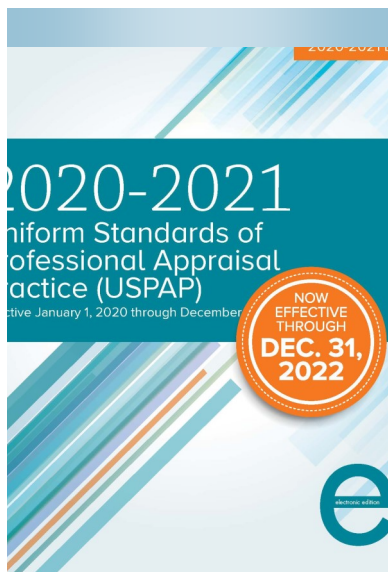
For my future goals, since I am nearing retirement, would be to continue to improve our work product, also I still enjoy education and learning how to solve unique appraisal problems.

### **Please share as many personal things about yourself. (College, favorite sports/teams, family, unique talents, awards, designations, goals, hobbies, etc.)**

I hold the following designations:  
International Association of Assessors:  
RES - Residential Evaluation Specialist and  
AAS - Assessment Administration Specialist.  
Institute of Iowa Certified Assessors:  
ICA - Iowa Certified Assessor. State of Iowa:  
Certified General Appraiser

My personal interests are golf, bike riding, and reading. I have competed in some national golf tournaments. I spend a lot of my free time traveling to watch my grandkids compete in athletic events.





JS  
nce from the Appraisal Standards Board  
AP ADVISORY OPINIONS  
AP FREQUENTLY ASKED QUESTIONS (FAQ)



## Compliance Corner (AO-20) An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value

**SUBJECT: An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value**

**APPLICATION: Real Property, Personal Property, Intangible Property**

**ISSUE:**

A client may want appraisers, who are functioning as a reviewer, to develop and report their own opinion of value (i.e., an appraisal) within an appraisal review assignment. This leads to two questions:

How does the assignment change when the reviewer's scope of work includes the development of the reviewer's own opinion of value?

“Each type of intended use affects the scope of work that may be appropriate for a particular appraisal review assignment.”

### Advisory Opinion 20 An Appraisal Review Assignment that Includes the Reviewer's Own Opinion of Value

Advisory Opinion (AO) 20 is published by the Appraisal Standards Board of The Appraisal Foundation and is taken from the 2020-2021 Uniform Standards of Professional Appraisal Practice (USPAP) edition which has been extended through December 2022.

What language in appraisal review reports indicates when the reviewer did or did not develop an opinion of value?

**BACKGROUND:**

Appraisal review is a specialized area of appraisal practice. Appraisal reviews are used in a variety of business, governmental, and legal situations and also have an important role in the enforcement of professional standards.

STANDARDS 3 and 4 allow the reviewer to address all or part of the work under review (also referred to in this Advisory Opinion as the “original work”). In every appraisal review assignment, the reviewer is required to “...identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal review.” The reviewer's opinion about the quality of the work under review can include addressing its completeness, relevance, appropriateness, and reasonableness, all in the context of the requirements applicable to that work.

However, a client may also want the reviewer to develop and report the reviewer's own opinion of value (an appraisal) within an appraisal review assignment. In this instance, the appraisal review assignment is actually a two-stage assignment: an appraisal review *plus* a value opinion by the reviewer.



## Compliance Corner Continued

# Advisory Opinion 20: An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value

The purpose and intended use together, of an appraisal review assignment, affect the scope of work in an assignment. Therefore, it is essential that reviewers clearly identify the purpose and intended use of the appraisal review and establish a well-defined scope of work with their client to ensure a clear understanding of what steps are and are not necessary in an appraisal review assignment.

This Advisory Opinion applies to both STANDARDS 3 and 4, and provides guidance to help appraisers, clients, and other users or readers of an appraisal review report:

- A. recognize how terminology used in STANDARDS 3 and 4, and in this Advisory Opinion prevents confusion as to the function the reviewer is fulfilling in an appraisal review assignment;
- B. understand how the purpose of the appraisal review and the intended use of the appraisal review results affect the scope of work in an appraisal review assignment;
- C. recognize how the scope of work changes when an appraisal review assignment includes a requirement for the reviewer to develop (STANDARD 3) and report (STANDARD 4) an opinion of value concerning the subject property of the work under review; and
- D. understand how the language in an appraisal review report can be used to indicate whether a value opinion was or was not developed by reviewer.

### **ADVICE FROM THE ASB ON THE ISSUE:**

#### **Relevant USPAP & Advisory References**

- DEFINITIONS section, specifically the definition of "Appraisal," "Appraisal Review," and "Assignment"
- STANDARD 3, Appraisal Review, Development
- STANDARD 4, Appraisal Review, Reporting

Portions of the referenced material are cited in this Advisory Opinion. An appraiser performing an appraisal review assignment should carefully study the complete text to ensure a proper understanding of the requirements and the text in STANDARDS 1, 5, 7, or 9, as applicable, as well as those in STANDARDS 3 and 4.

#### **A. TERMINOLOGY**

When reading the references cited above, appraisers performing appraisal review assignments (referred to as "reviewers" in USPAP) should note that the terminology used in STANDARDS 3 and 4 have very specific meanings.

The term "Appraisal Review" is used in USPAP to identify the activity of a reviewer in an appraisal review assignment. Appraisers sometimes use such terms as "Desk Review," "Field Review," "Complete Review," "Limited Review," "Technical Review," and "Administrative Review." However, without appropriate explanation, these terms and phrases can result in misunderstanding about the function being performed by a reviewer. While such terms may be convenient labels for use in a business setting, they do not necessarily impart the same meaning in every situation.

Rather than simply using labels, reviewers should also accurately define the scope of work—in fact, Standards Rule 3-2(g) requires the reviewer to "...determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE" and Standards Rule 4-2(g) requires the reviewer to "state the scope of work used to develop the appraisal review..." These requirements are designed to ensure that an intended user of appraisal review results is not

# Compliance Corner Continued

## Advisory Opinion 20: An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value

misled as to the reviewer's scope of work and the basis for his or her opinions and conclusions.

The terms "Review Appraisal" and "Review Appraiser" are also sometimes used in practice, primarily to refer to the marketing of services or to an appraiser's functional status in employment. These phrases are not used in STANDARDS 3 and 4, in part to avoid giving confusing implications, such as, for example, the impression that an appraisal is always part of a review.

### **B. HOW PURPOSE AND INTENDED USE AFFECT SCOPE OF WORK**

A reviewer's scope of work in an appraisal review assignment is determined primarily by the purpose(s) of the assignment and the intended use of the assignment results. Standards Rule 3-2 (b) requires, in part, that the reviewer must "***identify the intended use of the reviewer's opinions and conclusions.***" In addition, Standards Rule 3-2(c) states the reviewer must "***identify the purpose of the appraisal review, including whether the assignment includes the development of the reviewer's own opinion of value or review opinion related to the work under review.***"

Examples of intended use include (without limitation) quality control, audit, qualification, or confirmation. Each type of intended use affects the scope of work that may be appropriate for a particular appraisal review assignment.

As examples, a client may want the reviewer to develop (STANDARD 3) and report (STANDARD 4) an opinion as to the quality of another appraiser's work, *and*:

1. only state the corrective action to be taken by the appraiser with regard to curing any deficiency, leaving the client to decide whether to interact with the appraiser to accomplish the correction; or
2. act on behalf of the client to interact with the appraiser who prepared the original work to ensure any deficiency is appropriately corrected by that appraiser; or
3. make corrections to cure an error, such as a mathematical miscalculation, by showing what the calculation would have been if correct but without expressing the result as the reviewer's own opinion of value; or
4. make corrections to cure a deficiency, expressing the result as the reviewer's own opinion of value, which is to be developed within the same scope of work as was applicable in the assignment that generated the original work; or
5. make corrections to cure a deficiency, expressing the result as the reviewer's own opinion of value, which is to be developed using a different scope of work than was applicable in the assignment that generated the original work; or
6. regardless of the appraisal review result, develop an opinion of value using the same scope of work as was applicable in the assignment that generated the original work; or
7. regardless of the appraisal review result, develop an opinion of value using a different scope of work than was applicable in the assignment that generated the original work.

## Compliance Corner Continued

### Advisory Opinion 20: An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value

In Examples 1, 2, and 3 the reviewer has not taken any steps to offer an opinion of value, and therefore, has not bridged over into the appraisal stage.

In Examples 4, 5, 6, and 7, the appraisal review assignment is actually a two stage assignment—an appraisal review *plus* a value opinion by the reviewer. It is also important to note that this second stage occurs even if the reviewer concurs with the value opinion in the original work. This is because a reviewer's concurrence in a value opinion developed by another appraiser converts it to the reviewer's *own* opinion of value—in effect, the reviewer is taking ownership of that value by concurring with it. As such, it constitutes a value opinion (i.e., appraisal) by the reviewer.

In Examples 6 and 7, the client might, alternatively, engage the reviewer (as an appraiser) in a separate assignment to perform an appraisal outside the context of the appraisal review assignment.

In any case, the reviewer must carefully develop the scope of work as required by Standards Rule 3-2 (g) and state the scope of work in the report as required by Standards Rule 4-2(g). The concluding language used (see illustrations to follow) should also be consistent with the scope of work decision.

#### C. **SCOPE OF WORK AND THE REVIEWER'S OPINION OF VALUE**

An appraisal review assignment that includes a requirement for the reviewer to develop the reviewer's own opinion of value imposes on the reviewer an expanded scope of work. This additional scope of work requirement is set forth in the Comment to Standards Rule 3-2(g), which states, in part:

**Determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE.**

Comment: Reviewers have broad flexibility and significant responsibility in determining the appropriate scope of work in an appraisal review assignment. Information that should have been considered by the original appraiser can be used by the reviewer in developing an opinion as to the quality of the work under review. Information that was not available to the original appraiser in the normal course of business may also be used by the reviewer; however, the reviewer must not use such information in the reviewer's development of an opinion as to the quality of the work under review.

**Compliance with STANDARD 1, 5, 7, or 9 through the Use of Extraordinary Assumption(s)**—The development of the reviewer's opinion of value requires compliance with STANDARD 1, 5, 7, or 9 as applicable. The reviewer's use of those items from the work under review that the reviewer concludes are credible and in compliance with the applicable development standard is based on an extraordinary assumption. This is because, unless the reviewer actually replicates the steps necessary to develop those items, the reviewer is assuming the integrity of that work without personal verification. If those assumptions were found to be false, the reviewer's appraisal-related opinions and conclusions would be affected. As such, this situation constitutes an extraordinary assumption (refer to requirements for proper application in Standards Rule 1-2(f), 5-2(i), 7-2(f), or 9-2(f) as applicable). Those items not deemed to be credible or in compliance must be replaced with information or analysis by the reviewer, developed in conformance with STANDARD 1, 5, 7, or 9, as applicable, to produce a credible value opinion.

## Compliance Corner Continued

# Advisory Opinion 20: An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value

**Altering the Scope of Work in Developing the Reviewer's Opinion of Value**—In some appraisal review assignments, the client needs a reviewer's opinion of value to be developed under a different scope of work than in the original appraisal.

If the reviewer's assignment has a different scope of work than does the original work, or if the reviewer relies on different information not available to, or not used by, the original appraiser, then it is possible that the two appraisal results could also differ. This does not mean that either set of results is "wrong" per se; in any event, the reviewer should not use information unavailable to the original appraiser as the basis to discredit the original appraiser's opinion of value.

If there is a difference between the appraiser's opinion of value and the reviewer's opinion of value, the reviewer should use care to ensure correct identification of the cause of that difference in the appraisal review process. The reviewer should also use care to not mislead an intended user when providing support for the reviewer's conclusions in the appraisal review report. This is critical from an enforcement perspective as well as in a business setting. Incorrectly characterizing the cause of a deficiency can erode the credibility of appraisal review conclusions and of the reviewer's value opinion.

### D. **APPRAISAL REVIEW REPORT CONTENT**

The reviewer's opinions and conclusions stated in compliance with Standards Rule 4-2(i) can vary significantly, depending on the purpose and intended use of the appraisal review. Reviewers should carefully compose the particular language stating their opinions and conclusions to avoid misleading the user of the appraisal review report as to the scope of work completed in the assignment and the meaning of the reviewer's stated opinions and conclusions. Note that any additional information relied upon and the reasoning and basis for the reviewer's opinion of value must be summarized, in contrast to the other requirements in this section that must only be stated. Additionally, changes to the report content by the reviewer to support a different value conclusion must match, at a minimum, the reporting requirements for an Appraisal Report.

**An Appraisal Review Assignment WITHOUT an Opinion of Value**—If the assignment is only to develop an opinion as to the quality of another appraiser's work, the appraisal review report content must include:

1. the information set forth in Standards Rules 4-2; and
2. the reviewer's certification in accordance with Standards Rule 4-3.

When the appraisal review is only for ascertaining quality, the reviewer should use extreme care to ensure the appraisal review report does not include language that implies the reviewer developed an opinion of value concerning the subject property of the original work. When the reviewer uses language to signify concurrence with the value or a different value opinion, the reviewer has additional appraisal development and reporting obligations.



# Compliance Corner Continued

## Advisory Opinion 20: An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value

### **Illustrations of the Language in an Appraisal Review Report WITHOUT an Opinion of Value**

The following are examples of language that might be used in an appraisal review report that does not express an opinion of value and thus does not constitute evidence of an appraisal by the reviewer:

- “the value opinion stated in the appraisal report is (or is not) adequately supported;”
- “the value conclusion is (or is not) appropriate and reasonable given the data and analyses presented;”
- “the value opinion stated in the report under review was (or was not) developed in compliance with applicable standards and requirements;”
- the content, analyses, and conclusions stated in the report under review are (or are not) in compliance with applicable standards and requirements;”
- “I reject the value conclusion as lacking credibility due to the errors and/or inconsistencies found;”
- “the value conclusion is not appropriate due to (for example) a significant math error in the Sales Comparison Approach-if calculated properly, the value conclusion would change to \$XXX; however, the reader is cautioned that this solely represents a recalculation and not a different opinion of value by the reviewer;”
- “I accept (or approve) the appraisal report for use by XYZ bank (or agency).”

Such language, or language that conveys similar meanings to the intended users of the appraisal review report, relates to the quality of the work under review, including the opinion of value stated in that work, but does not suggest either concurrence or a different opinion of value by the reviewer. It is also important that this language be consistent with the scope of work described in the appraisal review report.

**An Appraisal Review Assignment WITH an Opinion of Value**—When the appraisal reviewer develops an opinion as to the quality of another appraiser's work PLUS the reviewer's own opinion of value, the appraisal review report content must include:

1. the information set forth in Standards Rules 4-2; and
2. the reviewer's certification in accordance with Standards Rule 4-3.

The appraisal-related content of the appraisal review report, in combination with the content of the original work under review that the reviewer concludes is in compliance with the Standards applicable to that work, must at least match the report content required for an Appraisal Report.

The reviewer is not required to replicate or duplicate in the appraisal review report the material in the work under review that the reviewer concludes is in compliance with the Standards applicable to that work. The reviewer can incorporate by reference those portions of the work under review that the reviewer concludes are in compliance with the applicable Standards by use of an extraordinary assumption.

## Compliance Corner Continued

### Advisory Opinion 20: An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value

#### Illustrations of the Language in an Appraisal Review Report WITH an Opinion of Value

The following are examples of language that signify a value opinion (i.e., either by concurrence or by indication of a numeric point, a range, or a relationship to a numeric benchmark). These examples DO constitute evidence of a value opinion (i.e., appraisal) by the reviewer, thereby making the appraisal review one that includes an appraisal.

- "I concur (or do not concur) with the value."
- "I agree (or disagree) with the value."
- "In my opinion, the value is (the same)."
- "In my opinion, the value is incorrect and should be \$XXX."
- "In my opinion, the value is too high (or too low)."

Such language, or language that conveys similar meanings to the intended users of the report, represents that the reviewer has completed the steps required to develop a value opinion. Such language indicates the reviewer has either concurred with the appraiser's value opinion in the underlying work, and thus has adopted that value opinion as the reviewer's own, or has developed a different opinion of value. It is important that this language be consistent with the scope of work described in the appraisal review report.

Note that if reviewers reject the value, they should use care in how that result is stated. If the language of such rejection is based on errors or inconsistencies in the original work and does not include any qualifiers that would relate to a direction in value, it does not imply an appraisal by the reviewer.

However, if such rejection is stated in relation to a value or value range, such as indicating a direction in value (i.e., more than, less than) or to an established benchmark, that language indicates the appraisal review has taken on the "opinion of value" characteristic of an appraisal. This is an important distinction that must be kept in mind by the reviewer when composing any language regarding the original appraiser's opinions or conclusions. In addition, whichever category such language may fall under, it must also be consistent with the purpose, scope of work, and intended use of the appraisal review assignment results.

The following list summarizes the requirements in a real property appraisal review assignment with the reviewer's opinion of value. The sequence of steps completed in this type of assignment is presented in order.

1. The reviewer develops **opinions and conclusions about the quality** of the work under review.
2. The reviewer develops **an opinion of value for the subject property** of the work under review.
3. The reviewer then **communicates the opinions and conclusions** developed in the first two steps in the report.

## Lapsed Licensees

<b>License: Number</b>	<b>Contact: First Name</b>	<b>Contact: Last Name</b>	<b>License: Number</b>	<b>Contact: First Name</b>	<b>Contact: Last Name</b>
AR03771	Nicholas	Andersen	CG02639	John	Freese
CG01222	Ronald	Andersen	CR01855	Deborah	Frese
CR03803	Chad	Anderson	CR02557	Richard	Fuller
AR03025	Ronda	Arruda	CG03400	Glenn	Garoon
CG01392	Steven	Badger	CG03926	Kristen	Gatti
CG03919	Dean	Batie	CR03578	M.	Gettel
CG03684	Joseph	Batis	CG02254	James	Gilbertson
CR03713	Angela	Behning	CG03566	Clint	Glaser
CG03067	Jeffrey	Behrens	CG03710	David	Glauber
CG03536	Thomas	Bentle	CG02378	Calvin	Goding
CG02317	Donald	Beswick	CG02980	Elizabeth	Goodman Schneider
CG02318	Peggy	Beswick	CG03715	Jonathan	Haack
CG01028	Roger	Blanchfield	CR03642	Scott	Hankins
AR03911	Christian	Booth	CG03317	Jeffrey	Hansen
AR03866	Nicole	Booth	CG03435	John	Harris
AG03788	Scott	Borcherding	CG03271	Robert	Hart
CG03670	Zachariah	Bowyer	CG03851	Andrew	Hartigan
AR03951	Brock	Brade	CG02928	Allen	Hartman
CG03542	Trevor	Brovold	CR03802	Shahriar	Hashemi
CR01852	Gregory	Brummond	CG03526	Thomas	Hawks
AR03694	Marcus	Bruns	CG02305	Scott	Helgeson
AG03927	Grant	Buscherfeld	CR02500	Doreen	Henning
CG03786	Joseph	Calvanico	CG03270	Ellen	Herman
AG03776	Maurice	Cashman	AR03627	Heather	Hickie
CR01416	Michael	Caulfield	CG01099	Kirk	Hiland
AR03842	Brandon	Cernik	CR03208	Jeffrey	Hilborn
CR01183	Jim	Cleven	CR02612	Steven	Houghton
CR01400	Richard	Colgrove	CG01967	Robert	Hutchinson
CG03809	Kiernan	Conway	CG03831	Matthew	Johnson
CG03712	Stacey	Costello	CG03779	Cheryl	Jones
AR03791	Blythe	Cowell	CG03815	Kelly	Jones
CR01464	Kathy	Croker	CG03727	Justin	Kaminski
CG02956	Michael	Cummings	CR01491	Kelly	Kauzlarich
CG03847	Bruce	Daubner	CR03762	Kenneth	Kearley
CR01301	Douglas	Day	CR02169	Leslie	Keith
CR03264	Joe	Demory	CG03812	John	Kelley
CR03462	Galen	Donovan	CG01867	Michael	Kelly
CG01046	Gregory	Downes	CG03900	Walker	Kelly
CG02562	Steven	Droll	CG03942	Richard	Knitter
CG03483	D Tyler	Dustman	CG03852	Kenneth	Konrath
CG03840	Michael	Elder	CG03050	Sandra	Kophamer
CG03610	Donald	Elsner	CG01454	Kevin	Kroeger
AR3916	Jacyln	Epperson	CR02402	Kasey	Krueger
AR03511	Keeley	Frahm-Lowe			

## Request for Providers of Right of Way Valuation Services for Iowa DOT Projects

Building, improving, and repairing highways in Iowa requires expertise provided by professional appraisers. Appraisers are needed for projects across the State of Iowa on all different types of properties, including agricultural, commercial, industrial, and residential. The Iowa Department of Transportation's Right of Way Bureau is introducing a new application resource for appraisers who wish to provide on-call appraisal and appraisal review services for these projects.

Appraisers play a crucial role in determining compensation that private property owners receive when a public agency acquires real property rights for a highway improvement project. Sometimes it is necessary to acquire an entire property, but often only part of a property is acquired. Rights acquired may be permanent or temporary, fee title or easement, and often include leaseholds and other types of property rights. These assignments, commonly referred to as eminent domain appraisal services, are performed in accordance with provisions of the Iowa Department of Transportation's Appraisal Operational Manual, Uniform Appraisal Standards for Federal Land Acquisitions ("Yellow Book"), Uniform Appraisal Standards for Professional Appraisal Practice (USPAP), and other state and federal rules.

The Iowa DOT also utilizes appraisers for "fair market value" appraisals and appraisal reviews when the Department disposes real property that is no longer needed.

Appraisers interested in providing valuation services for the Iowa Department of Transportation first must complete a short application that can be found on the [Iowa DOT's Consultant Requests for Proposal \(RFP\) website](#). As part of the application review process each applicant will be required to complete a Right of Way Valuation Services Supplemental Information Form (which will be provided by email) and provide relevant work product samples. Final determination regarding an application will be made within thirty days of receipt of all requested materials. Successful applicants will be added to the list of firms eligible to submit project specific proposals for right of way valuation services for two years. A new application will need to be completed at the end of two years of service.

Appraisers having questions about providing appraisal services for the Iowa Department of Transportation may email [joe.anderson@iowadot.us](mailto:joe.anderson@iowadot.us).





## Did You Know...

The Appraisal Subcommittee (ASC) distributes a daily report to all state administrators on disciplinary actions taken on an appraiser. This report lists: the appraiser's name; license number of the state that issued the discipline; type of discipline; and credentials held in other states, including that state's license number, even if it's no longer active. Iowa utilizes this report, along with other measures, to ensure that appraisers conform with Iowa Administrative Rules and Statutes. The Board rules can be found at: <https://www.legis.iowa.gov/docs/iac/agency/193F.pdf>. Chapter 7 outlines the grounds pursuant to which disciplinary action may be instituted against certified and associate appraisers. A licensee must report any revocation, suspension, and other disciplinary action taken by a licensing authority, in Iowa or any other jurisdiction, to the Board within 30 days of the final action. Because the rule says any licensing authority, the reporting obligation is not restricted to discipline on your appraisal license only. It would include discipline to other licenses you may hold such as a salesperson, broker, architect, or the like.

## Iowa Administrative Rules 193F Amendments

The Board filed a Notice of Intent to amend portions of Iowa Administrative Code 193F Chapters 1, 5, 6, and 11 to change the Administrative Rules in an effort to allow for the Practical Applications of Real Estate Appraisal (PAREA) program as an alternative path towards experience credit and to also update the rules to match the Appraiser Qualifications Board (AQB) criteria regarding distance educational offerings. New rules 193F— 5.8 and 6.8 have been added. A public hearing on the Notice of Intent was held on April 13, 2022. As stated in the prior newsletter, the Notice to Adopt was filed and published. The changes will go into effect on August 3, 2022. I encourage you to check out [ARC6375C](#).

The Board's next five-year rolling review of the Administrative Rules will start this year. If you want to join the Rules committee, please contact the Board at 515-725-9025 or via email at [realestateappraiserboard@iowa.gov](mailto:realestateappraiserboard@iowa.gov).



The Board posed for a much needed updated photo at the 200 East Grand Office Park in Des Moines, IA, on June 23, 2022, after the Board meeting. All but one Board member, Leila Granger, is shown.

Pictured Left to Right: Sue Clark, Cody Seeley, Brandy March, Jordan Maus, Dan Fuhrmeister, Kimberly Gleason, and Loretta Laubach.

FOR IMMEDIATE RELEASE

**Mid-Year Auction Results Indicate Aggressive Market Conditions**

Des Moines, IA - July 19, 2022 - According to statewide auction results tracked by Iowa Appraisal, Iowa land prices were up 15% in six months based on price per CSR2 point.

Jim Rothermich, MAI, ARA, ALC, Iowa Appraisal's farm appraisal expert, reports market conditions were aggressive over the last six months. The statewide weighted average price for tillable farmland is \$181 per CSR2 point for the period January 1 through June 30, 2022, up 15% from \$157 per CSR2 point on December 31, 2021.

The average price per acre for the same period increased from \$12,480 (with a weighted average CSR2 point of 79.3) to \$13,852 (with a weighted average CSR2 point of 76.5).

January 1 – June 30, 2022 Statewide – Iowa	
Tillable Acres	38,801
Wtd. Avg. CSR2	76.5
Avg. Price/Tillable Acre	\$13,852
Sale Price/CSR2	\$181
# of auctions	372

*\*Calculated over 38,801 acres, 372 auctions focused on vacant and/or minimal improvements tracts of 30 acres and larger with tillable acres at 80% and higher.*

Year to year June 30, 2021, to June 30, 2022, there was a 24% increase in price per CSR2 point. June 30, 2021, average price per CSR2 point was \$146, and average price per tillable acre was \$10,971 (with a weighted average CSR2 point of 75.0).

Reasons for increasing market conditions:

Good crop prices

Global food shortage

Inflation (land is considered a hedge against inflation)

Increased number of buyers looking for a stable investment

Buyers have strong equity positions

80% of Iowa farmland carries no debt

**About Iowa Appraisal**

Iowa Appraisal provides agricultural and commercial real estate appraisals, appraisal reviews, market and feasibility studies, as well as research and consulting services throughout the Midwest: [www.iowaappraisal.com](http://www.iowaappraisal.com). Business valuation, merger and acquisition consulting, and litigation support services are provided by BCC Advisers: [www.bccadvisers.com](http://www.bccadvisers.com).

###

**For Inquiries:**

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Iowa Appraisal

[thelandtalker@iowaappraisal.com](mailto:thelandtalker@iowaappraisal.com)

515.777.7083

## Discipline Information

### May 1, 2022 – July 31, 2022

13 New Complaints

10 Closed

3 Combined Statement of Charges and Settlement Agreements

1 Amendments to Combined Statement of Charges and Settlement Agreement

1 Release from Combined Statement of Charges and Settlement Agreements

### 2022 Calendar Year

28 Complaints Filed

28 Complaints Closed

6 Combined Statement of Charges and Settlement Agreements

### 2022 Complainant Details

8 Buyer/Seller

11 Lender/Client/Intended User

3 State Agency

3 Other (Interested Party; Peer, etc.)

3 Anonymous

## Disciplinary Update (May 1, 2022 - July 31, 2022)

Since May 1, 2022, the Board has received nine new complaints and has closed five cases. There were two public disciplinary actions taken, including consent orders, suspensions, or voluntary surrenders in lieu of discipline, during this period. You can find existing consent orders on the Board's [website](https://www.idob.state.ia.us/REAP/) at: <https://www.idob.state.ia.us/REAP/> and clicking on "REAP Disciplinary Index" on the left side of the screen, then performing a search by an individual's last name or by case number.

### Case No. 21-36 Bradley McCarthy (CR01841) in Davenport, IA

On May 25, 2022, the Board accepted and countersigned a combined statement of charges, settlement agreement which became effective on May 26, 2022. McCarthy was charged with: Failure to adhere to USPAP in the development and communication of multiple appraisals in violation of Iowa Code sections 543D.17(1)(d) and 543D.18(1) and Iowa Administrative Code rules 193F-7.2, 193F-7.3(2)(d) and 193F-7.3(7)(a); Failure to exercise reasonable diligence in the development and communication of multiple appraisals in violation of Iowa Code section 543D.17(1)(e) and Iowa Administrative Code rule 193F-7.3(6)(a); Demonstrating negligence or incompetence in the development, preparation, and communication of multiple appraisals in violation of Iowa Code sections 272C.10(2) and 543D.17(1)(f) and Iowa Administrative Code rules 193F-7.3(2)(a)-(d) and (6)(a); and Engaging in unethical, harmful, or detrimental conduct in violation of the public trust and USPAP's ETHICS RULE in violation of Iowa Code sections 272C.10(3), 543D.17(1)(b) and (d), and 543D.18(1) and Iowa Administrative Code rule 193F-7.3(4)(c). As part of the order, McCarthy is required to, within 120 days, take 65 hours of education, submit monthly logs, have two additional reports reviewed at least 30 days after the education is completed, not act as an instructor, and not supervise additional trainees for the duration of the order.

### Case Nos. 20-15 & 20-19 Andrew Hoyt (CR02398) in Jefferson, IA

On June 23, 2022, the Board accepted and countersigned an amendment to the statement of charges, settlement agreement which became effective on January 27, 2021. Hoyt is required to take, within 30 days, 26 hours of education, submit monthly logs, have two additional reports reviewed at least 30 days after the education is completed, not act as an instructor, and not act as a supervisory appraiser for the duration of the order and for three years after release from the order.

### Case No. 22-02 Robin Hammitt (CR02072) in Underwood, IA

On July 20, 2022, the Board accepted and countersigned a combined statement of charges, settlement agreement which became effective on July 21, 2022. Hammitt was charged with: Failure to adhere to USPAP in the development and communication of multiple appraisals in violation of Iowa Code sections 543D.17(1)(d) and 543D.18(1) and Iowa Administrative Code rules 193F-7.2, 193F-7.3(2)(d) and 193F-7.3(7)(a); Failure to exercise reasonable diligence in the development and communication of multiple appraisals in violation of Iowa Code section 543D.17(1)(e) and Iowa Administrative Code rule 193F-7.3(6)(a). Hammitt is required to, within 60 days, take 47 hours of education, submit monthly logs, have two additional reports reviewed at least 30 days after the education is completed, not act as an instructor, and not act as a supervisory appraiser for the duration of the order and for three years after release from the order.

## Disciplinary Update Continued (May 1, 2022 - July 31, 2022)

### Case No. 21-28 Brad Staley (CG01335) in Hampton, IA

On July 20, 2022, the Board accepted and countersigned a combined statement of charges, settlement agreement which became effective on July 21, 2022. Staley was charged with: Failure to adhere to USPAP in the development and communication of multiple appraisals in violation of Iowa Code sections 543D.17(1)(d) and 543D.18(1) and Iowa Administrative Code rules 193F-7.2, 193F-7.3(2)(d) and 193F-7.3(7)(a); Failure to exercise reasonable diligence in the development and communication of multiple appraisals in violation of Iowa Code section 543D.17(1)(e) and Iowa Administrative Code rule 193F-7.3(6)(a); Demonstrating negligence or incompetence in the development, preparation, and communication of multiple appraisals in violation of Iowa Code sections 272C.10(2) and 543D.17(1)(f) and Iowa Administrative Code rules 193F-7.3(2)(a)-(d) and (6)(a); and Engaging in unethical, harmful, or detrimental conduct in violation of the public trust and USPAP's ETHICS RULE in violation of Iowa Code sections 272C.10(3), 543D.17(1)(b) and (d), and 543D.18(1) and Iowa Administrative Code rule 193F-7.3(4)(c). As part of the order, Staley is required to, within 365 days, take 179 hours of education, submit monthly logs, have two additional reports reviewed at least 30 days after the education is completed, not act as an instructor, and not supervise additional trainees for the duration of the order.

### Board Members

Dan Fuhrmeister, Chair

Jordan Maus, Vice Chair

Sue Clark

Leila Granger

Loretta Laubach

Cody Seeley

Vacant (Appraiser Position)

## Appraisal Management Company Bond Claims

An Appraisal Management Company (AMC) registered in Iowa is required to be covered by a \$25,000 surety bond per Iowa Code Section 543E.19. An action on the surety bond shall only relate to liabilities, damages, losses, or claims arising out of the appraisal management services performed by the AMC involving real estate located in Iowa. The bond provides that a person having a claim against an AMC may bring suit directly on the bond, or the administrator may bring suit on behalf of such person.

In Iowa, it is recommended that the person having a claim against an AMC bring suit directly on the bond. A claimant may contact the Executive Officer at 515-725-9025 or via email at [AMCSupervision@iowa.gov](mailto:AMCSupervision@iowa.gov) to obtain bond information of an AMC.

The Iowa Division of Banking will make bond information readily available to claimants when it becomes aware of adverse circumstances with an AMC. At this time, we are not aware of any adverse circumstances with an AMC.

