

REAP

Board / Commission

B March

Signature, Executive Officer

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

<p>IN THE MATTER OF:</p> <p>KEITH HUHN, LICENSE # CR02051</p> <p>RESPONDENT</p>	<p>Case No. 21-12</p> <p>COMBINED STATEMENT OF CHARGES AND SETTLEMENT AGREEMENT</p>
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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.

2. Respondent is a certified residential real estate appraiser in Iowa who was issued Certificate No. CR02051 on January 7, 2000.

3. Certificate No. CR02051 is currently valid and scheduled to expire on June 30, 2022.

4. In April 2021, the Board obtained information raising questions about Respondent’s compliance with USPAP in the development and reporting of two appraisal assignments (hereinafter “Initial Reports”). The Board subsequently requested a copy from Respondent of the Initial Reports by which the compliance issue was originally brought to the Board’s attention, and thereafter one additional appraisal report in order to assess Respondent’s work product as a whole. The Board submitted all the appraisal reports for Standard Three/Four USPAP review by a peer reviewer. At least one appraisal report revealed issues related to report writing, understanding, application of proper methodology, adherence to USPAP standards of practice, and Respondent’s competency.

5. The Respondent participated in an informal hearing in this matter with the Board’s Discipline Committee, on November 2, 2021.

6. Based on the current evidence available to the Board, the Board voted on November 17, 2021, to find probable cause to charge Respondent with violating appraisal standards.

7. The Board charges Respondent with the following:

- a) 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).
- b) 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).
- c) 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).

- d) 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).

8. The Board and Respondent have agreed to fully resolve these charges through the following Combined Statement of Charges and Settlement Agreement (hereinafter "Settlement Agreement"), rather than proceed to a contested case hearing.

9. In signing this Settlement Agreement, Respondent admits the underlying facts and conduct alleged by the Board in this case, and admits to a violation of the underlying statutory provisions and rules charged by the Board in this Statement of Charges.

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 pursuant to and in accordance with Iowa Administrative Code rule 193F-20.42, and, subject to Iowa Administrative Code rule 193F-17.2(4), is the final agency action in a contested case pursuant to Iowa Code section 17A.10 and Iowa Administrative Code rule 193F-20.42.

3. Respondent acknowledges that 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 penalty or sanctions to be imposed in the event of any future violations of the laws, rules, or standards administered by the Board.

6. This Settlement Agreement is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22, and will be posted to the Board's public-facing online disciplinary index and reported to and posted on the Appraisal Subcommittee (ASC) National Registry.

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 take effect upon the date of last signature, below, and govern the issues of or related to this matter.

9. This Settlement Agreement shall not preclude the Board from taking additional action against Respondent should Respondent violate the laws, rules, or standards or practice administered by the Board in the future.

10. Pursuant to Iowa Administrative Code Rule 193F—17.2(4)(a): “[a]ll board decisions in a contested case, whether by consent or following hearing, are proposed decisions and shall be provided to the superintendent when issued.” Further, “the superintendent may initiate a review of the proposed decision on the superintendent’s own motion at any time within 20 days following issuance of such decision.” Iowa Admin. Code r. 193F—17.2(4)(b). The Superintendent of Banking is in agreement with this offer and declines to initiation a review of Case # 21-12 before the Board. Iowa Admin. Code r. 193F—1.2(4); *see also* Iowa Code § 543D.23(1) (“In supervising the board, the superintendent shall independently evaluate the substantive merits of actions recommended or proposed by the board which may be anticompetitive . . .”). The superintendent waives any right to initiate further review and thereby adopts the Board’s decision in its entirety. The Board’s decision of the Settlement Agreement shall be **FINAL** as of **the date of last signature below**.

IT IS THEREFORE ORDERED:

A. Education

1. Respondent shall successfully complete within 90 days of the execution of this Settlement Agreement:

- a. A four hour Corrective Education Course titled, Appraiser Self Protection; Documentation and Record Keeping;
- b. A four hour Corrective Education Course titled, Residential Report Writing vs. Form Filling;
- c. A four hour Corrective Education Course titled, Missing Explanations;
- d. A four hour Corrective Education Course titled, Sales Comparison Approach Reconciliation;
- e. A four hour continuing education course titled, That’s A Violation;
- f. A seven hour continuing education course titled, Residential Report Writing: More Than Forms;
- g. A seven hour continuing education course titled, How To Raise Appraisal Quality and Minimize Risk;
- h. A seven hour continuing education course titled, Identifying and Correcting Appraisal Failures; and
- i. A fifteen hour tested 2020-2021 15-Hour National USPAP Course or its equivalent.

The courses listed above can be found on The Appraisal Foundation's website under the courses section of the Resources tab (Corrective Education; Course Approval Program). Respondent shall bear any and all costs associated with these courses and may apply course A1e through A1h towards the continuing education requirements for any subsequent renewal.

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

3. Should one of the courses listed in A(1) above be unavailable, the Board may authorize substitution of a replacement course or courses. The Board delegates authority to the Disciplinary Committee, acting in consultation with the Executive Officer, to address any required course substitutions, which may be authorized by the Disciplinary Committee by letter to Respondent without formal amendment of this Settlement Agreement.

B. Consultation with Peer Reviewers

1. Respondent shall, within 30 days of the completion of the courses listed in Section A above, consult with the reviewer who conducted the three appraisal reviews for Standard Three/Four desk reviews on behalf of the Board to better understand the violations identified by the reviewer and to facilitate Respondent's remediation of the same. Such consultation may occur in person or electronically, as mutually agreed by Respondent and the applicable reviewer.

2. Respondent shall be obligated to compensate the reviewer for his or her time regarding such consultation at an hourly rate of \$50. Consultation should be for a minimum of three hours and shall not exceed twenty hours total.

3. Respondent agrees the consultation required by this Section shall not disqualify the reviewer from serving as a witness, or otherwise limit the reviewer's testimony, in any subsequent contested case(s).

C. Logs and Desk Review

1. Until Respondent has complied with all terms of Section A of this Settlement Agreement, Respondent shall send the Board appraisal logs on the 10th day of each month for the prior month's appraisals.

2. Approximately thirty days after Respondent has completed all education in accordance with Section A (Education) and Section B (Consultation with Peer Reviewers), above, the Board shall select three appraisals from Respondent's log for review that were completed after the required education was completed. Of the three reports, one shall be a new construction with the cost approach completed in addition to any other applicable approaches to value. Respondent is free to perform demonstration reports to fulfill this requirement so long as

at least two reports of each type are completed so that a random selection may be performed. Section A (Education) and Section B (Consultation with Peer Reviewer), above, provide the deadlines within which the required education and consultation must be completed. Respondent is free, however, to escalate the time frame for completion of this Settlement Agreement by completing the education and consultation earlier than the deadline.

3. The Board will retain a certified appraiser to complete Standard Three/Four reviews on the appraisals selected for review. Respondent shall provide the Board, within 10 days of request, one paper copy of the appraisals and associated work files, and the sum of \$1,275 to be paid by the Board to the retained review appraiser.

4. The reviewing appraiser(s) shall complete a comprehensive Standard Three/Four review for each appraisal. The review shall be for facial compliance with USPAP. The reviewer(s) will not perform inspections or warrant the accuracy of Respondent's work product, but will review work papers, calculations, and any other documents as may be reasonably necessary. Along with appraisal reports and work files, Respondent shall provide the reviewing appraiser(s) copies of all documents verifying the accuracy of factual representations in each appraisal. The reviewer(s) 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 Respondent, but are capped at the amounts noted in paragraph 3.

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

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

- a) Enter an order indicating Respondent's full compliance with Sections A through C of this Settlement Agreement; 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.

7. Respondent shall not act as a supervisory appraiser for a period of three years following Respondent's release from this Settlement Agreement. Iowa Admin. Code r. 193F-15.4.

8. Respondent shall not act as an instructor for any course until the Board releases Respondent from this Settlement Agreement.

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

subsequent contested case(s).

Case No. 21-12

AGREED AND ACCEPTED:



Keith Huhn, Respondent

12-21-2021
Date



Dan Fuhrmeister, Chair
Iowa Real Estate Appraiser Examining Board

1/13/2022
Date



Rodney E. Reed, Finance Bureau Chief
(Superintendent's Designee)

1/14/2022
Date

Enclosures:

- Exhibit A: Redacted Appraisal Review of 7473 NE 19th St in Ankeny, IA
- Exhibit B: Redacted Appraisal Review of 4229 Aldrin Ave in Ames, IA
- Exhibit C: Redacted Appraisal Review of 3117 Maplewood Rd in Ames, IA

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

REAP

Board / Commission

B March

Signature, Executive Officer

In the Matter of:

KEITH HUHN,
LICENSE # CR02051,

Respondent.

Case No. 21-12

AMENDMENT TO COMBINED
STATEMENT
OF CHARGES AND
SETTLEMENT AGREEMENT

A. Statement of Charges

1. The Iowa Real Estate Appraiser Examining Board ("**Board**") and Keith Huhn ("**Respondent**") enter into this Amendment to the January 14, 2022, Combined Statement of Charges and Settlement Agreement ("**Consent Order**") in Case No. 21-12, as follows:

2. The Board and Respondent entered into a Consent Order effective January 14, 2022. The Consent Order required Respondent to complete certain corrective education courses; thirty days following the completion of such courses, consult with the peer reviewer; and, thirty days following the completion of consultation, submit three appraisals for Standard Three desk review by a certified appraiser retained by the Board.

3. Respondent completed the education component, after which three reports were selected for review.

4. One subsequent appraisal found USPAP violations. Section C.6.b of the Consent Order provides:

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.

5. As a result of the continued USPAP violations revealed by the above-noted review, the Board and Respondent have agreed to amend the Consent Order to require respondent to undergo additional consultation with a peer reviewer.

6. Respondent acknowledges he has the right to hearing and he waives that right and all attendant rights, including the right to seek judicial review, by freely and voluntarily entering into this Amendment to Consent Order. Respondent acknowledges he had the opportunity to consult with legal counsel prior to signing this Amendment to Consent Order.

In light of the above, the Consent Order is amended by adding the following clauses above the signature block on the Order:

IT IS THEREFORE ORDERED:

D. Consultation with Peer Reviewer

1. Respondent shall, within 30 days of the last signature below, consult with a Board assigned peer reviewer for a minimum of four hours to better understand the violations identified by the reviewer and to facilitate Respondent's remediation of the same. Respondent and the Board assigned peer reviewer shall focus on the following four items: recordkeeping; cost approach; market analysis; and depreciation. Such consultation may occur in person or electronically, as mutually agreed by Respondent and the applicable reviewer.

2. Respondent shall be obligated to compensate the reviewer for his or her time regarding such consultation at an hourly rate of \$50.

3. Respondent agrees the consultation required by this Section shall not disqualify the reviewer from serving as a witness, or otherwise limit the reviewer's testimony, in any subsequent contested case(s).

E. Logs and Desk Review

1. Until Respondent has complied with all terms of Section D of this Amendment to Consent Order, Respondent shall send the Board appraisal logs on the 10th day of each month for the prior month's appraisals.

2. Approximately 30 days after Respondent has completed the consultation in accordance with Section D (Consultation with Peer Reviewer), above, the Board shall select two appraisals from Respondent's log for review that were completed after the required consultation was completed. Of the two reports, one shall include the cost approach. Respondent is free to perform demonstration reports to fulfill this requirement so long as at least two reports of each type are completed so that a random selection may be performed. Section D (Consultation with Peer Reviewer), above, provides the deadline within which the required consultation must be completed. Respondent is free, however, to escalate the time frame for completion of this Amendment to Consent Order by completing the consultation earlier than the deadline.

3. The Board will retain a certified appraiser to complete Standard Three/Four reviews on the appraisals selected for review. Respondent shall provide the Board, within 10 days of request, one paper copy of the appraisals and associated work files, and the sum of \$850 to be paid by the Board to the retained review appraiser(s).

4. The reviewing appraiser(s) shall complete a comprehensive Standard Three/Four review for each appraisal. The review shall be for facial compliance with USPAP. The reviewer(s) will not perform inspections or warrant the accuracy of Respondent's work product, but will review work papers, calculations, and any other documents as may be reasonably necessary. Along with appraisal reports and work files, Respondent shall provide the reviewing appraiser(s) copies of all documents verifying the accuracy of factual representations in each appraisal. The reviewer(s) 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 Respondent, but are capped at the amounts noted in paragraph 3.

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

6. Following the Board's receipt of the two review appraisals, the Board shall either:
- a) Enter an order indicating Respondent's full compliance with Section D and E of this Amendment to Consent Order; 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.

7. Respondent shall not act as a supervisory appraiser for a period of three years following Respondent's release from this Amendment to Consent Order. Iowa Admin. Code r. 193F-15.4.

8. Respondent shall not act as an instructor for any course until the Board releases Respondent from this Amendment to Consent Order.

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


10. Pursuant to Iowa Administrative Code Rule 193F—17.2(4)(a): "[a]ll board decisions in a contested case, whether by consent or following hearing, are proposed decisions and shall be provided to the superintendent when issued." Further, "the superintendent may initiate a review of the proposed decision on the superintendent's own motion at any time within 20 days following issuance of such decision." Iowa Admin. Code r. 193F—17.2(4)(b). The Superintendent of Banking is in agreement with this offer and declines to initiation a review of Case # 21-12 before the Board. Iowa Admin. Code r. 193F—1.2(4); *see also* Iowa Code § 543D.23(1) ("In supervising the board, the superintendent shall independently evaluate the substantive merits of actions recommended or proposed by the board which may be anticompetitive . . ."). The superintendent waives any right to initiate further review and thereby adopts the Board's decision in its entirety. The Board's decision of the Amendment to Consent Order shall be **FINAL** as of **the date of last signature below**.

Case No. 21-12

AGREED AND ACCEPTED:

Keith D Huhn
Keith Huhn, Respondent

08-02-2022
Date



Dan Fuhrmeister, Chair
Iowa Real Estate Appraiser Examining Board

8-16-2022
Date



Lori SchraderBachar, PLB Bureau Chief
(Superintendent's Designee)

8-10-2022
Date

Enclosures:

- Exhibit A: Redacted Appraisal Review of 916 11th St in Nevada, IA**
- Exhibit B: Redacted Appraisal Review of 32653 232nd St in Eldora, IA**
- Exhibit C: Redacted Appraisal Review of 304 Perry St in Union, IA**