

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



Wisconsin Department of Regulation & Licensing Access to the Public Records of the Reports of Decisions

This Reports of Decisions document was retrieved from the Wisconsin Department of Regulation & Licensing website. These records are open to public view under Wisconsin's Open Records law, sections 19.31-19.39 Wisconsin Statutes.

Please read this agreement prior to viewing the Decision:

- The Reports of Decisions is designed to contain copies of all orders issued by credentialing authorities within the Department of Regulation and Licensing from November, 1998 to the present. In addition, many but not all orders for the time period between 1977 and November, 1998 are posted. Not all orders issued by a credentialing authority constitute a formal disciplinary action.
- Reports of Decisions contains information as it exists at a specific point in time in the Department of Regulation and Licensing data base. Because this data base changes constantly, the Department is not responsible for subsequent entries that update, correct or delete data. The Department is not responsible for notifying prior requesters of updates, modifications, corrections or deletions. All users have the responsibility to determine whether information obtained from this site is still accurate, current and complete.
- There may be discrepancies between the online copies and the original document. Original documents should be consulted as the definitive representation of the order's content. Copies of original orders may be obtained by mailing requests to the Department of Regulation and Licensing, PO Box 8935, Madison, WI 53708-8935. The Department charges copying fees. *All requests must cite the case number, the date of the order, and respondent's name as it appears on the order.*
- Reported decisions may have an appeal pending, and discipline may be stayed during the appeal. Information about the current status of a credential issued by the Department of Regulation and Licensing is shown on the Department's Web Site under "License Lookup." The status of an appeal may be found on court access websites at: <http://ccap.courts.state.wi.us/InternetCourtAccess> and <http://www.courts.state.wi.us/wscqa>.
- Records not open to public inspection by statute are not contained on this website.

By viewing this document, you have read the above and agree to the use of the Reports of Decisions subject to the above terms, and that you understand the limitations of this on-line database.

Correcting information on the DRL website: An individual who believes that information on the website is inaccurate may contact the webmaster at web@drl.state.wi.gov

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY :
PROCEEDINGS AGAINST :
 : FINAL DECISION AND ORDER
LAWRENCE H. ZEGERS, :
RESPONDENT. : LS07022817APP
 :

Division of Enforcement Case File # 05 APP 086

The parties to this action for the purpose of Wis. Stats. sec. 227.53 are:

Lawrence H. Zegers
W10192 Jessica LN.
Crivitz, WI 54114

Wisconsin Real Estate Appraisers Board
P.O. Box 8935
Madison, WI 53708

Department of Regulation and Licensing
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

PROCEDURAL HISTORY

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Board. The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. **Lawrence H. Zegers** is a licensed appraiser in the State of Wisconsin, license # 4-1485, which was first granted on 09/10/02. Mr. Zegers' most recent address on file with the Department of Regulation and Licensing is W10192 Jessica LN., Crivitz, WI 54114.

2. In April, 2005, Mr. Zegers forwarded to the Department of Regulation and Licensing an application for a Certified Residential Appraiser license.

3. As part of the process to obtain a Certified Residential Appraiser license the Department requested copies of sample appraisal reports that Mr. Zegers prepared. Mr. Zegers submitted three reports. These reports were reviewed by the Department and it was determined that the three appraisal reports did not meet the Uniform Standards of Professional Appraisal Practice (USPAP). Specifically,

a. With regard to the appraisal of property at **3009-3011 Holland Rd., Green Bay, WI**. Mr. Zegers failed to satisfy;

S.R. 1-1 Developing an Appraisal

The combination of concerns referenced below leads to the conclusion that this standard has been violated.

S.R. 1-2f Scope of Work

The text under the Scope of Work section on the FIRREA/USPAP Addendum does not meet the definition of a scope of work statement. The first sentence is the Purpose of the Appraisal, not the Scope of Work: the balance of the text is not responsive to the Scope issue. The text refers to single family residence and a URAR form when this is a duplex and different form. This is likely the result of sloppy cloning.

S.R. 1-4a Sales Comparison Approach

Sale 1 had one unit vacant and one rented at \$550/month; rent was reported as \$1,100 for this sale. This building has central air but no reference to this fact was made in the grid, and no adjustment was made. This building is also brick vs. the subject's vinyl siding but no reference and no adjustment was made. Similar concerns are noted with Sale 2 (one unit vacant, one unit with central air, brick building). For Sale 2, the appraiser did note central air but made no adjustment.

S.R. 1-4d Interest Valued

Misstates the property interest being valued. It is labeled "fee simple" and is actually "leased fee." Even though there is no box on this form to check which reads "leased fee," the correct interest should be identified in the report.

S.R. 1-5 Subject Listing and Sale Information

On page 1 (bottom), says this is a refinance. On pages 1 (top) and 4, indicates the sales price is \$165,000.

The Reviewer had to request the listing information since it was not provided. The subject was listed at \$167,900 and it sold for \$165,000, but it was appraised with no explanation for why the value opinion is higher than the list and sales prices.

The report did not provide the length of the subject listing period; the MLS sheet indicates it was listed for ~ 1 month.

Indicates in the report that current listing information "was not considered in the final value estimate," despite this being a USPAP requirement. When asked for an explanation as to why it was not considered, the response was "I don't see the value of using the list prices. The value that has to be justified is the selling price...."

b. With regard to the appraisal of property at **N86006 Louisa Road, Crivitz, WI**

Mr. Zegers failed to satisfy;

S.R. 1-1 Developing an Appraisal

The combination of concerns referenced below leads to the conclusion that this standard has been violated.

S.R. 1-2f Scope of Work

The text under the Scope of Work section on the FIRREA/USPAP Addendum does not meet the definition of a scope of work statement. The first sentence is the Purpose of the Appraisal, not the Scope of Work: the balance of the text is not responsive to the Scope issue.

S.R. 1-4a Sales Comparison Approach

None of the sales selected are comparable to the subject; all are substantially larger. Sale 1's MLS sheet shows it to have 600 sq. ft. of basement finish; the appraiser says "none." This sale is also reported to have a gazebo and deck; the appraiser listed "porch." The MLS sheet shows 2 fireplaces; the appraiser listed 1. Sale 2 is listed to be "brand new;" the appraiser says it is 1-5 years old. Sale 3 is twice the size of the subject but is adjusted down only \$11,380 for the size difference.

S.R. 1-5 Subject Listing and Sale Information

The reviewer had to request the listing information since it was not provided. The subject was listed at \$145,000 and sold for \$135,000, but was appraised for \$155,900 with no explanation for why the value opinion is significantly higher than the list and sales prices. Does not provide the length of the subject listing period, even after it was

requested. Indicates in the report that current listing information “was not considered in the final value estimate,” despite this being a USPAP requirement. When asked for an explanation as to why it was not considered, the response was “I don’t see the value of using the list prices. The value that has to be justified is the selling price....”

General comment: The text under “Neighborhood Boundaries...” (top of p. 1) is not responsive to providing boundaries.

c. With regard to the appraisal of property at **W14348 Oakwood Hills, Silver Cliff, WI** Mr. Zegers failed to satisfy;

S.R. 1-1 Developing an Appraisal

The combination of concerns referenced below leads to the conclusion that this standard has been violated.

S.R. 1-2f Scope of Work

The text under the Scope of Work section on the FIRREA/USPAP Addendum does not meet the definition of a scope of work statement. The first sentence is the Purpose of the Appraisal, not the Scope of Work: the balance of the text is not responsive to the Scope issue.

S.R. 1-4a Sales Comparison Approach

Two of the sales selected are not comparable to the subject; one is waterfront, the other has deeded water access rights. There was no reference to the subject having water frontage, so the reviewer assumed it did not. This information was not addressed in the appraisal report, and no adjustments were made for this superior feature for the sales. Not addressing this leads to a clear over-statement of value.

S.R. 1-5 Subject Listing and Sale Information

The reviewer had to request the listing information since it was not provided. The subject was listed at \$145,000 and sold for \$135,000, but was appraised for \$155,900 with no explanation for why the value opinion is significantly higher than the list and sales prices.

The report does not indicate whether or not the Subject was listed for sale, and it does not provide the list price. The reviewer requested this information, but it was not provided; what was provided was a 2003 listing for the subject.

The report states that there was no prior sale of the subject property in the past 36 months, but provided a copy of an MLS sheet showing the property had sold 26 months prior for \$67,000.

General comment: The text under “Neighborhood Boundaries...” is not responsive to providing boundaries.”

4. Because the appraisals provided by Mr. Zegers failed to meet USPAP, the Department of Regulation and Licensing denied his application for a Certified Residential Appraiser license.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraiser's Board has jurisdiction to act in this matter pursuant to Wis. Stat. sec. 458.26, and is authorized to enter in the attached Stipulation pursuant to Wis. Stat. sec. 227.44 (5).

2. The conduct described above in paragraph 3 constitutes a violation of:

a. USPAP Standards Rule 1-1 Developing an Appraisal

b. USPAP Standards Rule 1-2f Scope of Work

c. USPAP Standards Rule 1-4a Sales Comparison Approach

d. USPAP Standards Rule 1-4d Interest Valued;

e. USPAP Standards Rule 1-5 Subject Listing and Sale Information;

3. As a result of the above violations, respondent is deemed to have also violated Wis. Adm. Code § RL 86.01 (2), by failing to conform his appraisals to USPAP, and Wis. Stat. § 458.26(3)(c), by engaging in conduct while practicing as an appraiser which evidences a lack of knowledge or ability to apply professional principals or skills.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. **Lawrence H. Zegers** shall within 6 months of the date of this Order, successfully complete the following Appraisal Institute courses: “Quality Assurance in Residential Appraisal; Risky Appraisals-Risky Loans”; and either “Effective Appraisal Writing” or “Residential Report Writing and Case Studies”, which shall not count or be credited toward Mr. Zeger’s required continuing education, and submit proof of the same in the form of verification from the institution providing the education to the Department’s Monitor.

2. **Lawrence H. Zegers** shall within 90 days of the date of this Order, pay costs of this proceeding in the amount of \$950.00.

Payment shall be made payable to the Wisconsin Department of Regulation and Licensing, and mailed to:

Department Monitor
Division of Enforcement
Department of Regulation and Licensing
P.O. Box 8935, Madison, WI 53708-8935
Telephone (608) 267-3817, Fax (608) 266-2264

3. Violation of any term or condition of this Order may constitute grounds for revocation of Respondent’s license to practice as a licensed appraiser in Wisconsin. Should the Board determine that there is probable cause to believe that Respondent has violated the terms of this Order, the Board may order that Respondent’s license be summarily suspended pending investigation of and hearing on the alleged violation.

4. This Order shall become effective upon the date of its signing.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Mark P. Kowbel
A Member of the Board

2/28/07
Date