

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY :
PROCEEDINGS AGAINST :
: FINAL DECISION AND ORDER
ERIN E. WALDRON, :
RESPONDENT. : LS07091220APP

Division of Enforcement Case File # 06 APP 082

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

Erin E. Waldron
W378 N5861 Valley Rd.
Oconomowoc, WI 53066

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 Real Estate Appraisers Board (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. **Erin E. Waldron**, (DOB 08/31/65), is a Certified Residential licensed appraiser in the state of Wisconsin having license # 9-888, which was first granted on 08/11/94. Ms. Waldron's most recent address on file with the Wisconsin Department of Regulation and Licensing is W378N5861 Valley Rd., Oconomowoc, WI 53066.

2. On or about June 9, 2006, the U.S. Department of Housing and Urban Development notified Ms. Waldron that she was removed from the FHA Appraiser Register for a period of six months. The sanction was the result of deficiencies noted in the review of several appraisals performed for FHA insured financing.

3. Three of Ms. Waldron's appraisals were reviewed by the Department of Regulation and Licensing and it was determined that the appraisals did not meet the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

4. With regard to the appraisal of property at **506-508 S. 94th St., Milwaukee, WI** Ms. Waldron failed to satisfy;

S.R. 1-1 Developing an Appraisal and S.R. 2-1 Report Not Misleading

The combination of the concerns referenced below leads to the conclusion that this standards rule has been violated. The value opinion is not supported.

S.R. 1-2a Client and Intended User(s)

Does not identify the intended user(s). It is not acceptable to require the reader to infer that the intended user is the lender/client.

S.R. 1-2c Purpose and Reasonable Market Exposure Time

Does not provide an opinion of reasonable exposure time linked to the value opinion (see the comment below S.R. 1-2(c)(iv)).

S.R. 1-2e Property Characteristics

Does not provide site dimensions.

S.R. 1-3a Land Use Regulations

“Residential” is not typically a specific zoning classification.

S.R. 1-4a Sales Comparison Approach

Doesn't provide any explanation for adjustments. A 4 bedroom unit is valued \$200 more than a 2 bedroom unit, but a 2 bedroom unit is valued \$300 more than a 1 bedroom unit; this appears to be inconsistent. No explanation for lack of age adjustments.

S.R. 1-4b Cost Approach

Provides no support for the land value.

S.R. 1-4c. Income Approach

Neither support nor discussion of why market rents are above the range for the rent comparables provided and above the contract rent for the one unit.

S.R. 1-4d Interest Value

Mis-states the property interest being valued. It is labeled “fee Simple” and is actually “leased fee” or “fee simple, subject to lease.” 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

Does not indicate whether or not the Subject was listed for sale. Does not provide the list price.

Indicated on page 1 that there is a sale pending but on page 4 says there is no sale.

The HUD complaint says that the sales concessions were not shown on p.1 of the report and that report does not address the 2004 sale of the subject. If this information is true (sales concessions and 2004 sale of subject), it must be addressed in the report.

There is no explanation as to why the property is worth more than the list price (according to HUD) and more than the 11/04 sale. The Standards Rule requires the appraiser to **ANALYZE** the listing and agreement of sale. If a property is worth more than its list price and more than the recent prior sale, there should be a valid reason (e.g., list price too low, distress situation, immediate sale with competing offers, substantial renovation/improvements, etc.) the appraiser should provide the list price and length of time on the market along with some reasoning for why the value is placed below, at, or over the list price and/or sales price.

S.R.2-2 Reporting Options

Does not identify the reporting option used.

The appraiser does not indicate whether her certification is Residential or General. This is a violation of Admin Code R.L. 86.03 and Wis. State Stat. 458.16.

5. With regard to the appraisal of property at **935 S. 109th St., West Allis, WI** Ms. Waldron failed to satisfy;

S.R. 1-1 Developing an Appraisal and S.R. 2-1 Report Not Misleading

The combination of the concerns referenced below leads to the conclusion that this standards rule has been violated. The value opinion is not supported.

S.R. 1-2a Client and Intended User(s)

Does not identify the intended user(s). It is not acceptable to require the reader to infer that the intended user is the lender/client.

S.R. 1-2c Purpose and Reasonable Market Exposure Time

Does not provide an opinion of reasonable exposure time linked to the value opinion (see the comment below S.R. 1-2(c)(iv)).

Standards Rule 1-4a Sales Comparison Approach

Doesn't provide any explanation for adjustments, and all adjustments appear to be very low. Notes that sale 2 has a fence which the subject lacks, but makes no adjustments. Given that the sales are all superior to the subject on most points, adjusting down at low levels appears to lead to an overstatement of value.

S.R. 1-4b Cost Approach

Provides no support for the land value.

Standards Rule 1-5 Subject Listing and Sale Information

Does not indicate whether or not the Subject was listed for sale. Does not provide the list price.

The HUD complaint indicates that there were sales concessions; none were shown on p.1 of the report.

The Standards Rule required the appraisers to **ANALYZE** the listing and agreement of sale.

S.R. 2-2 Reporting Options

Does not identify the reporting option used.

The appraiser does not indicate whether her certification is Residential or General. This is a violation of Admin Code R.L. 86.03 and Wis. State Stat. 458.16.

6. With regard to the appraisal of property at **611 N. 4th St., Watertown, WI** Ms. Waldron failed to satisfy;

S.R. 1-1 Developing an Appraisal and S.R. 2-1 Report Not Misleading

The combination of the concerns referenced below leads to the conclusion that this standards rule has been violated. The value opinion is not supported.

S.R. 1-2a Client and Intended User(s)

Does not identify the intended user(s). It is not acceptable to require the reader to infer that the intended user is the lender/client.

S.R. 1-2c Purpose and Reasonable Market Exposure Time

Does not provide an opinion of reasonable exposure time linked to the value opinion (see the comment below S.R. 1-2(c)(iv)).

S.R. 1-2e Property Characteristics

Does not provide site dimensions.

S.R. 1-4a Sales Comparison Approach

Doesn't provide any explanation for adjustments. No explanation for lack of age adjustments.

S.R. 1-4b Cost Approach

Provides no support for the land value.

S.R. 1-4c Income Approach

Provides no support for why market rents are so much higher than contract rents and doesn't discuss potential vacancies which would occur, if rents are raised substantially.

S.R. 1-4d Interest Valued

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

Standards Rule 1-5 Subject Listing and Sale Information

Does not indicate whether or not the Subject was listed for sale. Does not provide the list price.

Indicates on page1 that there is a sale pending but in the text addendum that there "were" no current agreements for sale on the subject. The Standards Rule requires the appraiser to ANALYZE the listing and agreement of sale.

S.R. 2-2 Reporting Options

Does not identify the reporting option used.

The appraiser does not indicate whether her certification is Residential or General. This is a violation of Admin Code R.L. 86.03 and Wis. State Stat. 458.16.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers 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 4, 5, and 6 constitutes a violation of:
 - a. USPAP Standards Rule 1-1 Developing an Appraisal;
 - b. USPAP Standards Rule 1-2a Client and Intended User(s);
 - c. USPAP Standards Rule 1-2c Purpose and Reasonable Market Exposure Time;
 - d. USPAP Standards Rule 1-2e Property Characteristics;
 - e. USPAP Standards Rule 1-4a, Sales Comparison Approach;
 - f. USPAP Standards Rule 1-4b, Cost Approach;
 - g. USPAP Standards Rule 1-4c, Income Approach;
 - h. USPAP Standards Rule 1-4d, Interest Valued;
 - i. USPAP Standards Rule 1-5 Subject Listing and Sale Information; and
 - j. USPAP Standards Rule 2-2, Reporting Options.
3. As a result of the above violations, respondent is deemed to have also violated Wis. Stat. § 458.26(3)(c), and Wis. Adm. Code § RL 86.01 (2), 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. The real estate appraisers license of **Erin E. Waldron**, #9-888 be, and hereby is, **SUSPENDED** to practice in the state of Wisconsin for a period of **THIRTY DAYS** commencing five (5) days after the date of this Order. Violation of any of this term of the Order may be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Respondent's license. The Board in its discretion may in the alternative impose additional conditions and limitations or other additional discipline for a violation of this term of the Order.

2. Respondent **Erin E. Waldron**, shall within one (1) year from the date of this Order, successfully complete an Appraisal Institute or college level course in **Residential Sales Comparison and Income Approaches (30 hours, including exam): and Residential Report Writing and Case Studies (15 hours, including exam)**, and submit proof of the same in the form of verification from the institution providing the education to the address stated below. None of the education completed pursuant to this requirement may be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing. Failure to complete the required education, without an extension granted by the Department Monitor for good cause, may result in summary suspension of Respondent's license. The Board in its discretion may in the alternative impose additional conditions and limitations or other additional discipline for a violation of this terms of the Order.

3. Respondent **Erin E. Waldron** shall, within 60 days of the date of this Order, pay **COSTS** of this proceeding in the amount of \$900.00. 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) 261-7904, Fax (608) 266-2264

In the event Respondent fails to timely submit payment of the costs as set forth above or fails to complete the education as ordered, Respondent's license # 9-888 SHALL REMAIN SUSPENDED, without further notice or hearing, until Respondent has complied with the terms of this Order.

4. This Order is effective on the date of its signing.

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Marla Britton
A Member of the Board

9/12/07
Date