

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE DISCIPLINARY :
PROCEEDINGS AGAINST :
: FINAL DECISION AND ORDER
KEVIN E. WILDER, :
RESPONDENT. : LS07091221APP

Division of Enforcement Case File # 06 APP 057

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

Kevin E. Wilder
228 E. Racine St.
Janesville, WI 53545

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. **Kevin E. Wilder**, (DOB 09/27/57), is a licensed appraiser in the state of Wisconsin having license # 4-1682, which was first granted on 12/30/03. Mr. Wilder's most recent address on file with the Wisconsin Department of Regulation and Licensing is 228 E. Racine St., Janesville, WI 53545.

2. On or about November 10 , 2005, Mr. Wilder prepared a written appraisal report on behalf of Rightway Mortgage Services LLC for property located at 1256 Lincoln Ave., Beloit, WI. Mr. Wilder's appraisal was forwarded to the Department of Regulation and Licensing.

3. Mr. Wilder was contacted by the Department in order to complete the Department's investigation regarding the appraisal he performed on the Lincoln Avenue property. To date, Mr. Wilder has not responded to the Department.

4. Mr. Wilder's appraisal was reviewed by the Department and it was determined that the appraisal did not meet the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

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 these standards rule has been violated. The combination of failing to analyze the prior expired listing, the selection of sales which are clearly superior to the subject, the omission of value adding features for the sales, and making adjustments which are far too low leads to an apparent significant overstatement of value.

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

The subject's 2004 listing shows no basement finish and a partial basement; the appraiser indicates 470 sq. ft. basement finish and full basement.

The 2004 listing shows the house size to be 994 sq. ft.; the appraiser uses 1,148 sq. ft. This is a discrepancy of ~10% which is larger than typical for a single family house.

S.R. 1-4a Sales Comparison Approach

Provides no support for the concluded effective age for the subject of 10 years and adjusts five of the six sales (which are all newer houses) UP to the subject for age. Sale 6 is substantially newer; it is not an appropriate comparable sale; it is adjusted down only modest for a 6 year old house vs. and 89 year old house.

The following adjustments are too low: bath GLA, and fireplace.

The following adjustments are too high: those comparing subject's covered porches to breezeways and screened porches.

Sale 4 is listed in the grid as having no fireplace and the subject has no fireplace, yet Sale 4 is adjusted down.

Sale 6 is a 6 year old house. All mechanicals cannot be more that 6 years old, and this house would have construction techniques far superior to the subject, yet the subject is considered superior on energy efficiency.

The following value adding features which are shown on the MLS sheets are omitted from the report. Included are porches which are visible in the MLS photos:

Sale 1 – covered porch

Sale 2 – brick siding, wood or simulated wood floors. This house is 63% larger and not comparable to the subject.

Sale 3 – undated kitchen with Cherry cabinets and solid surface counters, hardwood floors, fenced yard.

Sale 4 – natural woodwork and hardwood floors, solid surface counters.

Sale 5 – built-in bookshelves and china cabinet, fenced back yard, new roof & gutters in 2002, new a/c in 2002, new driveway in 1999, new water heater in 2000, new kitchen cabinets and counters in 1998.

Sale 6 – vaulted ceiling, ceramic tile floors, new kitchen flooring, fenced yard, yard shed, and solid surface kitchen counters. This is a 6 year old house and not comparable to an 89 year old house.

None of the sales sold for more than \$137, 600; there is no upper bracket.

S.R. 1-4b Cost Approach

Provides no support for the concluded land value. This makes the report a restricted report, not a summary report.

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

The property had been listed for sale in 2004 for \$89,000, and this listing expired. The only improvement listed to the subject property during 2005 (Supplemental Addendum) is an addition to the garage. In the Sales Comparison Approach, he values this at \$4,500 more that a 1 car garage (shown on the 2004 listing for the subject). Therefore, it is highly unlikely that the subject was worth \$142,000 in 11/05, if it did not sell in 2004, after having been exposed to the market for six months and if no significant improvements, other than the garage, had been made. This listing information should have been readily available to the appraiser. The 08/04 quit claim transfer for \$88,000 was not disclosed in the report; this should have been readily available to Mr. Wilder.

S.R. 2-2 Reporting Options

Mis-identifies the reporting option used. Indicates that this is a “summary” report, but the lack of analysis and

description of required elements (land sales) makes this a “restricted” report.

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 constitutes a violation of:
 - a. USPAP Standards Rule 1-1 Developing an Appraisal;
 - b. USPAP Standards Rule 1-2c Purpose and Reasonable Market Exposure Time;
 - c. USPAP Standards Rule 1-2e Property Characteristics;
 - d. USPAP Standards Rule 1-4a, Sales Comparison Approach;
 - e. USPAP Standards Rule 1-4b, Cost Approach;
 - f. USPAP Standards Rule 1-5 Subject Listing and Sale Information;
 - g. USPAP Standards Rule 2-1, Report Not Misleading; and
 - h. 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.
4. By failing to respond to the Department in a timely manner Mr. Wilder violated Wis. Admin. Code RL 86.01(10).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The license of **Kevin E. Wilder**, license #4-1682 be, and hereby is, **SUSPENDED** for a period of **FORTY-FIVE DAYS** commencing five (5) days after the date of this Order. Violation 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 **Kevin E. Wilder**, shall within one (1) year from the date of this Order, successfully complete an Appraisal Institute or college level course in **Residential Sales Comparison & Income Approaches** (30 hours including the exam) and **Seminar in Liability Management for Residential Appraisers** (7 hours including the 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 term of the Order.

3. Respondent **Kevin E. Wilder** shall, within 60 days of the date of his 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, Respondent's license SHALL BE 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