

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

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IN THE MATTER OF THE DISCIPLINARY  
PROCEEDINGS AGAINST

JODI KRIEVALDT,	FINAL DECISIONAND ORDER
RESPONDENT.	98 APP 035

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

*Jodi Kriewaldt  
3824 Millwood Drive  
Appleton, WI 54915*

*Bureau of Business and Design Professions  
Real Estate Appraisers Board  
P.O. Box 8935  
Madison, WI 53708-8935*

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

The State of Wisconsin, Real Estate Appraisers Board, having considered the stipulation agreement annexed-hereto of the parties, in resolution of the captioned-matter, makes the following:

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED pursuant to jurisdiction and authority granted to the Board, that the stipulation agreement annexed-hereto, filed by Complainant’s attorney, shall be and hereby is incorporated, made and ordered the Final Decision and Order of the State of Wisconsin, Real Estate Appraisers Board.

Let a copy of this order be served on Respondent by certified mail.

Dated this 19th day of May, 1999.

Paul R. Vozar, WCGA  
Member of the Board

IN THE MATTER OF THE DISCIPLINARY

PROCEEDINGS AGAINST

JODI KRIEVALDT,  
RESPONDENT.

STIPULATION  
98 APP 035

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Respondent Jodi Kriewaldt (Kriewaldt), and Complainant's attorney, Henry E. Sanders, Division of Enforcement, having reached agreement for disposition of the captioned-matter, stipulate and agree as follows:

1. Respondent Kriewaldt of 3824 Millwood Drive, Appleton, Wisconsin, was at all time material to the complaint, certified as a Certified Residential Appraiser, and has been so certified under the provisions of ch. 458, Wis. Stats., since November 15, 1994.

a. This stipulation is dispositive of investigative complaint #98 APP 035.

2. Respondent has been advised of her right to a public hearing on each and every allegation of the complaint, by hereby freely and voluntarily waive her right to a hearing in this matter on the condition that all provisions of this Stipulation be acceptable and approved by the Board.

a. Respondent further agree to waive any appeal of the Board's Final Decision and Order adopting the stipulation agreement.

4. The Department received a complaint against Respondent Kriewaldt relating to an appraisal performed by an appraisal "trainee" dated April 26, 1996, which was signed by Respondent Kriewaldt as "supervisory appraiser" who did not personally inspect the property.

5. The complaint alleged that the Respondent made an error in the initial determination of value because if their appraisal had been completed "as is" rather than "subject to repairs," the value would have been much lower and more accurate. The complaint also alleged that Respondent's overstated value is evidenced by the difference in their initial value of \$70,000.00, and the second appraisal value of \$35,000.00, when no changes were made to the subject, except for residing, new windows, and insulation.

6. A complaint was opened against Respondent and an investigation ensued into the matters. The case advisor, certified general appraiser assigned to the complaint reviewed and

analyzed the subject appraisals and concluded in pertinent part that Respondent's appraisal contained several violations of USPAP, to wit:

I. STANDARD 1

A. In developing a real property appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

1. STANDARDS RULE 1-1 *In developing a real property appraisal, an appraiser must:*

a. be aware of, understand and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;

b. not commit a substantial error of omission or commission that significantly affects an appraisal;

c. not render appraisal services in a careless or negligent manner, such as a series of errors that, considered individually, may or may not significantly affect the results of an appraisal, but which, when considered in the aggregate, would be misleading.

COMMENT: Subject property was in below average condition with repairs needed.

2. Standard Rule 1-3 In developing a real property appraisal, an appraiser must observe the following specific appraisal guidelines:

a. Consider the effect on use and value of the following factors: existing land use regulations, reasonably probable modification of such land use regulations,

economic demand, the physical adaptability of the real estate, neighborhood trends, and the highest and best use of the real estate.

### 3. Standard Rule 2

#### 1. Standards Rule 2-1 Each written or oral real property appraisal report must:

- a. clearly and accurately set forth the appraisal in a manner that will not be misleading;
- b. contain sufficient information to enable the person(s) who receive or rely on the report to understand it properly;
- c. clearly and accurately disclose any extraordinary assumption limiting condition that directly affects the appraisal and indicate its impact on value.

COMMENT: Appraisal states value is "as is" while he meant to say it was "as completed." Client lent money on as is value. Repairs were never made.

#### 7. In response to the allegations, Respondent provided documentation and provided in pertinent part that:

On April 15, 1996, . . . Ficus Financial call Respondent office and placed an appraisal order . . . on the date of the appraisal (4/26/96), the apprentice appraiser walked through the appraisal . . . and afterwards, called the lender to make him aware of the property condition and to see if there were any special instructions because of the large cost to cure. The apprentice was informed to complete the appraisal "subject to completion" and add a cost to cure the dwelling. In finishing his report, the appraiser (apprentice) was careful to disclose the condition of the dwelling. All details of the interior and exterior were listed in the appraisal report. The appraiser unintentionally checked the "as is" box instead of the "subject to" box in the report. The lender was aware of the condition of the property, the large cost to cure and the property value being done "subject to completion."

On August 5, 1996, we received a re-inspection completion order from Ficus Financial. This is crystal clear indication that the lender knew it was done "subject to completion" because he ordered the completion inspection (Respondent provided a copy of the "satisfaction completion certificate" dated August 26, 1996, indicating work to be completed pursuant to the original April 21, 1996, appraisal report) Ficus Financial . . . knew there was an error on the original report and the completion certificate was correcting the error.

Subsequently, Respondent remembered talking to Complainant Jeff Dickrell, of EQ Financial-who had apparently taken over the loan application-who had a copy of Respondent's original appraisal report . . . Dickrell indicated to Respondent that "a realtor had offered to buy the subject property for \$35,000.00 and that Respondent's report was inflated." She explained the situation that the appraisal was checked "as is" and should have been "subject to completion" . . . and that there was a second inspection and completion certificate issued that clearly stated the appraisal was done "subject to completion," was still not livable and was in the same condition as the first inspection.

Dickrell indicated that he did not have a copy of the completion certificate, and Respondent-with approval from Ficus Financial-faxed Complainant a copy of the completion certificate. Complainant filed this complaint with the Department but did not include a copy of the completion certification along with this complaint.

8. Accordingly, and in addition to the above enumerated violations, Respondent is also deemed to have violated sec. 458.26(3)(c), Wis. Stats., engaging in conduct while practicing as an appraiser which evidences a lack of knowledge or ability to apply professional principles or skill; violated sec. RL 86.01(2), Wis. Adm. Code, all appraisals shall comply with USPAP.

9. Based upon the above and in settlement of this matter, Respondent Kriewaldt hereby consents, accepts and agrees to be reprimanded, pay the amount of \$300.00 as part assessment of costs in resolving the matter; and agrees to take and successfully complete 15 hours of USPAP education, to be completed within six (6) months of the effective date of the Board's order adopting this stipulation agreement.

- a. The effective date of the Board order is ten (10) days following execution of the stipulation by the Board's designee.

10. The ordered education shall not be credited or count towards Respondent's required continuing education, and if Respondent should fail to complete the education as ordered and/or fail to get an extension from the Board to complete same, then she shall be considered to be in violation of the Board's order, and may be subjected to further discipline.

11. Proof of successful completion of the ordered education shall be submitted to Michelle Neverman, and the \$300.00 part assessment of costs shall be payable at the time of the execution of the stipulation, by cashier's check or money order made payable to the Department of Regulation and Licensing, and submitted to Michelle Neverman, monitor at:

Division of Enforcement

P.O. Box 8935

Madison, WI 53708-8935

12. Respondent agrees that this stipulation agreement may be incorporated into the Board's Final Decision and Order adopting the stipulation agreement.

13. Respondent further agrees that Complainant's attorney Sanders and the case advisor assigned to the case may appear at any closed deliberative meeting of the Board with respect to

the stipulation, but those appearances will be limited solely to clarification, justification and to statements in support of the stipulation and for no other purpose.

Jodi Kriewaldt

June 6, 1999

Respondent

Date

Henry E. Sanders

June 8, 1999

Complainant's Attorney

Date