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STATE OF WISCONSIN BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE DISCIPLINARY :

PROCEEDINGS AGAINST

: LS0405123APP

JOSEPH P. HASELWANDER,

RESPONDENT. :

FINAL DECISION AND ORDER

Division of Enforcement Case Nos. 99 APP 015, 01 APP 008 and 01 APP 036

The parties to this action for the purposes of Wis. Stats. Sec. 227.53 are:

Joseph P. Haselwander 1784 U.S. Hwy. 53 Eau Claire, WI 54729

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 parties in these matters agree to the terms and conditions of the attached Stipulation as the final decision of the matter(s), subject to the approval of the Real Estate Appraisers Board (Board). The Board has reviewed the Stipulation agreement annexed to this Final Decision and Order, and considers it acceptable. Accordingly, the Board adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Respondent Joseph P. Haselwander ("Respondent"), whose date of birth on record with the Department of Regulation and Licensing (Department) is March 17, 1966, and whose last known address of record with the Department is 1784 U.S. Hwy. 53, Eau Claire, Wisconsin, 54729, is a licensed as a certified residential appraiser (#9-510). Respondent was granted the license on November 19, 1992, pursuant to Wis. Stat. ch. 458, and has held them at all times material to this complaint. The license is current through December 31, 2005.

Count I

- 2. On or about October 5, 2001, an appraisal of real estate located at 526 21st Ave. S., Onalaska, Wisconsin, 54650 was performed. Respondent co-signed the appraisal report on or about October 12, 2001.
- 3. The appraisal report stated that the effective age of the property was 1-5 years. The actual age of the property was 12 years, and the appraisal report fails to state any reason why the effective age of the property was 1-5 years.
- 4. The appraisal report utilized three comparables from an "expanded range," asserting that there were "(l)imited comparables with similar square footage and bedroom count available for comparison in the subject's surrounding area in the last 12 months." Per the appraisal report the properties utilized as comparables were all 2-4 years old; were 240 sq. ft. to 630 sq. ft. larger than the subject property; all had three bedrooms, whereas the subject property had two bedrooms; and two of these properties sold for less than the subject property's market value as found by the appraiser. The appraisal report

concluded that the subject property's value as indicated by the sales approach was \$127,620.

- 5. The appraisal report asserted that the subject property was "currently listed for \$175,000."
- 6. The appraisal report concluded that the market value of the subject property was \$175,000.
- 7. On or about December 10, 2001, Harry G. Helfrich, a Wisconsin licensed certified general appraiser (#10-179) conducted a field review appraisal of the property described above in paragraph 2. Mr. Helfrich concluded that the listing of the effective age of this property as 1-5 years was unreasonable. Mr. Helfrich found six comparable sales within the same subdivision that had occurred within the past 12 months, which were not more dissimilar to the property appraised than the comparables used in the appraisal report co-signed by the Respondent. Mr. Helfrich further found that the highest price that the property had ever been listed for was \$149,900.

Count II

- 8. On or about November 16, 1998, Respondent conducted an appraisal of a property located at W2504 Cedar Road, Eau Claire, Wisconsin, 54701. Respondent stated that the market value of the property was \$155,000.
- 9. On or about December 17, 1998, a review appraisal of the property described in paragraph 8, above, was conducted by a licensed certified residential appraiser, Mr. Rolf D. Kleven (#9-234). Contrary to Respondent's appraisal report, Mr. Kleven concluded that the subject property was a manufactured home.
- 10. At the Department of Regulation and Licensing's request, a review of the appraisal described in paragraph 8, above, was conducted by the office of James K. Moessner, a licensed certified general appraiser (#10-89). A member of Mr. Moessner's staff conducted an appraisal of the property described in paragraph 8, above, and found the following discrepancies in Respondent's appraisal, among others:

Respondent did not note the correct zoning of the property; Respondent did not note that the property was located in a FEMA special flood hazard area; Respondent failed to note that the residence was a manufactured home; and Respondent listed the wrong sale date for one of his comparables.

- 11. Section RL 86.01(2) requires that all appraisals shall conform to the uniform standards of professional appraisal practice ("USPAP") and § RL 86.01(2a) provides that no certified or licensed appraiser may sign any written appraisal report which was not prepared by the appraiser or under his or her supervision.
- 12. USPAP Standards Rule 1-1 requires, in relevant part, that in developing a real property appraisal an appraiser must:
 - (a) be aware of, understand, and correctly employee 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; and
 - (c) not render appraisal services in a careless or negligent manner...
- 13. USPAP Standards Rule 1-4 requires, in relevant part, that in developing a real property appraisal an appraiser must "collect, verify and analyze all information applicable to the appraisal problem," and, when the sales comparison approach is applicable, "an appraiser must analyze such comparable sales data as are available to indicate a value conclusion."

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in these matters pursuant to § 458.26, Stats.

- 2. The Wisconsin Real Estate Appraisers Board has authority to enter into this stipulated resolution of this matter pursuant to § 227.44(5), Stats.
- 3. The Respondent, Joseph P. Haselwander, by his conduct as set forth above either personally violated USPAP Standards Rule 1-1(a)-(c), and USPAP Standards Rule 1-4, or permitted violations to occur with respect to appraisals performed under his supervision.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED:

- 1. Respondent, Joseph P. Haselwander, is REPRIMANDED for the conduct set out above.
- 2. Respondent shall, within 90 days of the date of this Order, pay to the Department of Regulation and Licensing costs of this proceeding in the amount of \$4000.00, pursuant to § 440.22(2), Stats.
- 3. Respondent shall take and successfully complete Appraisal Institute course number 210 or 530 on or after March 23, 2004, but within 6 (six) months of the issuance of this order, to include the successful completion of any examination associated with the course. These credits shall be in addition to the continuing education required for renewal of licensure for the following biennium, by Wis. Adm. Code § RL 85.01(1), and shall not be applied towards meeting that requirement.
- 4. Respondent shall provide proof sufficient to the Board of Respondent's satisfactory completion of the coursework within 30 days of completion or within 30 days of the availability of course results, whichever is later.
- 5. Respondent shall, at his own expense pay for all independent contractors who are performing appraisals under his supervision to attend a course on the subject of use of the comparison approach to valuation. The courses attended shall consist of no less than 6 (six) hours of instruction, and shall be completed within 90 (ninety) days of the issuance of this order, or prior to the performance of any appraisal if the independent contractor or employee does not perform any appraisals under the supervision of the Respondent or on the Respondent's behalf within 90 (ninety) days of this order. Courses attended must be satisfactorily completed, including the satisfactory completion of any examination, if one is offered.
- 6. Respondent shall provide proof sufficient to the Board of Respondent's independent contractors' satisfactory completion of the coursework within 30 days of completion or within 30 days of the availability of course results, whichever is later.
- 7. All payments, requests for approval of continuing education, evidence of completion of the education required by this Order, and request for removal of the limitation shall be mailed, faxed or delivered to:

Department Monitor
Department of Regulation and Licensing
Division of Enforcement
1400 East Washington Ave.
P.O. Box 8935
Madison, WI 53708-8935
Fax: (608) 266-2264

Telephone: (608) 267-3817

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

The rights of a party aggrieved by this Decision to petition the Board for rehearing and to petition for judicial review are set forth on the attached "Notice of Appeal Information."

Dated at Madison, Wisconsin this 12th day of May, 2004.

LaMarr J. Franklin Chair Real Estate Appraisers Board