

# 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 :  
 : FINAL DECISION AND ORDER  
GINGER A. RENIER, :  
RESPONDENT. : LS0510196APP

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Division of Enforcement Case No. 04 APP 050

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

Ginger A. Renier  
5611 S. Hwy P  
Denmark, WI 54208

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

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. Ginger A. Renier, (DOB 02/24/54), is a duly licensed appraiser in the state of Wisconsin having license # 4-1321, which was first granted on 08/01/00.
2. Ms. Renier’s most recent address on file with the Wisconsin Department of Regulation and Licensing is 5611 S. Hwy P, Denmark, WI 54208.
3. On or about October 14, 2003, Ms. Renier prepared a written appraisal report on behalf of a mortgage lender for property located at N7426 Co. Rd. AP, Plymouth, WI 53073. After reviewing the appraisal, the mortgage lender forwarded it to another licensed appraiser for his review. The licensed appraiser noticed discrepancies in Ms. Renier’s appraisal and forwarded the appraisal to the Department of Regulation and Licensing.
4. The appraisal for the N7426 Co. Rd. AP, Plymouth property 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:
  - a. S.R. 1-2b Intended Use  
The report does not identify the intended use of the appraisal work.

b. S.R. 1-2e Property Characteristics

With respect to not mentioning a loafing shed in close proximity to the property, Ms. Renier indicates in her report that the view is “average” and in her response to the department, indicates that it is “typical” for rural houses to be within eye sight of farm buildings. While this is technically correct, the proximity to a large building not controlled by the owner of the subject house should be mentioned.

The use of “average” to describe the view and landscaping is not descriptive. Examples of descriptive words for view are “farm buildings, park, residential, retail, industrial, mixed commercial and residential,” etc. Examples of descriptive words for landscaping are “mature shrubs, wooded site, perennial beds, starter, seeded yard,” etc.

c. S.R. 1-2f Scope of Work

No scope of work statement is included in the report.

d. S.R. 1-4a Sales Comparison Approach

A question was raised concerning the land value for the subject property and Ms. Renier’s minimal adjustment for land sizes for the sales used vs. the subject’s site size. The subject is indicated as having a land value of \$39,900 (\$35,000/acre). Sale 1 has no size adjustment, indicating a value of \$3,990 per acre. Sale 2 is indicated as having a site value of \$44,400 (\$39,900 + \$4,500) or \$ 4,440 per acre. Sale 3 is indicated as having a site value of \$74,900 (\$3,010/acre). Even considering decreasing returns to scale, these indications are flawed. Ms. Renier indicated in her response to the Department that Sale 1 (with 10 acres) was not adjusted vs. the subject (1.4 acres) since land values in Manitowoc County are less than in the subject’s location. This should have been a location adjustment, not a site size adjustment. Ms. Renier also contends that it is detrimental to be next to state land, not an enhancement to value. When the Department reviewer requested more information to support Ms. Renier’s contention that there is no increase in value for being next to state lands, the information provided indicated the opposite, i.e. that there is an increase in value to land abutting state land.

Ms. Renier’s pairs of vacant land sales are more problematic to pair. Her suggestions that Lot 1 and Lot 2 are comparable suffers from the consideration that they are 7 miles apart.

Lot 4 is not a valid reference since it has full municipal services, and neither the subject nor any of the sales have this feature.

The site size adjustments for Sale 1 vs. Sale 2 are inconsistent. Both have 10 acres, yet only one is adjusted. Ms Renier’s explanation is the different location; this should have been a location adjustment not a site size adjustment.

No explanation is provided for the Quality adjustment for Sale 3, and it does not appear to be valid. All three comps are older farmhouses; Sale 1 has steel siding, Sale 2 has vinyl and aluminum siding, and Sale 3 has vinyl siding.

There is no support for the condition adjustment. By reading the MLS comments, it appears that Sale 1 is superior in condition to Sales 2 and 3, yet Sale 3 is the only one adjusted.

The adjustments for baths (\$1,000 for a half bath), GLA (\$10 per square foot), and fireplace (\$1,500) appear to be too low.

There is no explanation for the source of the house sizes for the sales. Ms. Renier states her source as “MLS” exclusively, yet the MLS sheets she provided show only ranges.

Sale 1 has a half bath in the basement, according to the MLS sheet, yet she indicates that it is “unfinished”.

The garage adjustments are inconsistent. The subject and Sale 3 each have a 3 car garage, yet Sale 3 is adjusted up. The adjustment for Sale 1 is +\$4,500 for 1 stall difference, yet the adjustment of Sale 2 is only \$7,500 for 2 stalls difference. This implies that it is more valuable to move from a 2 to a 3 car garage than from a 1 to 2 car garage which is counter-intuitive based on the economic principle of decreasing returns to scale.

The outbuildings adjustment is inadequately explained. Ms. Renier states in the report that the subject has “outbuildings,” yet it is impossible for the reader to figure out how many outbuildings there are or any other information about them. Sale 1 has more outbuildings listed than Sale 2, yet Sale 1 is adjusted up and Sale 2 is not. This implies that Sale 2 (with fewer outbuildings) is superior to Sale 1 (with more outbuildings). Sale 3’s list of outbuildings appears to include less than either Sale 1 or Sale 2’s yet it is adjusted down.

e. S.R. 1-4c. Income Approach

No explanation is given for why the income approach is not applicable. Ms. Renier simply states that it “is not applied to single family homes in this market,” with no indication of why not.

f. S.R. 1-4b. Cost Approach

Indicating that the \$39,900 land value includes the well and septic system is not proper methodology, and if this is what Ms. Renier did, it’s not clear what the \$8,000 for site improvements value was for.

There is no support for the depreciation adjustment.

g. S.R. 2-1 Report Not Misleading

The combination of the concerns noted leads to a misleading report. \_

h. S.R. 2-2 Reporting Options

The report does not identify the reporting option used.

i. S.R. 2-3 Certification

The report includes a signed certification which includes (no. 5 and no. 6) that indicates that Ms. Renier’s compensation was not contingent on the appraisal value and that she was not required to report a predetermined value or direction in value that favors the cause of the client. The work file shows that the lender indicated that he “need \$208,000 appraisal!” Ms. Renier’s appraisal reported a value of \$212,000.

j. S.R. 1-1 Developing an Appraisal

The combination of the concerns above leads to the conclusion that this standards rule has been violated.

### 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 1-2b Intended Use;
  - c. USPAP Standards Rule 1-2e, Property Characteristics;
  - d. USPAP Standards Rule 1-2f, Scope of work;

- e. USPAP Standards Rule 1-4a, Sales Comparison Approach;
- f. USPAP Standards Rule 1-4c, Income Approach;
- g. USPAP Standards Rule 1-4b, Cost approach;
- h. USPAP Standards Rule 2-1, Report Not Misleading;
- i. USPAP Standards Rule 2-2, Reporting Options; and

j. USPAP Standards Rule 2-3, Certification;

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 license of **Ginger A. Renier**, license #4-1321 be, and hereby is, **SUSPENDED** for a period of **TEN DAYS** commencing five (5) days after the date of this order.
2. Respondent **Ginger A. Renier**, within 120 days of the date of this Order, successfully **complete 15 hours of Department approved education regarding USPAP Standards** 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.
3. Respondent **Ginger A. Renier** 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

5. Violation of any of the terms of this 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 any of the terms of this Order. In the event Respondent fails to timely submit any payment of the forfeiture or costs as set forth above or fails to complete the education as ordered, Respondent's license # 4-1321 SHALL BE SUSPENDED, without further notice or hearing, until Respondent has complied with the terms of this Order.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Mark Kowbel  
A Member of the Board

10/19/05  
Date