

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
LEAH J. SAWICKI, :
RESPONDENT. : LS0605114APP

Division of Enforcement Case File # 05 APP 060

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

Leah J. Sawicki
2 Elmwood Ct.
Madison, WI 53719

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. Leah J. Sawicki, (DOB 02/28/73), is a duly licensed appraiser in the state of Wisconsin having license # 4-1555, which was first granted on 04/17/03. Ms. Sawicki's most recent address on file with the Wisconsin Department of Regulation and Licensing is 2 Elmwood Ct., Madison, WI 53719.

2. On or about November 3, 2004, Ms. Sawicki prepared a written appraisal report on behalf of a mortgage lender for property located at 525 Park Ave., Waterloo, WI 53594. This appraisal was forwarded to the Department of Regulation and Licensing.

3. The appraisal for the 525 Park Ave., Waterloo 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:

S.R. 1-1 Developing an Appraisal

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

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. 1-2b Intended Use

Does not identify the intended use of the appraisal work.

S.R. 1-2f Scope of Work

No scope of work statement.

S.R. 1-4a Sales Comparison Approach

The first concern is that each of the sales, from looking at the photographs, appears to be of better quality or have better curb appeal than the subject. This is one of the reasons the screening panel chose to open this case.

Additionally, none of the sales are from Waterloo. It would have been preferable to go back in time or to use a sale of a different style house vs. using no sales closer than eight miles away.

Sale 1 has river frontage and \$5,000 seems to be a small adjustment for river frontage. The site for this sale is nearly 3 times that for the subject, yet the site size adjustment is very modest. The age adjustment appears to be low and inexplicably precise. The MLS sheet for this sale references "Spaude Custom Kitchen." There is no comment in the report concerning the subject's kitchen. It appears that the sale has a superior kitchen to the subject's.

Sale 2 has a lake view not accounted for in the report. By adjusting up (even if only \$1,000), the value opinion might be overstated. The MLS sheet for this sale lists "totally remodeled and updated throughout."

Sale 3 is listed on the MLS as being in "pristine condition" with ornate hardware, leaded and stained glass, etc. As with Sale 2, this sale appears to be in better condition than the subject.

Sale 4 is listed on the MLS as having a breezeway and Corian kitchen counters; downward adjustments for both of these features should have been made.

Gross living area adjustments of only \$15 per square foot are very low, particularly for this profile house.

S.R. 1-4c. Income Approach

"Lack of rental data" is not a valid reason to exclude this approach to value. More appropriate reasons might be that zoning prohibits rental, similar homes are purchased for owner occupancy (not investments), etc.

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

While the prior sale of the subject reported is just outside the 36 month threshold required by USPAP, the value conclusion is 49% higher than the last sale, which occurred 38 months earlier. There is nothing in the report to indicate substantial improvements, which may have been made by the current owners. If no substantial improvements were made, the appreciation would be 15.6% (simple) per year, which seems unlikely.

S.R. 2-3 Certification

The signed certification in the report (#6) indicates that there was no predetermined value; however, it is curious that the value conclusion was the exact number requested by the lender.

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 1-2a Client and Intended User(s);
 - c. USPAP Standards Rule 1-2b, Intended Uses;

- 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 1-5 Subject Listing and Sale Information;
- h. 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. Respondent **Leah J. Sawicki**, 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.

2. Respondent **Leah J. Sawicki** shall, within 60 days of the date of this Order, pay **COSTS** of this proceeding in the amount of \$600.00.

Payment shall be made payable to the Wisconsin Department of Regulation and Licensing. Education verification and payment : 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

3. 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 # 4-1555 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: Mark P. Kowbel
A Member of the Board

5/10/06
Date