

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



## Wisconsin Department of Regulation & Licensing Access to the Public Records of the Reports of Decisions

This Reports of Decisions document was retrieved from the Wisconsin Department of Regulation & Licensing website. These records are open to public view under Wisconsin's Open Records law, sections 19.31-19.39 Wisconsin Statutes.

### Please read this agreement prior to viewing the Decision:

- The Reports of Decisions is designed to contain copies of all orders issued by credentialing authorities within the Department of Regulation and Licensing from November, 1998 to the present. In addition, many but not all orders for the time period between 1977 and November, 1998 are posted. Not all orders issued by a credentialing authority constitute a formal disciplinary action.
- Reports of Decisions contains information as it exists at a specific point in time in the Department of Regulation and Licensing data base. Because this data base changes constantly, the Department is not responsible for subsequent entries that update, correct or delete data. The Department is not responsible for notifying prior requesters of updates, modifications, corrections or deletions. All users have the responsibility to determine whether information obtained from this site is still accurate, current and complete.
- There may be discrepancies between the online copies and the original document. Original documents should be consulted as the definitive representation of the order's content. Copies of original orders may be obtained by mailing requests to the Department of Regulation and Licensing, PO Box 8935, Madison, WI 53708-8935. The Department charges copying fees. *All requests must cite the case number, the date of the order, and respondent's name as it appears on the order.*
- Reported decisions may have an appeal pending, and discipline may be stayed during the appeal. Information about the current status of a credential issued by the Department of Regulation and Licensing is shown on the Department's Web Site under "License Lookup." The status of an appeal may be found on court access websites at: <http://ccap.courts.state.wi.us/InternetCourtAccess> and <http://www.courts.state.wi.us/wscqa>.
- Records not open to public inspection by statute are not contained on this website.

**By viewing this document, you have read the above and agree to the use of the Reports of Decisions subject to the above terms, and that you understand the limitations of this on-line database.**

**Correcting information on the DRL website:** An individual who believes that information on the website is inaccurate may contact the webmaster at [web@drl.state.wi.gov](mailto:web@drl.state.wi.gov)

STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

---

IN THE MATTER OF DISCIPLINARY :  
PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**  
**PAUL E. HAUGH,** : LS0802274APP  
RESPONDENT. :

---

Division of Enforcement case file 07 APP 050

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

Paul E. Haugh  
P.O. Box 105  
Amery, WI 54001

Wisconsin 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

### 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 Wisconsin Real Estate Appraisers Board (“Board”). The Board has reviewed this Stipulation and considers it acceptable. Accordingly, the Board adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

### FINDINGS OF FACT

1. Paul E. Haugh is licensed in the State of Wisconsin as a Certified Residential Appraiser having license number 9-1260, first granted on May 22, 2002.
2. Mr. Haugh’s most recent address on file with the Department of Regulation and Licensing (“Department”) is P.O. Box 105, Amery, WI 54001.
3. On October 11, 2004, Mr. Haugh performed an appraisal of property at N6724 Berg Road in West Salem, Wisconsin. His estimate of value was \$141,000.
4. Mr. Haugh’s appraisal was used to process a loan from Tri-State Financial Services in Onalaska, the loan was acquired by Fannie Mae, the borrowers defaulted on the loan, Fannie Mae obtained a quality control review of Mr. Haugh’s appraisal report, and Fannie Mae concluded that Mr. Haugh had committed USPAP violations in performing the appraisal. An official at Fannie Mae forwarded Mr. Haugh’s appraisal report to the Department. A Case Advisor assigned by the Board reviewed Mr. Haugh’s appraisal report and concluded that he had committed USPAP violations in performing the appraisal.
5. Mr. Haugh violated the following Standards Rules in his appraisal of property at N6724 Berg Road, West Salem, Wisconsin:  
SR 2-2 (b) - (i), (ii), and vii. The report does not identify the client and any intended users as required by SR 2-2 (b)-(i). The report does not state the intended use as required by SR 2-2 (b)-(ii). There is no Scope of Work summarized to

disclose the level of work used to develop the appraisal as required by SR 2-2 (b)-(vii).

SR 1-1(b) and SR 1-2 (e)(i). The report lists the subject neighborhood as the Township of Hamilton and as suburban. The Township of Hamilton is rural. All of the comparable sales are from the incorporated Village of West Salem. Thus, neighborhood boundaries are NOT adequately and reasonably defined as required by SR 1-1 (b) and SR 1-2 (e)(i).

SR 1-2 (e)(i). Respondent lists zoning of subject as Rural Residential which is not a zoning classification. The zoning of the subject property is significant to determine if it is conforming, and at its highest and best use. This is a violation of SR 1-2 (e)(i).

SR 1-1 (b), SR 1-4 (a) and SR 2-2 (b)-(ix). The selection of comparable sales is one of the foremost duties of the appraiser, second only to the highest and best use of the subject property. Comparables from the incorporated Village of West Salem with municipal services are from a completely different market, as compared to the rural location of the subject on a significantly larger site. Additionally, the Cost Approach indicates a price per acre of \$13,333 for the subject land unimproved. An adjustment of \$3,000 is not supported for the comparables that are approximately 6-8% of the subject size. After selection of the comparable sales, making market adjustments for factors affecting value is critical in reaching a value estimate that is market supported.

## CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to section 458.26 (3) of the Wisconsin Statutes and is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.

2. Respondent Paul E. Haugh is subject to discipline for violating Standards Rules of the Uniform Standards of Professional Appraisal Practice (USPAP), and thereby violating section RL 86.01 (2) of the Wisconsin Administrative Code and section 458.26 (3) (b) of the Wisconsin Statutes.

## ORDER

NOW, THEREFORE, IT IS ORDERED that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED that the Respondent, Paul E. Haugh, be REPRIMANDED.

IT IS FURTHER ORDERED that within 9 months of the date of this Order, Mr. Haugh must successfully complete and pass the exams for the following educational courses:

(1) Residential Market Analysis and Highest & Best Use (15 hours including 1-hour exam)

(2) Residential Sales Comparison and Income Approaches (30 hours including 2-hour exam)

and submit proof of successful completion in the form of verification from the institution providing the education to the following address:

Department Monitor  
Department of Regulation and Licensing,  
PO Box 8935, Madison, WI 53708-8935.  
Fax (608) 266-2264  
Tel. (608) 261-7904

The courses may be taken from the Appraisal Institute or from another educational institution approved in advance by the Department of Regulation and Licensing. None of the education completed pursuant to this order may be used to satisfy any continuing education requirements in any state where he holds a license or certification. In the event Mr. Haugh fails to successfully complete the educational requirements in the manner set forth, his Certified Residential Appraisers license and Appraisers license shall be suspended without further hearing and without further Order of the Board, and said suspension shall continue until further Order of the Board or until he provides to the Department proof of completion of all said educational requirements.

IT IS FURTHER ORDERED that starting on the 10<sup>th</sup> business day after the date of this Order, and for a minimum of 1 year following the issuance of this order, Mr. Haugh's Certified Residential Appraisers license is hereby **LIMITED** as follows:

- Mr. Haugh may complete no more than 5 appraisals per week.

Mr. Haugh may petition the Board for the removal or modification of this limitation after 12 months, and he may file the petition before the time period is complete. With such petition, Mr. Haugh shall submit a log of appraisals completed during the period of limitation, and he shall submit appraisal reports as requested by the Department for review to confirm compliance with appraisal methodology and USPAP.

IT IS FURTHER ORDERED that Mr. Haugh pay the Department's costs of this matter in the amount of **\$333.34** within 60 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor. In the event Mr. Haugh fails to pay the costs within the time and in the manner as set forth above, his Certified Residential Appraisers license shall be suspended without further notice, without further hearing, and without further Order of the Board, and said suspension shall continue until the full amount of said costs have been paid to the Department of Regulation and Licensing.

IT IS FURTHER ORDERED that the violation of any of the terms of this Order shall 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 discipline.

IT IS FURTHER ORDERED that file 07 APP 050 be closed.

Dated this 27<sup>th</sup> day of February, 2008.

**WISCONSIN REAL ESTATE APPRAISERS BOARD**

By: Marla Britton  
A member of the Board