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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY	:	
PROCEEDINGS AGAINST	:	FINAL DECISION AND ORDER
ANDRAYA L. ALBRECHT,	:	LS-0806131-APP
RESPONDENT.	:	

Division of Enforcement case files
06 APP 129, 07 APP 060, 07 APP 073, 07 APP 076, 07 APP 146, 08 APP 027

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

Andraya L. Albrecht
3612 Country Club Lane
Altoona, WI 54720

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

A disciplinary proceeding was commenced in this matter by the filing of a Notice of Hearing and Complaint with the Real Estate Appraisers Board on June 13, 2008. Prior to the hearing on the Complaint, the parties in this matter agreed to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the 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. Andraya L. Albrecht is licensed in the State of Wisconsin as a Real Estate Appraiser having license #4-1339, first granted on December 14, 2000.
2. Ms. Albrecht's most recent address on file with the Department of Regulation and Licensing ("Department") is 3612 Country Club Lane, Altoona, WI 54720.

With regard to case 06 APP 129

3. On August 15, 2005, Chad McVey prepared an appraisal report for property at 253 Broadway St. E in Amery, Wisconsin as of August 10, 2005. His estimate of value was \$232,000.
4. Andraya Albrecht signed the report as supervisor, and under the Comment to USPAP Standards Rule (SR) 2-3, "any appraiser who signs a certification accepts full responsibility for all elements of the certification."
5. Mr. McVey described the property as "waterfront" and selected comparable sales that were waterfront property. Factors considered by Mr. McVey were:
 - An MLS listing sheet referred to the property as "waterfront".

- The property owner said the property was waterfront.
- Water frontage was visible and photographed from the property.

Factors that Mr. McVey overlooked were

- The assessment property description indicates a metes and bounds description that does not indicate water frontage.
- There is no legal description in the work file to indicate that the subject is water front.
- An earlier appraisal for the same property which was available to Mr. McVey and in his work file referred to the property as having a "river view".
- GIS information obtained from Polk County's website shows a strip of land separating the parcel on which the subject property is located from the Apple River. The parcel number for the subject of the appraisal is 201-00976-0000. The parcel number for the strip between the subject and the river is 201-01349-0100 and the owner is a different person, per property tax records.

6. By failing to ascertain the true nature of the property as having a view of water rather than being waterfront, when such information was readily available, Mr. McVey and Ms. Albrecht were negligent. This is a violation of USPAP SR 1-1 (b) SR 1-1 (c), and SR 1-4 (a). The consequence of this negligence was that the value of the property was inflated, creating a misleading report. This is a violation of USPAP Standards Rule 2-2 (b) (iii).

7. The appraisal report did not

- identify the client and intended user(s) as required by SR 2-2 (b)-(i);
- provide the type and definition of value and the value source as required by SR 2-2 (b)-(v);
- did not provide a Scope of Work sufficient to summarize the level of work used to develop the appraisal as required by SR 2-2 (b)-(vii);
- provide how the site value is derived in the Cost Approach as required by SR 1-4 (b)-(i) and SR 2-2 (b)-(ix); or
- provide adequate reasoning for adjustments, analysis, opinions and conclusions as required by SR 1-1 (a,b,c), SR 1-4 (a), and SR 2-2 (b)-(ix).

8. Violations of USPAP standards constitute violations of section 458.26 (3) (b) of the Wisconsin Statutes and section RL 86.01 (2) of the Wisconsin Administrative Code.

With regard to case 07 APP 060

9. On April 20, 2006, Sara Johnson prepared an appraisal report for property at 5515 Cyndi Court in Eau Claire, Wisconsin as of April 20, 2006. Her estimate of value was \$180,000.

10. Andraya Albrecht signed the report as supervisor, and under the Comment to USPAP Standards Rule (SR) 2-3, "any appraiser who signs a certification accepts full responsibility for all elements of the certification."

11. The report states that the sale history of the subject was researched through MLS and that no prior sales for the past three years were found, but the appraisal was as of April 20, 2006, and it did not make reference to a sale of the subject property for \$120,000 on April 15, 2006 which was recorded by the Eau Claire Register of Deeds on April 15, 2006. This is

12. By failing to obtain readily available data regarding a prior sale of the subject property as of the date of the report, Ms. Johnson and Ms. Albrecht were negligent. This is a violation of USPAP SR 1-1 (b) SR 1-1 (c), and SR 1-4 (a).

13. The subject property was 28 years old, and Ms. Johnson chose two comparable sales that were only 4 years old without making appropriate, or any, adjustments for age.

14. The subject property is in urban Eau Claire, and Ms. Johnson chose two comparable sales that are in rural areas, 3.17 miles and 3.93 miles from the subject, when at least six additional comparable sales occurred within the city of Eau Claire from 5/25/2005 to 3/15/2006 with similar age and square footage.

15. By choosing two inappropriate comparable sales and by failing to make appropriate adjustments to two other comparable sales, Ms. Johnson and Ms. Albrecht violated USPAP SR 1-1 (b) and SR 1-4 (a).

16. On September 7, 2007, Ms. Johnson was asked to provide a legible copy of documents previously faxed, along with additional information. As of January 2, 2008, Ms. Johnson had not responded to this request for information. Such a failure to respond is a violation of section RL 86.01 (10) of the Wisconsin Administrative Code.

17. Violations of USPAP standards constitute violations of section 458.26 (3) (b) of the Wisconsin Statutes and section RL 86.01 (2) of the Wisconsin Administrative Code.

With regard to case 07 APP 073

18. On January 24, 2007 (though the date on the report is January 24, 2005), Kimberly Christopher prepared an appraisal report for property at 779 County Road U in Edgar, Wisconsin as of January 18, 2007. Her estimate of value was \$132,000.

19. Andraya Albrecht signed the report as supervisor, and under the Comment to USPAP Standards Rule (SR) 2-3, "any appraiser who signs a certification accepts full responsibility for all elements of the certification."

20. Ms. Christopher chose comparable sales from the Village of Edgar, a rural community with limited sales, and in her response to the Department stated
"The Village of Edgar is rural community with limited sales. The appraiser used only sales within the Village of Edgar to establish the market value. The appraiser did consider sales from surrounding similar communities as well as listed homes on the market in the valuation process, however few were available at the time of inspection. In the appraiser's opinion staying within the Edgar area was appropriate given the ruralness of the community to establish a market value for that area. The sales used are superior in the GLA category but were adjusted accordingly and were the only sales available within reasonable distance."

Although the property has a U.S. Postal Service zip code for Edgar, the property is in a rural area in the Township of Rib Falls, which is equidistant (5 miles) from two equivalent-sized villages, Edgar and Marathon City. It is also only 12 miles from Wausau, which would be the strongest employment base for the area. Rather than using only superior sales in Edgar, Ms. Christopher should have considered sales in Rib Falls, Marathon City and other nearby rural areas equally distant from Wausau.

21. All comparable sales had significantly larger gross living areas (GLA) than the subject property. Ms. Christopher made adjustments for GLA at a relatively low \$10 per square foot (ft²). All comparable sales are newer than the subject property. Ms. Christopher made no adjustments for age. Ms. Christopher should have chosen more appropriate sales and/or should have adjusted the chosen sales more realistically.

22. Ms. Christopher appraised the property "as is", yet she made no adjustment to the sales for the unfinished areas of the home which she estimated at a cost to complete of \$8,000. Additionally, the Cost Approach to value did not reflect this functional obsolescence in its adjustments. The Cost Approach also referenced the value of the site as \$25,000 "based ... on the assessed lot value", yet the assessment for the land is only \$4,600.

23. By the choice of comparable sales and the adjustments (or lack of adjustments) to those sales, Ms. Christopher and Ms. Albrecht created an appraisal that overvalued the property, in violation of SR 1-1 (b) and SR 1-4 (a & b).

24. Violations of USPAP standards constitute violations of section 458.26 (3) (b) of the Wisconsin Statutes and section RL 86.01 (2) of the Wisconsin Administrative Code.

With regard to case 07 APP 076

25. On August 30, 2006, Chad McVey prepared an appraisal report for property at 230 Arlington Road in Amery, Wisconsin as of August 25, 2006. His estimate of value was \$128,000.

26. On September 20, 2006, Chad McVey prepared an appraisal report for property at 601 South Buena Vista Road in Elk Mound, Wisconsin as of September 14, 2006. His estimate of value was \$144,000.

27. On October 20, 2006, Chad McVey prepared an appraisal report for property at E4095 County Road P in Menomonie, Wisconsin as of October 18, 2006. His estimate of value was \$240,000.

28. Andraya Albrecht signed all three of the reports listed above as supervisor, and under the Comment to USPAP Standards Rule (SR) 2-3, "any appraiser who signs a certification accepts full responsibility for all elements of the certification."

29. Applicant Chad McVey sent the three appraisal reports listed above in support of his application for licensure.

230 Arlington Road, Amery

30. Mr. McVey incorrectly identified the report as a summary report of a limited appraisal. He made a statement that this is a "limited" appraisal analysis, but he did not indicate the standards rules from which departure is made nor the

reasoning for departing.

31. Mr. McVey stated that the cost approach provides confirmation of value yet the cost is \$11,034 lower than the appraised value, with no explanation. It seems unlikely that the replacement cost new for a home can be as low as \$65.19 a square foot and more unlikely that the square foot cost is derived from Marshall and Swift.

601 South Buena Vista Road, Elk Mound

32. Mr. McVey incorrectly identified the report as a summary report of a limited appraisal. He made a statement that this is a “limited” appraisal analysis, but he did not indicate the standards rules from which departure is made nor the reasoning for departing.

33. Mr. McVey stated that the cost approach provides confirmation of value yet the cost is \$15,294 lower than the appraised value, with no explanation.

E4095 County Road P, Menomonie

34. Mr. McVey incorrectly identified the report as a summary report of a limited appraisal. He made a statement that this is a “limited” appraisal analysis, but he did not indicate the standards rules from which departure is made nor the reasoning for departing.

35. Mr. McVey stated that the cost approach provides confirmation of value yet the cost is \$60,000 more than the sale price, and \$50,000 more than the appraised value, with no explanation.

36. Mr. McVey referenced 14 vacant lot sales from \$19,759 to \$49,900 yet valued the subject land at \$50,000.

37. Mr. McVey checked the “no” box, stating that the property has not been offered for sale in the prior 12 months, yet he followed this with a statement that the subject is currently listed. He did not provide the list price, he did not analyze the list price, he did not analyze the listing information, and he did not provide and information or explanation for the reader of the report.

38. Mr. McVey did not explain why the property is worth more than the list price and the offer price. The appraiser should provide the list price and length of time on the market along with some reasoning for why the value is placed below, at, or over the list price and/or sales price. The Standards Rule requires the appraiser to analyze the listing and agreement of sale. If a property is worth more than its list price and more than the offer to purchase, there should be a valid reason (e.g., list price too low, distress situation, immediate sale with competing offers, etc.). The subject was on the market for 691 days with a list price \$259,800, and it was reduced to \$234,800 on 1/31/2006. The property at the time of inspection had been on the market for 260 days at \$234,800. The subject property was listed for sale at \$234,800 with an accepted offer to purchase at \$230,000. This is pertinent to the appraisal, and the appraised value of \$240,000 is not supported.

39. Mr. McVey improperly adjusted all three comparables for seller paid loan costs on the subject.

40. By rendering appraisal services in a careless or negligent manner, Mr. McVey and Ms. Albrecht violated SR 1-1 (c).

41. Violations of USPAP standards constitute violations of section 458.26 (3) (b) of the Wisconsin Statutes and section RL 86.01 (2) of the Wisconsin Administrative Code.

With regard to case 07 APP 146

42. On February 23, 2005, Andraya Albrecht prepared an appraisal report for property at 625 (Lot 11) 8th Avenue in Bloomer, Wisconsin as of February 20, 2005. Her estimate of value was \$265,000.

43. Ms. Albrecht chose four comparable sales, all in the narrow price range of \$263,500 to \$265,000. Three of the comparable sales were in Chippewa Falls at distances of 7.84 miles, 10.86 miles and 17.67 miles, even though at least four comparable sales were available in Bloomer. The fourth comparable sale was in the U.S. Postal Service zip code for Bloomer but the property was in a rural area with 15 acres, 45 times the acreage of the subject property, for which Ms.

Albrecht made an adjustment for size of only \$7,000.

44. By her choice of comparable sales and her adjustments (or lack of adjustments) to those sales, Ms. Albrecht created an appraisal that overvalued the property, in violation of SR 1-1 (b) and SR 1-4 (a & b).

With regard to case 08 APP 027

45. On August 31, 2007, Sara Johnson prepared an appraisal report for property at 1307 South Cherry Lane in Holmen, Wisconsin as of 8-31-07. Her estimate of value was \$187,000.

47. On September 28, 2007, Sara Johnson prepared an appraisal report for property at 2263 160th Street in Chippewa Falls, Wisconsin as of 9-28-07. Her estimate of value was \$307,000.

48. Andraya Albrecht signed both reports listed above as supervisor, and under the Comment to USPAP Standards Rule (SR) 2-3, “any appraiser who signs a certification accepts full responsibility for all elements of the certification.”

49. Applicant Sara Johnson sent the appraisal reports listed above in support of her application for licensure.

1307 S. Cherry Ln.

50. In the Cost Approach to value in the appraisal report for 1307 South Cherry Lane, Ms. Johnson stated that she researched and found 9 land sales between \$36,900 and \$49,900 on the MLS and that she based the site value on analysis of these sales, yet through some error she gave the subject a land value of only \$25,000.

2263 160th St.

51. In the appraisal report for 2263 160th Street, Ms. Johnson stated without further explanation that the cost approach provided a confirmation of value, yet the value calculated by the cost approach was \$125,000 higher than the value calculated by the sales comparison approach.

52. By rendering appraisal services in a careless or negligent manner, Ms. Johnson and Ms. Albrecht violated SR 1-1 (c).

53. Violations of USPAP standards constitute violations of section 458.26 (3) (b) of the Wisconsin Statutes and section RL 86.01 (2) of the Wisconsin Administrative Code.

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 Andraya L. Albrecht is subject to discipline under section 458.26 of the Wisconsin Statutes for the violations listed in the Findings of Fact above.

ORDER

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

IT IS FURTHER ORDERED that the Real Estate Appraisers license issued to Andraya L. Albrecht shall be suspended for a period of one year commencing on the 10th business day following the date of this Final Decision and Order.

IT IS FURTHER ORDERED that prior to reinstatement of her Real Estate Appraisers license Ms. Albrecht must successfully complete

- (1) Basic Appraisal Principles (30 hours)
- (2) Basic Appraisal Procedures (30 hours)
- (3) USPAP Update

- (4) Residential Market Analysis and Highest and Best Use (15 hours)
- (5) Residential Site Valuation and Cost Approach (15 hours)
- (6) Residential Sales Comparison and Income Approaches (30 hours)
- (7) Residential Report Writing and Case Studies (15 hours)

at an educational institution approved by the Department of Regulation and Licensing. Ms. Albrecht must successfully complete any examinations for the above courses, and shall 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

Ms. Albrecht may receive credit for courses taken after she was provided with the above list of courses as part of the negotiations to settle these cases. If Ms. Albrecht completes the education required by this paragraph, and makes payment for costs as set forth below, her Real Estate Appraisers license shall be reinstated automatically at the end of the one-year period of suspension without further order of the Board. In the event Ms. Albrecht fails to successfully complete the educational requirements in the manner set forth, her Real Estate Appraisers license shall remain suspended until she provides to the Department proof of completion of all educational requirements, at which time her Real Estate Appraisers license shall be reinstated automatically without further order of the Board if she has made payment of costs as set forth below.

IT IS FURTHER ORDERED that following reinstatement, Ms. Albrecht's Real Estate Appraisers license shall be **LIMITED** for a period of not less than two years as follows:

- Ms. Albrecht shall limit her appraisal practice to no more than 5 appraisals per week;
- Ms. Albrecht shall limit her appraisal practice to properties in the Counties of Eau Claire, Pepin, Trempeleau and Buffalo;
- Ms. Albrecht shall not supervise the appraisal work of any other licensed or unlicensed individual; and
- all of Ms. Albrecht's appraisal work and appraisal reports shall be reviewed and signed by a supervisor who has not had disciplinary action against his/her license in the previous 5 years.

These limitations shall continue for a minimum of two years following the date on which her Real Estate Appraisers license is reinstated, at which time Ms. Albrecht may petition the Board for their modification or removal. With her petition, Ms. Albrecht must submit a log of all appraisals performed following reinstatement, and she must then supply copies of any appraisal reports requested by the Board or Department to use in evaluating her request. Ms. Albrecht may submit such a petition for reinstatement up to 90 days prior to the expiration of the two-year time period.

IT IS FURTHER ORDERED that Andraya L. Albrecht pay the Department's costs of this matter in the amount of **\$1,563.65** within 90 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 Ms. Albrecht fails to pay the costs within the time and in the manner as set forth above, she shall be ineligible to reinstate her license.

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 files 06 APP 129, 07 APP 060, 07 APP 073, 07 APP 076, 07 APP 146 and 08 APP 027 be closed.

Dated this 19th day of November, 2008.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Marla Britton
A member of the Board