

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY :
PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**
JERRY A. CURRIE, : LS0902254APP
RESPONDENT. :

Division of Enforcement case file 08 APP 023

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

Jerry A. Currie
510 Hanson Road
Stoughton, WI 53589

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. Jerry A. Currie is licensed in the State of Wisconsin as a Real Estate Appraiser having license number 4-1938, first issued on December 6, 2005.
2. Mr. Currie’s most recent address on file with the Department of Regulation and Licensing (“Department”) is 510 Hanson Road, Stoughton, WI 53589.
3. On February 19, 2008, Mr. Currie performed an appraisal and prepared an appraisal report for property at 627 9th Street in Baraboo, Wisconsin. Mr. Currie’s estimate of value as of that date was \$194,700.
4. The Selling Price/Estimated Value given to Mr. Currie by the client in the Request for Appraisal was \$195,000.
5. In his appraisal and appraisal report, Mr. Currie failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) in the following ways:
 - a. The report does not provide an opinion of reasonable exposure time linked to the value opinion (see the comment below S. R. 1-2(c)(iv)). This concern by itself would not be a cause for discipline
 - b. The report does not contain an explanation for why the appraiser considers the subject’s age to be “not applicable” since determining the effective age of the property being appraised is normally an important part of the appraisal

process.

- c. The report contains an inconsistency between the statements on page 1 that property values are increasing by 3 to 5% per year with marketing times under 3 months, and the lack of positive time adjustments to all three of the closed sales.
- d. The report contains no Highest and Best Use analysis. Simply checking a box on a form does not constitute analysis, even though this is generally accepted practice when using the FNMA/FHLMC forms. This concern by itself would not be a cause for discipline.
- e. The report contains an inconsistency in the adjustments for gross living area (GLA), in that comparable sales (comps) 1 through 3 are adjusted at \$20/sq. ft. while comp 4 is adjusted at \$11/sq. ft.
- f. The report contains no explanation for the lack of site size adjustments for comps 1 through 3, especially comp 1, which is 50% larger than the subject, while a \$3,000 adjustment is made to comp 4.
- g. The report contains no explanation for the failure to adjust for the subject's wood stove as a value-adding feature.
- h. The report contains no explanation for the failure to make a quality adjustment to comp 2, which has substantially better curb appeal and much higher cost of construction based on its stucco and brick exterior.
- i. The report contains no explanation for the upward room count adjustment for comps 2 and 4, which may be for baths or bedrooms, but given that no adjustments are made to the other sales, the reader cannot tell what the adjustment is for. A bath adjustment would be expected for comp 3, but none is made, which appears to be inconsistent with those made for comps 2 and 4.
- j. The report makes an upward adjustment to comp 1 for having no fence while MLS shows that it has a fenced yard.
- k. The report omits the value-adding feature of a fireplace which appears on the MLS listings for comps 2 and 3.
- l. The report's explanation for the lack of using the Income Approach is that "investors do not purchase single family homes to rent them for investment purposes", which is not true. Several single family detached homes are rented within a few blocks of the subject.
- m. The estimate of value is not bracketed by the comps chosen, without explanation. The comps sold for \$168,000 to \$178,000, yet the estimate of value is 9.3 to 15.8% higher than any of the comps. This, combined with the omission of value adding features, the lack of expected adjustments, the unexplained upward adjustments, and the fact that Mr. Currie came within \$300 of providing the estimate of value requested by the client raises a question of objectivity.

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. By failing to comply with USPAP in his appraisal and appraisal report, Respondent Jerry A. Currie violated sections RL 86.01 (1) and (2) of the Wisconsin Administrative Code, and is subject to discipline under section 458.26 (3), Wis. Stats.

ORDER

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

IT IS FURTHER ORDERED that the Respondent Jerry A Currie is hereby REPRIMANDED.

IT IS FURTHER ORDERED that within six months of the date of this Order, Mr. Currie must successfully complete at least 30 hours of education from among the following courses, either through the Appraisal Institute or through another educational institution approved in advance by the Department of Regulation and Licensing:

- Residential Sales Comparison and Income Approaches (30 hrs., including 2 hr. exam)
- Liability Management for Residential Appraisers (7 hrs.)
- Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans (7 hrs.)
- Advanced Residential Applications and Case Studies/Part 1 (15 hrs., including 1 hr. exam)
- Convincing Residential Appraisals (4 hrs.)

- Effective Appraisal Writing (7 hrs.)

Mr. Currie 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) 267-3817

None of the education completed pursuant to this order 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.

In the event Mr. Currie fails to successfully complete the educational requirements in the manner set forth, or to obtain an extension of time for good cause, his Real Estate 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 Jerry A. Currie pay the Department's costs of this matter in the amount of **\$336.60*** 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. Currie fails to pay the costs within the time and in the manner as set forth above, his Real Estate Appraiser's 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 file 08 APP 023 be closed.

Dated this 25th day of February, 2009

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Sharon Fiedler