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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY :
PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**
CARIE A. NACHREINER, : **LS0902259APP**
RESPONDENT. :

Division of Enforcement case files 07 APP 140 and 08 APP 016

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

Carie Nachreiner
S95 W23830 Kunzendorf Court
Big Bend, WI 53103

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. Carie A. Nachreiner is licensed in the State of Wisconsin as a Real Estate Appraiser having license number 4-1622, first issued on September 9, 2003.
2. Ms. Nachreiner’s most recent address on file with the Department of Regulation and Licensing (“Department”) is S95 W23830 Kunzendorf Court, Big Bend, WI 53103.
3. On September 20, 2007, Ms. Nachreiner applied for certification as a Certified Residential Appraiser. As evidence of appraisal experience, Ms. Nachreiner submitted copies of appraisal reports she prepared for the following three properties:
 - 3532 West Linden Place in Milwaukee
 - 6015 North 98th Court in Milwaukee
 - 613 Brindlewood Lane in Watertown.Her application materials were reviewed by the Department’s Real Estate Appraiser Application Review Committee and on December 7, 2007, her application was denied.
4. Ms. Nachreiner appraised the three flat property (“triplex”) at 3532 West Linden Place on April 16, 2007 for a pending sale. There is a copy of the offer showing an accepted price of \$260,000. Her estimate of value was \$230,000.

5. In the appraisal and appraisal report for the West Linden Place property, Ms. Nachreiner failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) 1 and 2 in the following ways:

- a. The report contained multiple typographical and grammatical errors.
- b. The report contained missing and conflicting data.
- c. The report contained gaps in the analysis and almost all of the analysis and reasoning was “boilerplate” language.
- d. Data in the report were unsubstantiated and statements were unsupported.
- e. The report omitted specific data sources.
- f. The sales grid adjustments contained mistakes and omissions.
- g. The report contained no analysis or logic that would lead the user to agree with the appraiser’s conclusions.
- h. The report did not contain a reconciliation of the different approaches to value.
- i. The subject has a larger gross living area (“GLA”) than any of the comparable sales (“comps”) used, and the subject has more rooms than the subject than all but one of the 5 comps.
- j. The report identifies comps 1 through 3 as duplexes though information in the work file identifies the properties as triplexes.
- k. The report states that comp 6 was added along with comps #4-5 at the lender’s request, but the report does not include a sixth comp.
- l. The report does not explain or analyze the difference between the accepted sale price of \$260,000 and the estimated value of \$230,000.

6. Ms. Nachreiner appraised the single-family residence at 6015 North 98th Court in Milwaukee on August 2, 2007 for a purchase. The report gives the list price for the subject as \$152,900 and the contract price as \$170,000. Her estimate of value was \$178,000.

7. In the appraisal and appraisal report for the North 98th Court property, Ms. Nachreiner failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) 1 and 2 in the following ways:

- a. The report contained multiple typographical and grammatical errors.
- b. The report contained missing and conflicting data.
- c. The report contained gaps in the analysis and almost all of the analysis and reasoning was “boilerplate” language.
- d. Data in the report were unsubstantiated and statements were unsupported.
- e. The report omitted specific data sources.
- f. The sales grid adjustments contained mistakes and omissions.
- g. The report contained no meaningful analysis, logic, rationale or persuasion that would enable the intended user to draw similar conclusions.
- h. The report did not contain a reconciliation of the different approaches to value.
- i. The entry for Market Conditions in the Neighborhood section is garbled and confusing: “The supply and demand are similar to regenerating existing structures and the new construction of homes, businesses and the local market with increasing demands of value.”
- j. In the Site Information section, “dimensions” is given as “.353 Acres” and “Area” is given as “15,377 Acres”.
- k. In the Improvements section, the report states “The unit has the best location for the community amenities like the pool and clubhouse”, but there is nothing in the work file to substantiate a pool or a clubhouse in the area.
- l. The report does not explain or analyze the difference between the list price of \$152,900 and the contract price of \$170,000, or between both of those and the estimated value of \$178,000.

8. Ms. Nachreiner appraised the single-family residence at 613 Brindlewood (or Bridlewood) Lane in Watertown on August 8, 2007 for a refinance. The report gives the list price for the subject as \$208,900. Her estimate of value was \$217,000. [The street name cannot be definitively determined here, though it is more likely “Bridlewood”: the order form that Ms. Nachreiner uses has ‘Brindlewood’ written on it, but the MLS sheets and other documents in the work file show the street name as ‘Bridlewood’ and so does a preprinted information form which appears to have been completed by Ms. Nachreiner. “Brindlewood” was placed on the locator map attached to the report, but the map itself gives the street name as ‘Bridlewood’.]

9. In the appraisal and appraisal report for the Brindlewood/Bridlewood Lane property, Ms. Nachreiner failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) 1 and 2 in the

following ways:

- a. The date on the cover page, the transmittal letter, and throughout the report is August 8, 2007. The "Date of Signature and Report" on page 6 of 6 is November 1, 2007.
- b. All analysis and reasoning is boilerplate text which could apply to any property in any location.
- c. Multiple typographical errors which reduce the overall credibility of the report.
- d. The lender address, property dimensions, and offer date are either missing or inconsistent.
- e. Reporting an effective age of 1 year for a 4-year-old house without explanation.
- f. The entry in the Neighborhood is nonsensical: "supply and demand are similar to regenerating existing structures and the new construction of homes, businesses and the local market with increasing demands of value."
- g. The report contains lack of substantiation, gaps in analysis, unsupported statements, text that does not meet the intent of the form, omission of specific data sources, mistakes and omissions in sales grid adjustments.
- h. The report contains no meaningful analysis, rationale, persuasion or logic which would lead the intended user to agree with the report's conclusions.
- i. The report contained no analysis of a previous sale within three years, and no explanation for an appraised value \$9,000 higher than the sales price after 9 months in a declining market.
- j. The report contained no reconciliation of approaches to value.
- k. The report states that there were no sales of the comps in the prior 12 months yet the MLS sheets show a sale of comp 1 on March 1, 2007, a sale of comp 2 on March 9, 2007, and a sale of comp 3 on November 15, 2006.

10. On September 21, 2006, Ms. Nachreiner performed an appraisal and prepared an appraisal report for property at 1516 Oakdale Drive in Waukesha. Her estimate of value was \$320,000.

11. In the appraisal and appraisal report for the Oakdale Drive property, Ms. Nachreiner failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) 1 and 2 in the following ways:

- a. The report states that the subject property was listed for sale but there is no description, explanation, or analysis of a lengthy listing history.
- b. The report states that there were no sales concessions even though there was a buyer credit of \$3,000. Ms. Nachreiner says that she asked for the entire OTP and didn't get it, but the report should not have said there were no concessions.
- c. The report shows a zoning classification of RD-2, which is correct, but the description of RD-2 is given as single family residential, which is incorrect.
- d. The report did not report or adjust for comps that had well and septic system rather than public utilities. Even though the form may not require such detail, USPAP does as a relevant factor to be considered.
- e. The report incorrectly reports the driveway as concrete when it is asphalt.
- f. The report contains checks the subject property for an attached garage as well as a detached garage, when it is detached.
- g. The report describes the subject as two stories, but she did not provide a sketch of the second story.
- h. The report's description of a 100-year-old home as "in over all good condition" is inadequate.
- i. The report lists Comp 1 as having FA (forced air heat) and CA (central air conditioning) when it is heated by oil with no central air.
- j. The report omits and does not adjust for comp 2's water frontage as a value-adding feature. Even if the frontage of Comp 2 is "a swamp" (when the MLS sheet says "beautiful frontage on Eagle Spring Lake"), it should not have been noted and explained.
- k. The report lists the actual age of Comp 2 as 111 years when it should be 41 years.
- l. The report lists Comp 2 as having a full basement when it has a crawl space only.
- m. The report lists Comp 2 as having central air when MLS reports none.
- n. The report did not include square footage in comp 2 that was added without permits; this should have been explained and not simply omitted.
- o. The age adjustment for Comp 3 should have been \$6,000 rather than \$7,000.
- p. The report adjusts Comp 3 for not having a finished basement while none of the other comps were so adjusted.
- q. The report does not include a deck for Comp 3 as listed in MLS.
- r. The report does not include a fireplace for Comp 3 as listed in MLS.
- s. The report adjusts Comp 1 \$1,500 for a half bath difference while it makes no adjustment to Comp 3 for a half bath difference.

- t. Ms. Nachreiner made numerous errors and omissions in her appraisal report that made the result unreliable.
- u. The appraisal request from the client suggested an estimate of value of \$320,000. The estimate of value returned by Ms. Nachreiner was exactly what was requested on the Request for Appraisal.

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 the appraisals and the appraisal reports for properties listed in the Findings of Fact, Respondent Carie A. Nachreiner violated sections RL 86.01 (1) and (2) of the Wisconsin Administrative Code, and is subject to discipline under section 458.26 (3) (b) and (c) of the Wisconsin Statutes.

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 Carie A. Nachreiner shall be SUSPENDED for a period of 60 days, commencing on the 10th business day following the date on which this order is signed.

IT IS FURTHER ORDERED that within six months of the date of this Order, Carie A. Nachreiner must successfully complete either a course in Basic Appraisal Principles or a course in Basic Appraisal Procedures through the Appraisal Institute or another educational institution approved by the Department of Regulation and Licensing. Ms. Nachreiner 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 Ms. Nachreiner fails to successfully complete the educational requirements in the manner set forth, or to obtain an extension of time for good cause, her 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 she provides to the Department proof of completion of all said educational requirements.

IT IS FURTHER ORDERED that Carie A. Nachreiner pay the Department's costs of this matter in the amount of **\$850.33** 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 Ms. Nachreiner fails to pay the costs within the time and in the manner as set forth above, her Real Estate 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 files 07 APP 140 and 08 APP 016 be closed.

Dated this 25th day of February, 2008.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By Sharon Fiedler