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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF :
DISCIPLINARY PROCEEDINGS AGAINST :
 : FINAL DECISION AND ORDER
MARY E. SCHAEFER, :
RESPONDENT. : *ORDER0000352*

Division of Enforcement Case File Number 08 APP 080

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

Mary E. Schaefer
17125 Bluemound Road, #C306
Brookfield, WI 53005

Wisconsin Real Estate Appraisers Board
P.O. Box 8935
Madison, WI 53708-8935

Wisconsin 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. Mary E. Schaefer is licensed in the State of Wisconsin as a Real Estate Appraiser and certified as a Certified Residential Appraiser and Licensed Appraiser license number 9-724. This license was first granted to her on August 23, 1993 and is current through December 14, 2011.

2. Ms. Schaefer's most recent address on file with the Wisconsin Department of Regulation and Licensing (Department) is 17125 Bluemound Road, #C306, Brookfield, WI 53005.

3. Ms. Schaefer performed or supervised an appraisal for property at 2404 West McKinley Avenue, Milwaukee, Wisconsin as of May 21, 2007. Her estimate of value was \$115,000.

4. In her appraisal and appraisal report for property at 2404 West McKinley Avenue, Milwaukee Wisconsin, Ms. Schaefer failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) in the following ways:

SR 1-1(a) — Although not likely necessary to produce credible results, the cost approach was nonetheless applied. Given its application, it is unlikely that a user could reproduce the reported results without additional, and more detailed information. The approach was improperly employed.

SR 1-1(b) — The appraiser omitted detail throughout the report which was necessary to substantiate the conclusions.

SR 1-1 (c) — The property owner was not correctly identified. There is a discrepancy in room counts between the form and the sketch. The cost approach, including the site valuation was incorrectly employed. This is careless and creates a potentially misleading report.

SR 1-2 (e)(i) and SR 1-3(a) — There is only the most basic identification of location, physical, legal and economic characteristics. Important attributes include variation in the condition of local properties, the prevalence of updating and remodeling, and a supportable market conditions discussion. The appraiser appears to utilize "stock" and "canned" phrases which results in the most generic of descriptions, providing little pertinent information regarding the particular property and its neighborhood.

SR 1-3 (b) and SR 2-2 (a,b,c)(ix) — The highest and best use is indicated by a check-box, which is a commonly accepted practice but it does not satisfy the USPAP requirement for analysis. The subject was an existing single-family residence, and a single family use meets the criteria of highest and best use. The appraiser should be aware of this requirement.

SR 1-4 (a) — Data in the work-file suggests that the appraiser considered the sales utilized by the reviewer. The sales were both above and below the final value opinion. However, there is no discussion in the report as to why certain data was excluded from the analysis. Such analysis would clarify the comparable selection to a user.

The work-files provided for review indicate various market segments. There is an apparent "rehab" segment, a "renovated/remodeled" segment, and a chasm in between. In this situation, in the absence of detailed discussion regarding the condition of its various

elements, and the overall property, it is not possible to determine in which segment the subject fits, and is therefore misleading to the user.

SR 1-4 (b)(i)(ii)(iii) The cost approach is not considered necessary for credible results. It was however applied.

The site value was not appropriately developed, and the work-file contained no land sale data. Proper application of the cost approach involves the user being able to reproduce the results, this is not the case. The type of cost is not reported. The source of the cost data is not reported.

The estimate of accrued depreciation appears to be based on the age life method. The subject was built in 1888. In the absence of the reporting of any significant remodeling, outside of regular repair and maintenance items, the effective age is likely closer to actual age. Understating depreciation would overstate the conclusions in the cost approach.

Additional cost approach education should be recommended. This information, and its presentation is careless, and suggests incompetence in the approach.

SR 1-6 (a)(b) — There is no discussion of the quality and quantity of the data in the reconciliation, or within the individual approaches. The sales comparison appears to contain only stock and “canned” phrases with no analysis. Additional data could have been included, or an explanation should be made as to why the data was excluded. There is no discussion as to the level of individual adjustments. There is no reconciliation of quality or quantity of data among the approaches other than what appear to be stock comments.

SR 2-1 (a)(b) and SR 2-2 (a,b,c)(viii) — The use of stock commentary, a lack of analysis, descriptive elements, and the exclusion and lack of discussion of additional data contained in the work-file, result in a report which cannot be fully understood, and is therefore potentially misleading. The information is insufficient to enable the intended users to understand the neighborhood, property, or value opinion.

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 appraisal and the appraisal report for property at 2404 West McKinley Avenue in Milwaukee, Wisconsin, Respondent Mary E. Schaefer 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 within twelve months of the date of this Order, the respondent, Mary E. Schaefer, must successfully complete one class in the Cost Approach and one class in Case Studies. The classes may be the following from the Appraisal Institute:

- Residential Site Valuation and Cost Approach (15 hours)
- Residential Report Writing and Case Studies (15 hours)

or they may be equivalent coursework taken from any educational institution approved by the Department of Regulation and Licensing and approved in advance through the Department Monitor:

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. Ms. Schaefer shall submit proof of successful completion in the form of verification from the institution providing the education to the Department Monitor.


Respondent Mary Schaefer shall pay costs in the amount of ONE THOUSAND TWO HUNDRED DOLLARS (\$1,200.00) within ninety (90) days of the date of this Order. Payment of the costs shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor.

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 payment of the costs as ordered or fails to comply with the ordered continuing education as set forth above, the Respondent's license (# 9-724) may, in the discretion of the board or its designee, be SUSPENDED, without further notice or hearing, until Respondent has complied with payment of the costs and completion of the continuing education.

IT IS FURTHER ORDERED that file 08 APP 080 be closed.

Dated this 25 day of AUGUST, 2010.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: 
Board Chair or Designee