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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST
WILLARD C. PARR,
RESPONDENT.

:
: **FINAL DECISION AND ORDER**
: ORDER 0000357
:

Division of Enforcement case files 08 APP 056 and 08 APP 101

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

Willard C. Parr
1814 West 13th Avenue
Friendship, WI 53934

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. Willard C. Parr is licensed in the State of Wisconsin as a Real Estate Appraiser and certified as a Certified Residential Appraiser. License number 9-371 was first issued on January 29, 1992.
2. Mr. Parr's most recent address on file with the Department of Regulation and Licensing ("Department") is 1814 West 13th Avenue, Friendship, WI 53934.

3. Keith Phillips performed an appraisal and prepared an appraisal report for property at 1518 North 18th Street in Milwaukee, Wisconsin as of December 13, 2007. His estimate of value was \$145,000. Mr. Parr signed the report as supervisor.

4. Under USPAP S.R. 2-3 an appraiser signing another's report as a supervisor accepts full responsibility for the work.

5. The appraisal and appraisal report for property at 1518 North 18th Street in Milwaukee failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) in the following ways:

S.R. 1-5 and S.R. 2-2 Subject - Sales & Listing History The appraiser failed to comply with SR 1-5 by analyzing prior sales and/or other market activity of the subject property. The explanation that was provided to the DOE in his response to the investigator should have been included in the appraisal report to comply with S R 1-5. Conflicting data is presented throughout the report — on page 2 of 6 two prior sales of the subject are noted but no analysis is provided, and a FIRREA addendum indicates no prior sale within 3 years. In a multi-purpose addendum two prior sales of the subject are again noted but not explained or analyzed.

S.R. 1-1 (a,b,c), S.R. 1-2 (e), S.R. 1-3 (a), S.R. 1-4(g), S.R. 2-1(b), and S.R. 2-2(a,b,c)(iii) Neighborhood Overview The appraiser did not attempt to describe the subject neighborhood. Text in this section does not meet the intent of the form but belongs in the "market conditions" section. What is the subject's proximity to schools, employment, shopping or transportation? How does the subject conform or not conform to other homes in the neighborhood? This is information that is normally included in appraisals completed by the appraiser's peers and would help an intended user, better interpret the market data presented as support for the appraiser's value conclusion in the report under review.

S.R. 1-1 (a,b,c) and S.R. 1-2 (e)(i) Trends of Property Values, Supply/Demand & Marketing Time The appraiser's discussion of neighborhood trends and factors that affect marketability does not provide support for a conclusion of increasing property values and 3-6 month marketing time. Zillow and other market data for the period prior to December 2007 do not support the appraisers conclusion of increasing property values.

S.R. 1-2(e) and SR. 2-2 (a,b,c)(iii) Site Description No site dimensions are provided. Dimensions are indicated as "normal for the area." How does the appraiser know the dimensions are "normal" or that the shape is rectangular if he does not know the site dimensions? Viewing the site through internet services such as Google maps & MLS indicates an irregularly shaped site. It is significantly larger than other sites in the neighborhood, but seems to have similar functional utility due to its "corner" location. Dimensions are relevant to site valuation. A properly valued site is crucial to accurately

making site adjustments in the sales comparison grid, where the appraiser applies positive site adjustments to all sales.

S.R. 1-2(e)(i) Analysis of Current Zoning The zoning designation is indicated as “R-1 single family residential.” The City of Milwaukee assessor website indicates the zoning classification as RS-5 which is also a single family classification. It appears that the appraiser did not actually investigate the legal zoning as he claims. Nothing is found in the work file showing that the appraiser investigated the subject’s zoning.

S.R. 1-4 (b)(i) and SR. 2-2(b)(ix) Site Valuation in Cost Approach The appraiser failed to support the estimated site value by using a market oriented valuation method. His leap of faith statement about the site value is unsupported by comparable land sales or market extraction and produces a higher than typical land to value ratio of 31%. This is also a violation of USPAP S.R. 1-1(a) and the Competency Rule.

S.R. 1-1(a,b,c) and SR. 2-2(b)-(ix) Reproduction/Replacement Cost Estimates The appraiser omitted the “as-is” value of site improvements resulting in an incorrect calculation by the cost approach.

Case 08 APP 101

6. Robert L. Call, Jr. performed an appraisal and prepared an appraisal report for property at 730 W. Doyan Street in Endeavor, Wisconsin as of October 9, 2008. His estimate of value was \$130,000. Mr. Parr signed the report as supervisor.

7. Under USPAP S.R. 2-3 an appraiser signing another’s report as a supervisor accepts full responsibility for the work.

8. The appraisal and appraisal report for property at 730 W. Doyan Street in Endeavor failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) in the following ways:

S.R. 1-1 (a,b,c) and S.R. 1-2 (e)(i) Trends of Property Values, Supply/Demand & Marketing Time Regional market data provided by Zillow indicates area value trends were stable to declining during the period preceding the effective date of the appraisal report. The appraiser did not provide a source or support for his conclusion that real estate prices were showing “steady price increases”.

S.R. 1-2 (e)(i) Location Description In the appraiser’s statement to the home owner, he identified a value conclusion for the subject’s outbuilding without following USPAP Standards Rule 1 (Appraisal Development). He failed to understand the uses allowed by the Village zoning ordinance as “conditional” and inaccurately advised the home owner. The Village of Endeavor zoning ordinance states that “home occupation” is a permitted conditional use in R-1 zoning.

S.R. 1-2 (e)(i) Analysis of Current Zoning The zoning designation is indicated as “R-1 single family residential.” The zoning ordinance description of the conditional uses acceptable in this classification include “home based businesses.” It appears that the appraiser did not actually investigate the legal zoning as he claims, supporting the misrepresentation claimed by the home owner. Nothing is found in the work file showing that the appraiser investigated the subject’s zoning.

S.R. 1-2 (b) and S.R. 2-2 (a,b,c)(x) Highest & Best Use Analysis Although it is a common practice, simply checking a box does not satisfy the USPAP requirement for a highest and best use analysis.

S.R. 1-4(b)(i), S. R. 2-2 (b)(ix), S.R. 1-1(a) and the Competency Rule Site Valuation The appraiser failed to support the estimated site value by including his data using a market-oriented valuation method. His “leap of faith” statement about the site value is unsupported by comparable land sales or market extraction calculations.

S.R. 1-1(a,b,c) and S.R. 2-2(b)(ix) Reproduction/Replacement Cost Estimates The appraiser omitted the “as-is” value of site improvements resulting in an incorrect calculation by the cost approach. There is no explanation why the estimated site value is 4 times the municipal land assessment, without support for the opinion of site value (misleading). No source of cost data is provided.

S.R. 1-1 (a,b,c) Cost Approach Conclusion The cost approach is not applicable to this property due to its age and significant depreciation. However, the appraiser elected to complete the cost approach. Simply because the cost approach is not required by Fannie Mae form 1004 it does not relieve the appraiser of the responsibility to correctly complete it. Errors and omissions in calculation resulted in an incorrect cost approach conclusion.

S.R. 1-1(a,b,c), S.R.1-4(a) and S.R. 2-2(a,b,c)(ix) Adjustments to Comparable Sales Appraiser failed to adjust for a significant difference in effective age of Sale #3. Overall, sales grid adjustments are very low and do not appear to reflect market value of the amenity (\$1,000 site adjustment for a site more than five times larger) thereby increasing the adjusted values of the comparable sales.

S.R. 2-2 (a,b,c) and Advisory Opinion 5 Certification Section Requirements Both appraisers who signed this report failed to disclose that trainee Keith Phillips provided significant assistance in the completion of the appraisal report. Mr. Phillips is not mentioned anywhere in the appraisal report, conflicting with the appraiser’s certification #22. This is a reporting violation which creates a misleading report in violation of Standards Rule 2-1(a).

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 1518 North 18th Street in Milwaukee, Wisconsin, Respondent Willard C. Parr 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.

3. By failing to comply with USPAP in the appraisal and the appraisal report for property at 730 W. Doyan Street in Endeavor, Wisconsin, Respondent Willard C. Parr 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 Willard C. Parr is hereby REPRIMANDED.

IT IS FURTHER ORDERED that within six months of the date of this Order, the respondent, Willard C. Parr, must successfully complete at least 45 hours of educational coursework dealing with Basic Appraisal Principles or Procedures. The courses may be taken from the Appraisal Institute or 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. Mr. Parr shall submit proof of successful completion in the form of verification from the institution providing the education to the Department Monitor. In the event Mr. Parr 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 Mr. Parr's Real Estate Appraisers license is hereby LIMITED in that Mr. Parr shall not supervise or train others in the real estate appraisal profession, and he shall not rely in his reports on another's work, until he has completed the education ordered above. The limitation shall automatically be removed upon receipt of the required verification of education.

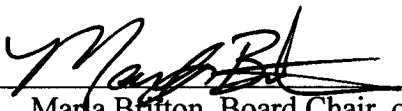
IT IS FURTHER ORDERED that Mr. Parr pay the Department's costs in case number 08 APP 056, in the amount of \$1,443.98, and one-half of the Department's costs in case number 08 APP 101, in the amount of \$757.95, a total of **\$2,201.93**, within 120 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor.

IT IS FURTHER ORDERED that 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 that Mr. Parr fails to timely submit payment of the costs or fails to comply with the ordered continuing education as set forth above, Mr. Parr's license 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 or completion of the continuing education.

IT IS FURTHER ORDERED that files 08 APP 056 and 08 APP 101 be closed with regard to Mr. Parr.

Dated this 25 day of AUGUST, 2010.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: 
Maria Britton, Board Chair, or another member of the Board