

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE DISCIPLINARY	:	
PROCEEDINGS AGAINST	:	
	:	FINAL DECISION AND ORDER
ROCHELLE M. GAMAUF,	:	
RESPONDENT.	:	ORDER 0000547

Division of Enforcement Case No. 09 APP 053

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

Rochelle M. Gamauf
S39 W27460 Brookhill Drive
Waukesha, WI 53189

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

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 Real Estate Appraisers Board (Board). The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following Findings of Fact, Conclusions of Law and Order:

FINDINGS OF FACT

1. Rochelle M. Gamauf is a duly licensed appraiser, and holds a certification as a certified residential appraiser in Wisconsin (#09-1640), which was first granted on 12/21/2007 and is current through 12/14/2011. Ms. Gamauf was previously a licensed appraiser (#04-1619), which was first granted on 8/26/2003 and expired on 12/15/2009. Ms. Gamauf's most recent address on file with the Wisconsin Department of Regulation and Licensing ("Department") is S39 W27460 Brookhill Drive, Waukesha, WI 53189.
2. On or about 7/20/2009, the Department received a complaint against Ms. Gamauf. The complaint alleged various issues that called into question an appraisal of property located at 997 Lakefield Road, Grafton, WI 53503 ("Subject Property").

3. Ms. Gamauf was hired by Ace Mortgage to perform an appraisal of the subject property. On or about 2/2/2007, Ms. Gamauf performed an appraisal, submitting a report valuing the Subject Property at \$875,000. Ace Mortgage then provided the report to Chase Home Lending, who independently reviewed it and subsequently submitted the complaint.
4. The appraisal was reviewed by the Department and it was determined that the appraisal (and the accompanying report) violated the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (SR) as follows:
 - a. Competency Rule – The cost approach was improperly applied. There is no support for the site value. Reproduction cost is used although it is highly unlikely that a property of this age could be reproduced given changes in construction materials. It is not possible for the user to replicate the cost figures and calculations.
 - b. SR 1-1(a) – The cost approach is not an appropriate technique for the appraisal of an 80+ year old residence.
 - c. SR 1-1(b) – The selection of comparables with significant acreage differences affects the appraisal. Market participants for a 35 acre parcel would not consider two-to-three acre parcels as alternatives. The search parameters improperly bracket the use of these sales, and the lack of land value support adversely affects the credibility of the results.
 - d. SR 1-1(c) – Ms. Gamauf has rendered appraisal services in a careless or negligent manner, through making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results.
 - e. SR 1-3(a)(b) – The highest and best use is indicated by a check-box, which does not constitute analysis. The subject is a 35 acre parcel zoned primarily agricultural, which was concluded to be the highest and best use. The report indicates it is a non-working farm, but does not comment if the land is or is not under till, use value assessed, or utilized by adjacent land-owners. Subsequent comments suggest development potential and a prior appraisal amount was viewed, though these were not analyzed.
 - f. SR 1-4(a) – Comparable sales one and three are not likely alternatives to the subject based on the acreage. Transactions for this property type are typically limited and widely scattered. Expanded search parameters are warranted. There is no discussion for selecting the comparables or for the level of adjustment. The appraiser failed to discuss or analyze the level of individual adjustments.
 - g. SR 1-4(b)(i)&(ii) – Common practice and local norms suggest the cost approach is not applicable. However, given its application in the report, the cost approach lacks a supported land site value and the costs and calculations cannot be replicated.

- h. SR 1-5(b) – There was a prior sale of the subject that was not reported. Although the prior sale was not an open market transaction, some discussion is necessary given the wide discrepancies between price, assessed value and appraised value.
- i. SR 1-6(a)&(b) and SR 2-2(a,b,c)(viii) – There is no discussion of the quality and quantity of the data in the reconciliation within the individual approaches other than “marketable differences,” nor is there any reconciliation of quality of data among the approaches.
- j. SR 2-1(a) and SR 2-1(b) – The report did not contain sufficient information to enable the intended users of the appraisal to understand the report properly. The limited descriptive elements pertaining to the site and improvements provide the user with insufficient information regarding updates, renovations, repairs or regular maintenance. Merely stating average is not an analysis. The appraiser did not describe the information analyzed, why the appraisal methods and techniques which were analyzed were even employed, and there is no reasoning or analysis in support of the opinions and conclusions.
- k. SR 2-2(a,b,c)(iii) and (ix) – Given the significant acreage, age of the improvements and market conditions beginning at the time of the appraisal, an accurate highest and best use analysis is critical to identify the economic characteristics affecting the property. There is no support or rationale for the highest and best use conclusion and its impact on value.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to Wis. Stat. § 458.26, and is authorized to enter in the attached Stipulation pursuant to Wis. Stat. § 227.44(5).
2. The conduct described above in paragraphs 3-4 of the Findings of Fact constitutes a violation of:
 - a. USPAP Competency Rule;
 - b. SR 1-1(a,b,c);
 - c. SR 1-3(a,b);
 - d. SR 1-4(a);
 - e. SR 1-4(b)(i,ii);
 - f. SR 1-5(b);
 - g. SR 1-6(a,b) and 2-2(a,b,c)(viii);
 - h. SR 2-1(a,b); and
 - i. SR 2-2(a,b,c)(iii,ix).
3. As a result of the above USPAP violations, Ms. Gamauf is deemed to have also violated Wis. Admin. Code § RL 86.01(1) and (2), thereby subjecting herself to discipline pursuant to Wis. Stat. § 458.26(3)(b) and (c).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The license and certification of Respondent **Rochelle M. Gamauf** (#09-1640) is hereby **REPRIMANDED**.

IT IS FURTHER ORDERED that:

2. The license and certification of Respondent **Rochelle M. Gamauf** (#09-1640) is hereby **LIMITED** as follows:
 - a. Rochelle M. Gamauf shall, within one year of the date of this Order, successfully complete the National USPAP Course (15 hours) and the General Appraiser Sales Comparison Approach (30 hours) course offered by the Appraisal Institute, or an equivalent course by a provider pre-approved by the Board's monitoring liaison, including taking and passing any exam offered for the courses.
 - b. Ms. Gamauf shall submit proof of completion in the form of verification from the institution providing the education to the address stated below. None of the education completed pursuant to this requirement 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.
3. **Rochelle M. Gamauf** shall, within 120 days of the date of this Order, pay **COSTS** of this matter in the amount of **NINE HUNDRED AND NINETY DOLLARS (\$990.00)**.
4. Proof of successful course completion, payment of costs (made payable to the Wisconsin Department of Regulation and Licensing), and any petition for removal or modification of the limitations, shall be mailed, faxed or delivered by the Respondent to the Department Monitor at this address:

Department Monitor
Division of Enforcement
Department of Regulation and Licensing
P.O. Box 8935, Madison, WI 53708-8935
Telephone (608) 267-3817, Fax (608) 266-2264

5. Violation of any of the terms of this Order may be construed as conduct imperiling public health, safety and welfare. The Board in its discretion may impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. Additionally, 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 (#09-1064) 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.
6. This Order is effective on the date of its signing.

7. Division of Enforcement case number 09 APP 053 is hereby closed.

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: 
A Member of the Board

11/10/2010
Date