

BEFORE THE STATE OF ALABAMA REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF: )  
)  
BONNIE LYNN BURGESS )  
)  
ALABAMA LICENSE NO. L00358 )

DISCIPLINARY ACTION NO.  
AB-18-03



**CONSENT SETTLEMENT ORDER**

The Licensee, Bonnie Lynn Burgess, Alabama License No. L00358, practicing as a Licensed Real Property Appraiser in the State of Alabama (hereinafter “Licensee”) and the Alabama Real Estate Appraisers Board (hereinafter “Board”) hereby settle and resolve the violations of §§34-27A-1, et seq., Code of Alabama, 1975 and the Uniform Standards of Professional Appraisal Practice (hereinafter “USPAP”), 2016 - 2017 Edition, in Licensee’s appraisal dated September 30, 2016, of the real property and improvements identified as 7090 County Road 83, LaFayette, Alabama 36862.

These violations are more specifically as follows:

**USPAP 2016 – 2017**

**Standards Rule 1-1(a):** In developing a real property appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

The comparable sales used by Licensee had large differences in sales prices that would indicate completely different sets of market participants and the economic principal of substitution is

overlooked in the sales analysis, a basic principle for the sales comparison approach to value.

Licensee failed to provide support for the adjustments made to the comparable sales in the sales comparison approach as required by Fannie Mae which states that “All adjustments must be extracted from and supported by the actions of the Market.”

**Standards Rule 1-3(b):** When necessary for credible assignment results in developing a market value opinion, an appraiser must develop an opinion of the highest and best use of the real estate.

Licensee checked a box stating the highest and best use was the current use of the property and did not provide an analysis of the highest and best use of the subject property.

**Standards Rule 1-4(b)(i):** In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results. When a cost approach is necessary for credible assignment results, an appraiser must develop an opinion of site value by an appropriate appraisal method or technique.

The licensee stated “Site value from Chambers County Tax Records and appraiser’s knowledge of land sales in the area.” There are methods to develop and site value and neither of the stated sources are appropriate.

**Standards Rule 1-4(b)(iii):** When a cost approach is necessary for credible assignment results, an appraiser must analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation).

Licensee reported 8% Physical Depreciation after having already reported an economic age for

the subject of 8 years with a remaining economic life of 45 years. The licensee could not explain how the 8% depreciation was developed.

**Standards Rule 2-1(a)**: Each written or oral real property appraisal report must clearly and accurately set forth the appraisal in a manner that will not be misleading.

Licensee's use of sales that would not be considered by the same market participants, making adjustments to the comparable sales that had no support from the market place, basing site value on tax values and not being able to explain where the estimate of physical depreciation came from make this appraisal report misleading.

**Standards Rule 2-1(b)**: Each written or oral real property appraisal report must contain sufficient information to enable the intended users of the appraisal to understand the report properly.

The report contained no support for adjustments made in the sales comparison approach to value and the report had no information or support for the estimate of physical depreciation used in the Cost Approach to value make users of the report unable to understand the report properly.

**Standards Rule 2-2 (a)(viii)**: The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained.

The report contained comparable sales that would not be considered by the same market

participants and the report contained a sales comparison approach that utilized adjustments to the comparable sales that had no support from the market place. By the licensee basing the site value on tax values and by the licensee not being able to explain where the estimate of physical depreciation came from do not summarize the information analyzed or methods and techniques employed that support the opinions and conclusions in the report.

**Standards Rule 2-2 (a)(x):** The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum summarize, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion.

The report had no summary of the support or rationale of the opinion of highest and best use, only a checked box that the current use was the highest and best use.

The above constitute violations of §34-27A-20(a)(6), Code of Alabama, 1975.

Pursuant to §34-27A-5; §34-27A-20; §34-27A-21, §34-27A-22, and §§41-22-1, et. seq. Code of Alabama, 1975 and §780-X-14-.02, Alabama Real Estate Appraisers Board Administrative Code, March 2009 Edition, Licensee and the Board agree to the following:

A. Licensee admits the factual allegations as set out above and further admits that said facts constitute violations of §34-27A-20(a), Code of Alabama, 1975, and USPAP as set out above.

B. Licensee agrees to pay an administrative fine of One Thousand (\$1000) Dollars to the Board within 30 days of the acceptance of this Consent Settlement by the Board. This represents a \$125 fine for each of the eight (8) USPAP standards violated. For purposes of computing this fine, only one violation of each standard has been assessed.

C. Licensee shall complete seven hours of Board approved continuing education for developing and supporting adjustments to comparable sales in the sales comparison approach within three (3) months of the final execution and acceptance of this Consent Settlement Order. Said course(s) may not be claimed by Licensee as continuing education

D. The Licensee further agrees that if the conditions set forth in this Consent Settlement Order are not complied with in a timely manner, her license will be suspended without notice and opportunity for a hearing until such time as compliance is complete. In the event of a suspension pursuant to this provision, notification and publication of the suspension shall be made to the Appraiser Subcommittee and as otherwise provided for in the AREAB Administrative Code, 780-X-14-.07.

E. The Licensee understands that she has the right to a hearing in this matter and hereby freely, knowingly, and voluntarily waives such right and the right to judicial review of these proceedings. The Licensee further understands that disciplinary action is progressive in nature and that this disciplinary action will be considered should any future discipline be warranted. This voluntary agreement shall become effective immediately upon acceptance thereof by the Board. In the event that this Consent Settlement of the violations enumerated herein is not accepted by Licensee, the Board will proceed to take formal action and issue a summons and complaint. The Licensee shall have the right to withdraw any plea of guilt to the violation, if applicable.

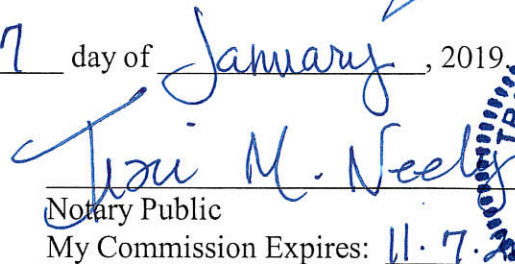
F. The Licensee, Bonnie Lynn Burgess, understands that this document will be considered a public record entered as a final disposition of disciplinary proceedings presently

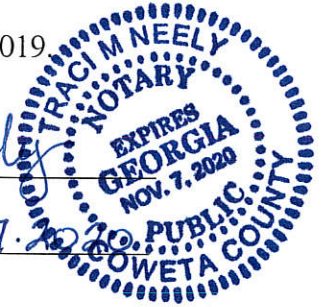
pending against her, and that this action shall be considered to be and will be recorded as a final order of the Board.

EXECUTED this the 7 day of Jan, 2019.

  
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BONNIE LYNN BURGESS

SWORN to and subscribed before me this the 7 day of January, 2019

  
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Notary Public  
My Commission Expires: 11.7.2020



APPROVED AND ACCEPTED, by the Alabama Real Estate Appraisers Board on the 17th day of January, 2019.

ALABAMA REAL ESTATE  
APPRAISERS BOARD

BY:

  
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LISA BROOKS  
EXECUTIVE DIRECTOR