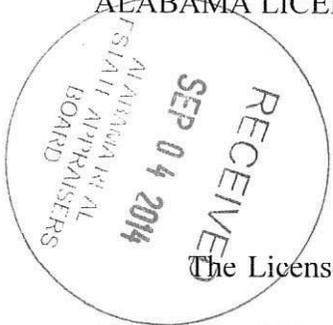


BEFORE THE STATE OF ALABAMA REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF:)
)
IRA M. BETTS, JR.)
)
ALABAMA LICENSE NO. G00087)

DISCIPLINARY ACTION NO.
AB-13-44, AB-13-45, AB-13-46



CONSENT SETTLEMENT ORDER

The Licensee, Ira M. Betts, Jr., Alabama License No. G00087, practicing as a Certified General 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"), 2012-2013 Edition, in Licensee's appraisal dated August 14, 2012, of the real property and improvements identified as 6195 Salt Creek Rd., Munford, AL 36268 (AB-13-44); 2012-2013 Edition, in Licensee's appraisal dated September 3, 2012, of the real property and improvements identified as 560 Greentop Dr., Odenville, AL 35120 (AB-13-45); and 2012-2013 Edition, in Licensee's appraisal dated August 29, 2012, of the real property and improvements identified as 1243 County Road 97, Verbena, AL 36091 (AB-13-46).

These violations are more specifically as follows:

6195 Salt Creek Rd., Munford, AL 36268 (AB-13-44)

2012-2013 USPAP
Effective January 1, 2012 through December 31, 2013

RECORD KEEPING RULE

An appraiser must prepare a workfile for each appraisal, or appraisal review, or appraisal consulting assignment. A workfile must be in existence prior to the issuance of any report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report.

The workfile must include:

all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation; and

Licensee's workfile failed to provide support for the GLA analyzed in the Sales Comparison Approach for Comparable #2 and Comparable #4. In the Cost Approach, the dwelling cost data in the workfile was different than the dwelling cost analyzed.

STANDARD 1: REAL PROPERTY APPRAISAL, DEVELOPMENT

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

Standards Rule 1-1(a)

In developing a real property appraisal, an appraiser must:

- (a) *be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;*

* * *

Licensee failed to analyze credible cost data, failed to analyze a local cost multiplier for the dwelling cost, analyzed the delivery, installation and setup cost twice for the manufactured home and failed to use the recognized methods and techniques necessary for a credible value conclusion within the Cost Approach, which rendered the Cost Approach non-credible. Licensee failed to analyze comparable sales data that was available to indicate a credible value conclusion by the Sales Comparison Approach. Licensee failed to collect, verify and analyze data or analyzed data that was not supported by the data source, which rendered the Sales Comparison Approach non-credible.

Standards Rule 1-1(b)

In developing a real property appraisal, an appraiser must:

* * *

(b) not commit a substantial error of omission or commission that significantly affects an appraisal; and

* * *

Licensee failed to analyze credible cost data, failed to analyze a local cost multiplier for the dwelling cost, analyzed the delivery, installation and setup cost twice for the manufactured home and failed to use the recognized methods and techniques necessary for a credible value conclusion within the Cost Approach, which rendered the Cost Approach non-credible. Licensee failed to analyze comparable sales data that was available to indicate a credible value conclusion by the Sales Comparison Approach. Licensee failed to collect, verify and analyze data or

analyzed data that was not supported by the data source, which rendered the Sales Comparison Approach non-credible.

Standards Rule 1-2(e)

In developing a real property appraisal, an appraiser must:

* * *

(e) *identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including:*

(iii) *any personal property, trade fixtures, or intangible items that are not real property but are included in the appraisal;*

* * *

Licensee failed to fully identify the characteristics of the Subject property when developing the real property appraisal. Licensee failed to provide an analysis of the existing manufactured home located on the subject property which was being converted to a storage unit. Licensee failed to provide an analysis of the effect on value of the storage unit as real property or as personal property after the conversion.

Standards Rule 1-4(a)

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

(a) *When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.*

* * *

Licensee failed to collect, verify and analyze all available sales data or Licensee analyzed sales data that was not supported by his stated data source. The Sales Comparison Approach, as developed, was non-credible. Licensee failed to provide an analysis of the existing manufactured home located on the subject property which was to be converted to a storage unit. Licensee did not analyze it as personal or real property and which is a property characteristic different than the comparables. Also, the comparables were located outside of the Subject property's neighborhood and no analysis was provided. Licensee failed to provide an analysis of the actual property rights analyzed. For comparable #1 and #2/Garage-Carport section, failed to state the detached two (2) car carport and provide an analysis of the detached two (2) car carport. For comparable #2, there is no analysis of the storm shelter included in the sale. Licensee did not disclose Comparable #3 was an REO with the selling price (\$81,937) being higher than the list price (\$79,900). Licensee, in Comparable #4, failed to report and analyze two ponds barns, sheds and a lighted horse corral.

Standards Rule 1-4(b)(ii)

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

* * *

(b) When a cost approach is necessary for credible assignment results, an appraiser must:

* * *

(ii) analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and

* * *

Licensee failed to use a local cost multiplier in calculating dwelling cost. Licensee analyzed the delivery, installation and setup costs twice within the Cost Approach. *(Cost data source (Marshall & Swift) calculates the delivery and setup cost within the per square foot cost. Licensee analyzed an additional delivery, installation and setup cost, which resulted in the delivery, installation and setup cost being analyzed twice within the Cost Approach)*

STANDARD 2: REAL PROPERTY APPRAISAL, REPORTING

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Standards Rule 2-1(a)

Each written or oral real property appraisal report must:

(a) clearly and accurately set forth the appraisal in a manner that will not be misleading;

** * **

In the Neighborhood/Present Land Use % section, failed to report the commercial land use. The present land use % as reported was 35% one-unit and 65% vacant, which ignored other existing land uses in the neighborhood. Licensee reported zoning compliance as legal when there was no zoning applicable. *(“No zoning” should have been indicated)*

Standards Rule 2-1(b)

Each written or oral real property appraisal report must:

** * **

(b) *contain sufficient information to enable the intended users of the appraisal to understand the report properly; and*

* * *

Licensee also failed to provide an analysis the contract included the existing manufactured home located on the property would be converted to a storage unit with the kitchen rendered inoperable and utilities disconnected. Licensee did not summarize the information considered to support Licensee's conclusions of the highest and best use of the subject property as single family residential. In the Cost Approach, Licensee failed to provide support for the opinion of site value. *(Licensee failed to state and provide an analysis for carports, storm shelter, barns, sheds, ponds, lighted horse corral.* Licensee, in the Sales Comparison Approach/Comparable #3 section, failed to disclose this as a REO with the selling price (\$81,937) being higher than the list price (\$79,900) of the home.

Standards Rule 2-2(b)(viii)

Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.

* * *

(b) *The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:*

* * *

(viii) *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;*

* * *

Licensee failed to summarize the information analyzed to support Licensee's conclusions of the highest and best use of the subject property being single family residence.

560 Greentop Dr., Odenville, AL 35120 (AB-13-45)

2012-2013 USPAP
Effective January 1, 2012 through December 31, 2013

RECORD KEEPING RULE

An appraiser must prepare a workfile for each appraisal, or appraisal review, or appraisal consulting assignment. A workfile must be in existence prior to the issuance of any report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report.

The workfile must include:

- all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation; and*

Licensee failed to prepare a complete workfile of the appraisal assignment. The workfile did not contain the subject MLS listing for the subject property that is mentioned in the report (*offered for sale in past 12 months*). Licensee's workfile failed to provide support for the GLA analyzed in the Sales Comparison Approach/Comparable #1, Comparable #2, Comparable #3 and Comparable #4. Licensee's workfile failed to provide support for the dwelling cost analyzed within the Cost Approach. The dwelling cost information, within the workfile, was different than the dwelling cost analyzed.

STANDARD 1: REAL PROPERTY APPRAISAL, DEVELOPMENT

Revised 8-28-14

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

Standards Rule 1-1(a)

In developing a real property appraisal, an appraiser must:

- (a) *be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;*

* * *

Licensee failed to use a local cost multiplier for the dwelling cost and separately analyzed the delivery, installation and setup cost for the manufactured home when it is included in the Marshall and Swift cost data.

Standards Rule 1-4(a)

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

- (a) *When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.*

* * *

Licensee failed to analyze comparable sales data that was available to indicate a credible value conclusion by the Sales Comparison Approach. Licensee failed to collect, verify and analyze data or analyzed data that was not supported by the data source. The Sales Comparison Approach, as developed, was non-credible. Licensee failed to provide an analysis of the actual location of the comparables. (*Comparable #2, Comparable #3 and Comparable #4 were located outside of the Subject subdivision and no analysis was provided.*) Licensee called the property rights analyzed were "Fee" without saying whether it was fee simple or leased fee. Licensee failed to provide an analysis of the actual design/style of the manufactured homes, when

compared to the Subject. Licensee, in Comparable #1/Porch-Patio-Deck section, failed to state the open deck and provide an analysis of the open deck. Licensee, in Comparable #1, failed to disclose that it was an REO property with the selling price (\$101,498) being higher than the list price (\$99,900) of the home. Licensee, in Comparable #2, analyzed a single porch when the data source information provided the comparable had three porches. Licensee, in Comparable #2, failed to provide information and an analysis of the ponds, barn with workshop, storage building and pasture, which was reported in the data source information. Licensee, in Comparable #3, used \$3,000 superior location adjustment and a \$3,000 site adjustment because the comparable was water front property. Licensee's workfile nor the market supported the adjustments. *(Investigation supported a larger adjustment.)* Licensee, in Comparable #3, failed to provide information and an analysis of the detached storage building, shed and pier, which was reported by the data source. Licensee, in Comparable #4, failed to provide information and an analysis of the barn, equipment-storage shed and storage building, which was reported in the data source information.

Standards Rule 1-4(b)(ii)

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

* * *

(b) *When a cost approach is necessary for credible assignment results, an appraiser must:*

* * *

(ii) *analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and*

* * *

Licensee analyzed unsupported cost data in the dwelling per square foot cost. Licensee failed to analyze a local cost multiplier for the dwelling cost. Licensee analyzed the delivery, installation and setup cost twice within the Cost Approach. *(Cost data source (Marshall & Swift) calculates the delivery and setup cost within the per square foot cost. Licensee analyzed an additional delivery, installation and setup cost, which resulted in the delivery, installation and setup cost being analyzed twice within the Cost Approach.)* The Cost Approach was non-credible. *(Licensee failed to identify if the cost estimate was reproduction or replacement cost.)*

STANDARD 2: REAL PROPERTY APPRAISAL, REPORTING

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Standards Rule 2-1(a)

Each written or oral real property appraisal report must:

(a) clearly and accurately set forth the appraisal in a manner that will not be misleading;

* * *

Licensee failed to clearly and accurately set forth the appraisal assignment in a manner that was not misleading in a written appraisal report. Licensee, in the Neighborhood/Present Land Use % section, provided an analysis of the present land use that was not credible for the neighborhood. The present land use % analyzed was 35% one-unit and 65% vacant, which failed to analyze the other land uses present within the neighborhood. Licensee, in the Summary of Sales Comparison Approach section, provided a comment **all** of the comparables were over one mile from the

Subject. According to the grid of the Sales Comparison Approach, Comparable #1 was less than a mile from the Subject.

Standards Rule 2-1(b)

Each written or oral real property appraisal report must:

* * *

(b) contain sufficient information to enable the intended users of the appraisal to understand the report properly; and

* * *

Licensee, in the Subject/Offered for Sale section, failed to provide the name of the MLS used as the data source for the information provided or the offering for sale dates. Licensee, in the Contract Analysis section, provided information of an analysis of the contract for sale with only a general comment of "Contract was read and appeared to have no abnormal conditions." Licensee failed to specify whether the contract included the delivery, installation and setup cost of the manufactured home or other information that would have been analyzed in the sales contract for the manufactured home. Licensee, in the Contract Analysis section, failed to provide information of a sales contract for the site area or an analysis of the sales contract for the site area, which was a part of the appraisal assignment. Licensee, in the Contract/Manufacturer's Invoice section, explained the reason the manufacturer's invoice was not analyzed was due to not being available. Licensee failed to explain the reason for the manufacturer's invoice not being available or the steps taken in trying to obtain the manufacturer's invoice. Licensee, in the Contract/Retailer's Name section, failed to provide the name of the retailer for the new

manufactured home. Licensee, in the Site/Highest & Best Use section, failed to summarize the information analyzed to support Licensee's conclusions of the highest and best use of the subject property being single family residential. Licensee, in the HUD Data Plate/Compliance Certificate section, stated the location of the HUD Data Plate as "Interior" without providing the actual location where the Compliance Certificate is located. Licensee, in the HUD Certification Label section, stated the location of the HUD Certification Label as "On Side" without providing the actual location of the Certification Label (*front side, rear side, left side, right side, etc.*). Licensee, in the Improvement/Design-Style section, stated the design/style as manufactured home without providing the actual design/style of the manufactured home. Licensee, in the Cost Approach section, failed to provide sufficient information for the lender/client to replicate the cost figures and calculations used within the Approach. Licensee, in the Cost Approach section, failed to provide information if the reproduction cost or replacement cost was analyzed. Licensee, in the Cost Approach section, failed to provide support of the information/data analyzed to arrive at the opinion of site value within the Approach. (*no sales data provided*) Licensee also failed to provide the complete list of verification sources used within the Sales Comparison Approach. Licensee, in the Sales Comparison Approach/Location section, failed to provide the actual location (*neighborhood*), which should have been analyzed. Licensee, in the Sales Comparison Approach/Property Rights Analyzed section, provided the term "Fee" without saying if it were fee simple or leased fee. Licensee, in the Sales Comparison Approach/Design-Style section, failed to provide the actual design/style of the manufactured home. Licensee stated manufactured home without providing the actual design/style of the home. Licensee, in the Sales Comparison Approach section, failed to provide an analysis of some of the comparables'

characteristics, which were reported within the information from the data source (*MLS*) for the comparables. (*Licensee failed to state and provide an analysis for deck, porches, ponds, barn with workshop, barn, storage buildings, sheds, pier*). (*see Standard Rule 1-4(a) for additional information*) Licensee, in the Sales Comparison Approach/Comparable #1, failed to provide information and an analysis of the comparable being a REO property and the selling price (*\$101,498*) was higher than the list price (*\$99,900*) of the home. Licensee, in the Sales Comparison Approach/Comparable #3, analyzed a \$3,000 superior location adjustment and a \$3,000 site adjustment for the comparable being located on water front property. Licensee failed to provide an analysis that supported the adjustments.

Standards Rule 2-2(b)(ii)

Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.

* * *

(b) *The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:*

* * *

(ii) *state the intended use of the appraisal;*

* * *

Licensee failed to identify an intended use of the appraiser's opinions and conclusions was to support the underwriting requirements for a FHA insured mortgage.

Standards Rule 2-2(b)(viii)

Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.

* * *

(b) The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

* * *

(viii) 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;

* * *

Licensee failed to summarize the information analyzed within the sales contract of the manufactured home in accordance with Standard Rule 1-5 as required when reporting an opinion of market value. Licensee failed to summarize the information from the sales contract of the site area, in accordance with Standard Rule 1-5 as required when reporting an opinion of market value. Licensee failed to summarize the information analyzed to support Licensee's conclusions of the highest and best use of the subject property being single family residential. Licensee, in the Sales Comparison Approach/Comparable #3, analyzed a \$3,000 superior location adjustment and a \$3,000 site adjustment for the comparable being located on water front property. Licensee failed to summarize information to provide an analysis that supported the adjustments.

1243 County Road 97, Verbena, AL 36091 (AB-13-46)

2012-2013 USPAP
Effective January 1, 2012 through December 31, 2013

RECORD KEEPING RULE

An appraiser must prepare a workfile for each appraisal, or appraisal review, or appraisal consulting assignment. A workfile must be in existence prior to the issuance of any report. A written summary of an oral report must be added to the workfile within a reasonable time after the issuance of the oral report.

The workfile must include:

- *all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation; and*

Licensee failed to prepare a complete workfile of an appraisal assignment, which must include all data, information and documentation necessary to support the appraiser's opinions and conclusions. Licensee's workfile information failed to provide support for the GLA analyzed in the Sales Comparison Approach of Comparable #3 and Comparable #4. Licensee's workfile information failed to provide support for the dwelling cost analyzed within the Cost Approach. The dwelling cost information, within the workfile information, was different than the dwelling cost analyzed. Licensee's workfile information failed to provide a "true copy" (*replica*) of the appraisal report transmitted to the client, at the time of the appraisal assignment.

SCOPE OF WORK RULE

Scope of Work Acceptability

The scope of work must include the research and analyses that are necessary to develop credible

Revised 8-28-14

assignment results. An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use. An appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased.

Licensee's Scope of Work performed for the HUD/FHA appraisal assignment was not an acceptable Scope of Work for a manufactured home appraisal. Licensee failed to research, collect, verify and analyze sufficient information/data and characteristics/attributes in preparing and developing an appraisal assignment of a manufactured home with the recognized methods and techniques necessary in the approaches employed.

STANDARD 1: REAL PROPERTY APPRAISAL, DEVELOPMENT

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

Standards Rule 1-1(a)

In developing a real property appraisal, an appraiser must:

- (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;*

* * *

Licensee failed to use a local cost multiplier for the dwelling cost which rendered the Cost Approach non-credible.

Standards Rule 1-2(b)

In developing a real property appraisal, an appraiser must:

* * *

(b) *identify the intended use of the appraiser's opinions and conclusions;*

* * *

Licensee failed to fully identify the intended uses of the appraiser's opinions and conclusions when developing a real property appraisal. Licensee failed to identify an intended use of the appraiser's opinions and conclusions was to support the underwriting requirements for a FHA insured mortgage.

Standards Rule 1-4(a)

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

(a) *When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.*

* * *

The Sales Comparison Approach, as developed, was non-credible. *(The comparables used were outside of the Subject's neighborhood and no analysis was provided.)* Licensee did not state the property interest appraised in a manner that was clear. He stated "Fee" which could be fee simple or it could be leased fee. Licensee, in Comparable #1, failed to provide information and an analysis of the comparable being a REO property. Licensee, in Comparable #1/Fireplace section, analyzed a single fireplace when the home had two fireplaces. Licensee, in Comparable #2, failed to provide information and an analysis of the carport with storage and pond, which was reported in the data source information. Licensee, in Comparable #3, analyzed 11.47 acres when the data source reported 15 acres. Licensee analyzed a two car garage when the garage was a 3

bay 30 x 60 garage with workshop and bath downstairs and a bunk room/sewing/office upstairs. Licensee failed to analyze the covered patio along with the additional manufactured home available for rental on the property and the extra manufactured home space available for rental on the property, which was reported in the data source information. Licensee, in Comparable #3/GLA section, analyzed a GLA that was not supported due to a typo error. *(Licensee's workfile failed to provide support for a GLA sf.)* Licensee, in Comparable #4, failed to provide an analysis of the actual view from the comparable. Licensee stated "Land", which does not provide what the actual view would be from a property. Licensee, in Comparable #4, failed to provide information and analysis of the barn, equipment-storage shed and storage building, which was reported in the data source information.

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.

* * *

(b) *When a cost approach is necessary for credible assignment results, an appraiser must:*

* * *

(i) *develop an opinion of site value by an appropriate appraisal method or technique;*

* * *

Licensee, in the Cost Approach section, explained the value (*opinion of site value*) given the land is the total of the purchase prices paid by the borrower for the two parcels, which is not an appropriate method and technique to develop an opinion of site value. *(No land or lot sales*

provided to support the opinion of site value and purchase price stated an opinion of site value.)

Standards Rule 1-4(b)(ii)

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

* * *

(b) When a cost approach is necessary for credible assignment results, an appraiser must:

* * *

(ii) analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and

* * *

Licensee failed to analyze credible cost data using the recognized methods and techniques necessary for a credible value conclusion within the Cost Approach. Licensee analyzed unsupported cost data in the dwelling per square foot. Licensee failed to analyze a local cost multiplier for the dwelling cost. The Cost Approach was rendered non-credible due to the analysis of information (*comparable cost data*) that lacked credible support along with the lack of recognized methods and techniques being employed in developing the Approach. The opinion of site value reported lack appropriate methods and techniques in the development process.

Standards Rule 1-6(a)

In developing a real property appraisal, an appraiser must:

(a) reconcile the quality and quantity of data available and analyzed within the approaches used; and

* * *

Licensee failed to reconcile the lack of the quality and quantity of data available, which was analyzed or not analyzed in a HUD/FHA manufactured home appraisal assignment. Licensee failed to develop/analyze credible cost data and failed to develop/analyze a local cost multiplier for the dwelling cost for the manufactured home in the Cost Approach. Licensee failed to analyze comparable sales data that was available from the data source and analyze data that was unsupported by the data source within the Sales Comparison Approach. Licensee failed to collect, verify and analyze sufficient data/information.

Standards Rule 1-6(b)

In developing a real property appraisal, an appraiser must:

* * *

(b) reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).

Licensee failed to reconcile the lack of recognized methods and techniques being employed, within the Sales Comparison Approach and the Cost Approach of a HUD/FHA manufactured home appraisal assignment. The approaches to value employed were non-credible due to the lack of recognized methods and techniques being employed and the approaches were developed without sufficient research to collect, verify and analyze sufficient data/information. Licensee failed to use recognized methods and techniques within the Cost Approach, by failing to develop/analyze credible cost data and failed to analyze a local cost multiplier for the dwelling cost. *(see Standard Rule 1-4(b)(ii) violation)* Licensee failed to use the recognized methods and

techniques in the Sales Comparison Approach by failing to collect, verify and analyze data within the Approach or analyzed data within the Approach that was not supported by the data source.

STANDARD 2: REAL PROPERTY APPRAISAL, REPORTING

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Standards Rule 2-1(a)

Each written or oral real property appraisal report must:

(a) clearly and accurately set forth the appraisal in a manner that will not be misleading;

* * *

Licensee failed to clearly and accurately set forth the appraisal assignment in a manner that was not misleading in a written appraisal report. Licensee, in the Subject/Assessors Parcel # section, provided parcels numbers ending is 004.000 and 004.017, which the 004.000 was not an accurate parcel number. Licensee, in the Neighborhood/Present Land Use % section, provided an analysis of the present land use that was not credible for the neighborhood. The present land use percentages analyzed was 35% one-unit and 65% vacant, which failed to analyze the other land uses present within the neighborhood. Licensee, in the Site/Zoning Compliance section, indicated the zoning compliance as legal, when there was no zoning. *(No zoning box should have been indicated.)* Licensee, in the Cost Approach section, provided the opinion of site value was \$32,500, which was the purchase price of the two parcels of property. Licensee, in the Sales Comparison Approach/Sale-Transfer History section, provided the property was under contract for \$25,500. The actual amount paid for the subject site area by the borrower is unclear, due to

the conflict of information within the appraisal report. Licensee reported a contract price as a sale price in the Prior Sales/Transfer History. Licensee, in the Sales Comparison Approach/Comparable #3/GLA section, due to a typo error provided and analyzed a GLA that was not supported. *(1760 provided, which was a typo for 1721 according to Licensee)*

Standards Rule 2-1(b)

Each written or oral real property appraisal report must:

* * *

(b) contain sufficient information to enable the intended users of the appraisal to understand the report properly; and

* * *

Licensee failed to provide sufficient information to enable the intended user(s) of the written appraisal report to understand the report properly. Licensee, in the Subject/Legal Description section, failed to provide the legal description of the Subject property. Licensee, in the Subject/Map Reference section, failed to provide the map reference for the appraisal assignment. Licensee state N/A without providing the actual map reference information. Licensee, in the Subject/Offered for Sale section, provided the Subject property had been offered for sale within the past twelve months using MLS as the data source *(actual MLS system not provided)*. Licensee's workfile information nor the investigation evidence supported the Subject property was listed within either MLS systems for the area, in which the Subject property was located. Licensee failed to provide an actual data source *(MLS)* to support the Subject property was offered for sale within the past twelve months in MLS. Licensee stated "Current" without

providing the actual date(s) the Subject property was offered for sale. Licensee, in the Contract Analysis section, provided information of an analysis of the contract for sale with only a general comment of "Contract was read and appeared to have no abnormal conditions." Licensee failed to provide an analysis if the contract included the delivery, installation and setup cost of the manufactured home or other information that would have been analyzed in the sales contract for the manufactured home such as the land purchase. Licensee, in the Contract/Manufacturer's Invoice section, explained the reason the manufacturer's invoice was not analyzed was due to not being available. The appraiser failed to explain the reason for the manufacturer's invoice not being available or steps taken in trying to obtain the manufacturer's invoice. Licensee, in the Contract/Retailer's Name section, failed to provide the name of the retailer for the new manufactured home. Licensee, in the Neighborhood/Neighborhood Boundaries section, failed to provide the actual boundaries of the neighborhood named within the appraisal report. *(Licensee failed to provide the actual neighborhood boundaries with physical features such as streets, etc.)* Licensee, in the Site/Dimensions section, failed to provide the dimensions of the site area. *(Licensee provided, Metes and Bounds, see survey and failed to provide a copy of a survey showing the dimensions within the appraisal report.)* Licensee, in the Site/View section, stated the view as woods without providing the view also consisted of additional views such as residential properties. Licensee, in the Site/Highest & Best Use section, failed to summarize the information analyzed to support Licensee's conclusions of the highest and best use of the subject property being single family residence. Licensee, in the Improvements/Exterior Description/Skirting section, provided the skirting would be vinyl without providing additional information the vinyl skirting would need to have a permanent backing to meet FHA's

continuous perimeter enclosure of a permanent foundation-type construction. Licensee, in the Improvements/Exterior Description/Walls section, provided the walls were covered with siding but failed to provide the actual construction material used in the siding of the home. Licensee, in the Improvements/Exterior Description/Window Type section, failed to provide the type of windows for the home (*double hung, single hung, ?*) Licensee, in the Improvements/Exterior Description/Screens section, stated there were screens but failed to provide the actual construction materials used in the screens of the home. Licensee, in the Improvements/Exterior Description/Doors section, stated the doors were insulated metal without providing the condition of the doors. Licensee, in the Cost Approach section, failed to provide sufficient information for the lender/client to replicate the cost figures and calculations used within the Approach. Licensee, in the Cost Approach section, failed to provide support of the information/data analyzed to arrive at the opinion of site value within the Approach. (*no sales data provided, purchase price stated as opinion of site value*) Licensee, in the Sales Comparison Approach/Comparables Sales within the Past Twelve Months, failed to provide the number of comparable sales and price ranges of the sales or explain a reason for no information within the blanks. In the Sales Comparison Approach/Property Rights Analyzed section, Licensee provided the term "Fee" without clarifying if the property rights analyzed were fee simple or lease fee. Licensee, in the Sales Comparison Approach/Comparable #1, failed to provide information and an analysis of the comparable a REO property. Licensee, in the Sales Comparison Approach/Comparable #1/Fireplace section, provide information of two fireplaces. Licensee, in the Sales Comparison Approach section, failed to provide an analysis of some of the comparables' characteristics, which were reported within the information from the data source

(MLS) for the comparables. (Licensee failed to state and provide an analysis for carport with storage, pond, 30x 60 3 bay garage with bath, workshop & bunk room/sewing/office, additional manufactured home for rental with an additional manufactured home space to rent, barn, equipment-storage shed and a storage building.

Standards Rule 2-2(b)(ii)

Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.

* * *

(b) The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

* * *

(ii) state the intended use of the appraisal;

* * *

Licensee failed to fully identify the intended uses of the appraiser's opinions and conclusions when developing a real property appraisal. Licensee failed to identify an intended use of the appraiser's opinions and conclusions was to support the underwriting requirements for a FHA insured mortgage.

Standards Rule 2-2(b)(viii)

Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.

* * *

(b) *The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:*

* * *

(viii) *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;*

* * *

Licensee failed to summarize the information analyzed within the sales contact of the manufactured home in accordance with Standard Rule 1-5 as required when reporting an opinion of market value. Licensee failed to summarize the information from the manufactured home sales contact of the purchase of the site area, in accordance with Standard Rule 1-5 when reporting an opinion of market value. Licensee failed to summarize the information analyzed to support Licensee's conclusions of the highest and best use of the subject property being single family residence.

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.

Revised 8-28-14

B. Licensee agrees to pay an administrative fine of \$3,750.00 to the Board within 30 days of the acceptance of this Consent Settlement by the Board. This represents a \$125.00 fine for each of the 30 USPAP standards violated. For purposes of computing this fine, only one violation of each standard in each case has been assessed.

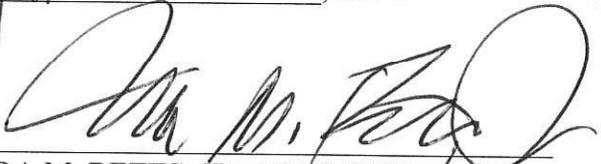
C. The Licensee hereby freely, knowingly, and voluntarily agrees that the Board will issue a public reprimand for these violations.

D. The Licensee further agrees that if the conditions set forth in this Consent Settlement Order are not complied with in a timely manner, his 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 he 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.

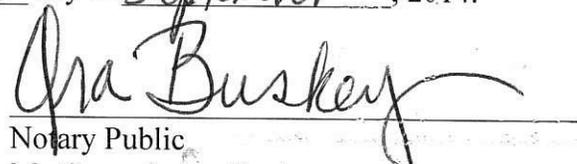
F. The Licensee, Ira M. Betts, Jr., understands that this document will be considered a public record entered as a final disposition of disciplinary proceedings presently pending against him, and that this action shall be considered to be and will be recorded as a final order of the Board.

EXECUTED this the 3rd day of September, 2014.



IRA M. BETTS, JR., LICENSEE

SWORN to and subscribed before me this the 3rd day of September, 2014.



Notary Public
My Commission Expires:

MY COMMISSION EXPIRES SEPTEMBER 9, 2015

APPROVED AND ACCEPTED, by the Alabama Real Estate Appraisers Board on the 18th day of September, 2014.

ALABAMA REAL ESTATE
APPRAISERS BOARD

BY:



LISA BROOKS
EXECUTIVE DIRECTOR