

P E N N S Y L V A N I A

STATE BOARD OF  
**Certified Real Estate**  
**Appraisers**  
NEWSLETTER

Fall 2005

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# Chairman's Message

by Robert F. McRae

At the Board's reorganization meeting at the end of 2004, I was elected, by my peer Board members, to serve as your Chairman for 2005. I assumed that office in January of this year. This is an overwhelming and humbling honor for me. I consider this honor to be the pinnacle of service to a profession in which I've participated since 1972. I would like to thank my fellow Board members for this honor and for the trust and confidence that they have placed in me. I pledge to do the utmost to uphold that trust and to meet the challenges of this office with dignity and determination.

I would like to express my appreciation of our immediate past Chairman, George Sinclair – who most recently served as Vice Chairman until his tragic death in April due to an automobile accident – for the support, counsel and mentoring that he provided to me over the past four years. I am proud to have served with George and I will miss him!

The challenges for the appraisal profession in the coming years are many. The Board has seen first hand, during the disciplinary process, the results of "lender pressure" on appraisers "to make the number." The problems that lender pressure has caused the consumer have *finally* been recognized by the mortgage-lending industry, the Pennsylvania Department of Banking, the Pennsylvania Attorney General and the various federal quasi-governmental, secondary-market agencies/investors. It wasn't too many years ago that we were assured that the lender pressure issue was not widespread and was of little consequence in the industry. Those of us who have been "in the trenches" did not buy it then and continued to work to bring the true extent and the impact of the problem to the attention of our legislators and our regulatory bodies. I believe that we are finally working toward broad-based cooperative regulation to address the lender pressure issue.

The Board is also faced with implementing the new criteria of The Appraisal Foundation's Appraiser Qualifications Board regarding increased educational qualifications for appraisers. The new criteria take effect January 1, 2008, and the Board is in the process of promulgating regulations that implement the criteria.

The ongoing challenges of the disciplinary process will continue, as the Board has been seeing an increasing number of disciplinary charges being filed. The Board must apply im-

partiality and fairness in reaching an adequate, supported resolution in each of these disciplinary cases. I can assure you that each Board member takes this responsibility – including the deliberations and the impact of a decision – very, very seriously in every case.

Your Board remains prepared to meet these challenges and others, albeit unknown at this point, that will certainly present themselves.

Again, I am honored to serve as your Chairman and I remain at your service.

## Reminder Regarding New Educational Qualifications Criteria for Appraisers

As previously reported, the federal Appraiser Qualifications Board's new educational qualifications criteria for initial certification as a residential or general appraiser will take effect January 1, 2008.

Under the new criteria, a candidate for residential certification must complete 180 classroom hours in appraisal-related subjects instead of the current 120 classroom hours, while a candidate for general certification must complete 300 classroom hours in appraisal-related subjects instead of the current 200 classroom hours. The new criteria prescribe "core" appraisal curricula for residential certification and general certification. The new criteria also require a candidate for residential certification to possess either an associate's degree (or higher) from an accredited college, university or institute of higher learning or have completed 21 semester credit hours at the college level in prescribed subjects. A candidate for general certification must possess either a bachelor's degree (or higher) from an accredited college, university or institute of higher learning or have completed 30 semester credit hours at the college level in prescribed subjects.

Persons may obtain copies of the new qualifications criteria by visiting The Appraisal Foundation's website at [www.appraisalfoundation.org](http://www.appraisalfoundation.org) or by calling the Foundation at (202) 347-7722.

## Meet the Newest Board Members

### *Daniel A. Bradley*

Dan is a certified general real estate appraiser and licensed associate real estate broker with Czekalski Real Estate, Inc., of Nantrona Heights, where he has worked since 1987. Dan has over 17 years' experience appraising various types of real estate, including residential, commercial, industrial and special-purpose properties.

Dan holds a bachelor of science degree in communications from Clarion University of Pennsylvania. He has been instructing and developing curricula for real estate appraisal courses since 1992 and currently serves as an instructor for McKissock Real Estate and Appraisal School, one of the largest appraisal education providers in the country. Dan is also certified by the federal Appraiser Qualifications Board as a National USPAP Instructor. He is on the VA panel and FHA panel of appraisers and his professional affiliations include memberships in the Council of Pennsylvania Real Estate Appraisers, the Appraisal Institute, and the Appraisal Section of the National Association of Realtors. Dan and his wife Michelle, who is also a certified general real estate appraiser, reside in Sarver.

Dan was appointed to the Board on November 15, 2004, to serve a four-year term as a professional member. Dan was elected Vice Chairman of the Board on June 9, 2005.

### *Robert T. Kelly*

Bob is a retired administrator from Villanova University, where he was employed for 28 years, most recently as manager of administrative data processing. He was responsible for developing new computer systems in all administrative areas, including alumni development, financial and facility management operations.

Bob is the holder of a bachelor of arts degree in accounting and philosophy from Canisius College where he played Division I college basketball and was inducted into Canisius College Basketball Hall of Fame. Bob also holds a master of science degree in human organization science from Villanova. Before joining Villanova's administrative staff in 1972, Bob worked in private industry in the Philadelphia area. He was supervisor of customer relations for Fleers' Corp., programmer analyst and internal auditor for Cities Service Oil, and supervisor of data processing for Rentex Industrial Corp. Bob is active in the Catholic Youth Organization. Bob and his wife Marie have six children and nine grandchildren. They reside in Havertown.

Bob was appointed to the Board on November 20, 2004, to serve a four-year term as a public member.

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The Board also welcomes back Robert E. Fischer, who was reappointed on September 21, 2004, to serve a four-year term as a public member, and Robert F. McRae, who was reappointed on July 2, 2005, to serve a four-year term as a professional member.

## Update on Federal Court Case Involving Challenge to Appraiser Act

As reported in the Board's last Newsletter, on March 31, 2004, in the case of Fidelity National Informations Solutions, Inc. et al v. George D. Sinclair et al., the United States District Court for the Eastern District of Pennsylvania issued an opinion in a civil suit that found the Real Estate Appraisers Certification Act (REACA) to be preempted in part by the federal Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). The District Court rejected a broader challenge to the entire REACA that had been urged by the plaintiffs, which included lenders and companies that provide real estate valuation products.

Both the plaintiffs and the Board (whose members had been sued individually in their official capacities) initially sought review of the District Court's decision with the U.S. Third Circuit Court of Appeals. However, on November 24, 2004, the parties filed a stipulation with the Circuit Court in which they agreed to the voluntary dismissal of their respective appeals. Accordingly, the District Court's decision stands.

As previously reported, the District Court ruled that the REACA is invalid to the extent that it mandates that Board-credentialed appraisers perform any valuations of real estate needed in transactions that are below the threshold amount (currently \$250,000) established by federal financial institution regulatory agencies (e.g., FDIC, Federal Reserve, Office of Thrift Supervision) as triggering the requirement for the services of state-certified or state-licensed appraisers under FIRREA. The District Court found that transactions below the threshold, or "de minimis," amount are federally related transactions that have been specifically exempted by FIRREA from appraisal requirements.

The District Court's holding allows persons who are not credentialed by the Board as appraisers to perform "evaluations" of Pennsylvania real estate in transactions below the de minimis amount that involve federally regulated financial institutions. Federal regulations define an evaluation as a "general estimate of the value of real estate [that] need not meet the detailed requirements of a [FIRREA] appraisal." For reasons of safety and soundness, federally regulated financial institutions may elect to have appraisals rather than evaluations performed in transactions below the de minimis amount; only persons who are certified as general or residential appraisers may perform such appraisals in Pennsylvania.

## The New FNMA Forms and USPAP Compliance

by Daniel A. Bradley

Appraisers throughout Pennsylvania are no doubt aware of the issuance of revised residential appraisal forms by FNMA ("Fannie Mae"). These appraisal forms are required for mortgages sold to Fannie Mae effective November 1, 2005, and Freddie Mac effective January 1, 2006. One of the most common questions appraisers have regarding these revised forms is, "Do these forms comply with USPAP?" Perhaps the best answer to this question can be found in the Appraisal Standards Board's Frequently Asked Questions publication: "It is the position of the ASB that appraisers comply with USPAP, not forms. Each assignment is different, and no form could cover all USPAP reporting requirements for all assignments."

Appraisers should be familiar with USPAP Standards Rule 2-2, which sets forth the minimum content requirements for the three types of written appraisal reports: Self-Contained, Summary and Restricted Use. Each report type has 12 required items that must be included in the report in order to meet USPAP reporting requirements. If necessary, appraisers should supplement form reports with narrative addenda in order to comply with these requirements.

## Continuing Education Notice for Certified Pennsylvania Evaluators

The Board is promulgating an amendment to its regulations that would require certified Pennsylvania evaluators to complete the 7-hour National USPAP Update Course, or its equivalent, as part of the 28-hour continuing education requirement for biennial renewal of certification. The 7-hour USPAP requirement would replace the current 4-hour USPAP requirement, resulting in certified Pennsylvania evaluators being subject to the same biennial USPAP requirement as general appraisers, residential appraisers and broker/appraisers. The amendment, if approved by regulatory review bodies, would be applicable to certified Pennsylvania evaluators as a condition of renewal for the 2007-2009 biennial renewal period, which begins July 1, 2007.

# The Most Common Violations Resulting in Disciplinary Action

by Daniel A. Bradley

This Top Ten list is one you won't find on the David Letterman show. This list documents the most common violations that have been found in disciplinary cases brought before the Board over the last several years.

1. Lack of identification regarding report option utilized / lack of statement regarding intended use. The *new* URAR form contains a statement identifying it as a summary appraisal report. Appraisers who communicate utilizing narrative formats or the old URAR form are cautioned that USPAP requires a "prominent" statement of the type of reporting option used. In addition to stating the reporting option, the new URAR form contains a statement of intended use. Appraisers who utilize this URAR form in nonmortgage-lending situations should be careful to insert a statement of intended use. Users of other forms or narrative formats are also required to state the intended use in the report.

2. Use of inappropriate comparable sales in sales comparison approach. In some cases, appraisers do not utilize the most recent, proximate and similar sales, often in an attempt to inflate the value of the subject property. In these instances, appraisers ignore sales in the subject's neighborhood and market area, and instead utilize sales in superior areas without making location adjustments. Sometimes homes of significantly superior quality, appeal and/or condition are utilized, without appropriate adjustments.

3. Use of nonmarket-based adjustments in sales comparison approach. This is also often done in an attempt to inflate the subject property's value. A \$500 adjustment for a second bathroom on a \$200,000 home, or a \$30,000 adjustment for an inground pool on a \$50,000 home would probably be difficult to support with market data.

4. Use of unsupported site value in cost approach. In most of these cases, the report states that the site value was obtained by utilizing the sales comparison approach, but when the appraiser's workfile is examined, it contains no supporting market data.

5. Lack of analysis of the subject property's current listing and sales agreement. USPAP requires that these items be analyzed in the appraisal report. Simply reporting a current listing or sales agreement on the subject property is not sufficient; appraisers must analyze how it relates to the mar-

ket. Appraisers should be wary about accepting an assignment if the client does not want the appraiser to have a complete copy of the current agreement, or if the client asks the appraiser not to disclose a current listing of the property.

6. Lack of reporting or analysis of the subject property's three-year sales/transfer history. USPAP requires a three-year sales/transfer history of the subject property. This requires the appraiser to report and analyze all transfers within three years, not just the most recent one. This is one of the appraiser's best defenses against becoming ensnared in a "flipping" scheme. Also, nonarm's-length transfers, such as foreclosure sales and family transfers, must be reported and analyzed.

7. Lack of support for market rents and GRM/capitalization rates. Often, these items are included in the appraisal report, but when the appraiser's workfile is examined, there is no data to support these estimates.

8. Lack of inclusion of appraiser's certification type and certificate number. In every appraisal report, appraisers are required to place their name, signature, and certificate number adjacent to or immediately below the title "Pennsylvania certified general real estate appraiser" or "Pennsylvania certified residential real estate appraiser."

9. Use of a "letter" format of appraisal report. The old "letter opinion of value" format – in which the appraiser simply identifies the property, states that an appraisal was completed and provides a value opinion – does not meet the minimum content requirements of USPAP Standards Rule 2-2. This violation is most often found in appraisals for intended uses that do not involve mortgage-lending.

10. Misuse of the Restricted Use reporting option in USPAP. The Restricted Use Appraisal Report is permitted only in situations where there is *one* client/intended user. This option cannot be utilized for appraisals intended for use in assessment appeals.

This list is not intended to be all-inclusive. Remember, USPAP Standards Rule 1-1(c) states that perfection is not required for USPAP compliance. However, appraisers are cautioned to avoid committing a series of errors, which individually do not significantly affect an appraisal, but in the aggregate affect the credibility of the results.

## The USPAP Competency Rule and You

by Daniel A. Bradley

Many USPAP violations could be easily avoided if appraisers would simply take the time to read and understand the Competency Rule, which is found on page 11 of the 2005 edition of USPAP. Most of the Competency Rule issues that cause trouble for appraisers fall into three categories: (1) proper disclosure/acquisition of competency during an assignment, (2) compliance with Supplemental Standards, and (3) geographic competency.

If an appraiser lacks the requisite knowledge and experience to complete a proposed assignment competently, the appraiser is not required to turn down the assignment so long as the following steps are taken. Step one – the appraiser must inform the client before accepting the assignment that the appraiser currently lacks the knowledge and/or experience to complete the assignment. This means a clear and accurate disclosure, in plain language. One may make this disclosure in writing, although USPAP does not require a written disclosure. Step two – the appraiser must take all actions that are necessary in order to complete the assignment competently. This may involve taking a course, completing personal study or, most commonly, affiliating with an individual or individuals who can impart the required knowledge and experience. Step three – the appraiser must describe the lack of knowledge and/or experience and the actions taken to complete the assignment competently in the appraisal report. It is not sufficient to simply document this in the appraiser's workfile.

The second competency issue involves compliance with Supplemental Standards, which are additional appraisal requirements issued (published) by government agencies, government-sponsored enterprises, or other entities that establish public policy. Examples of Supplemental Standards can be found in the appraisal requirements of HUD, VA, federal bank regulatory agencies, Fannie Mae, Freddie Mac, and PennDOT, just to name a few. Many appraisers are unaware, for example, that an appraisal prepared for an FHA loan that does not conform to the applicable HUD requirements is a violation of USPAP. Even if the appraiser is not aware of the existence of Supplemental Standards, and thus fails to comply with them in an appraisal assignment, it would be considered a violation of the Competency Rule.

The third competency issue involves geographic competency, which some appraisers do not seem to understand. Just because an appraiser possesses a residential certifica-

tion from the Board does not mean that the appraiser is competent to appraise a home anywhere in the Commonwealth. The official comment to the Competency Rule states that “an appraiser preparing an appraisal in an unfamiliar location must spend sufficient time to understand the nuances of the local market and the supply and demand factors relating to the specific property type and the location involved. . . . The necessary understanding of local market conditions provides the bridge between a sale and a comparable sale . . . .” In other words, anyone can find sales in a market area, but only one who is competent in the local market can be sure that the sales utilized are truly comparable to the subject and are truly representative of the local market.

The temptation to not disclose lack of competency to a client for fear of losing the assignment can be great. Sometimes appraisers do not ask a client about applicable Supplemental Standards, or do not want to admit they are not familiar with a market area out of a misguided sense of professional pride. However, appraisers must be aware of the potential pitfalls of noncompliance with the Competency Rule. Is the appraisal fee for a particular assignment worth jeopardizing your certification?

*This article is dedicated to the memory of George Sinclair, 1925-2005*

### Clarification for Broker/Appraisers Regarding Permitted Activities

Broker/appraisers are reminded that the Real Estate Appraisers Certification Act limits their scope of practice to the performance of appraisals in nonfederally related transactions. Federally related transactions are those regulated under authority of the federal Financial Institutions Reform, Recovery and Enforcement Act. According to a recent federal court decision interpreting FIRREA (see article on page 4), an appraisal performed for a federally regulated financial institution in a loan transaction below the so-called de minimis amount (currently \$250,000) is considered a federally related transaction; a broker/appraiser, therefore, would not be permitted to perform such an appraisal.

## Reprints of Appraisal Standard Board Advisory Bulletins

Following are reprints of selected questions and answers that have appeared in recent advisory bulletins issued by the federal Appraisal Standards Board (ASB) to appraiser regulatory bodies in the United States and its territories. The ASB advisory bulletins do not establish new standards or interpret existing standards; nor do they constitute a legal opinion of the ASB. Rather, the purpose of the ASB advisory bulletin is to inform all states and territories of the ASB's responses to questions raised by regulators and individuals; to illustrate the applicability of the Uniform Standards of Professional Appraisal Practice (USPAP) to specific situations; and to offer advice from the ASB for the resolution of appraisal issues and problems.

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**QUESTION: Are appraisers required by USPAP to disclose receipt of things of value that are connected to the procurement of an appraisal assignment in the appraisal report?**

**Response:** Yes. The Comment to the Management section of the ETHICS RULE states that: "Disclosure of fees, commissions, or things of value connected to the procurement of an assignment must appear in the certification and in any transmittal letter in which conclusions are stated."

**QUESTION: a) Jim, an independent contractor, works for my appraisal company on a regular basis. I have always kept all appraisal file documentation (including hard copies of appraisal reports, field notes, drawings, etc.) at my office. Now Jim wants to keep the files relating to his work in his own possession. Under USPAP, which appraiser should keep the workfile?**

**b) Is the Record Keeping section of the ETHICS RULE upheld if an institutionally employed appraiser ensures that his organization retains copies of his appraiser work for five years? Or, must the appraiser also maintain a personal file of all work performed?**

**c) A client's attorney requested that I supply all of my files/records regarding an assignment. Can I do this and still be in compliance with the record keeping requirements for USPAP? Also, what must I retain in**

**my files as proof that the files are now the responsibility of the attorney? Will a simple letter from the client be sufficient?**

**Response:** According to USPAP, the appraiser, not the appraiser's employer or client, is ultimately responsible for the retention of the workfile for the prescribed period. (See Record Keeping section of the ETHICS RULE.) An appraiser who is employed by, or works in conjunction with, another party must make arrangements with that party to protect and preserve the workfile, and to allow the appraiser to make the workfile available to other parties (e.g., state appraiser regulatory agencies) when required by due process of law.

There are a number of ways an appraiser who works for or with another party can ensure that files are retained so that the appraiser can have access to the files to meet the requirements of USPAP's ETHICS RULE. For example, an appraiser and his employer or colleague may agree that the files will remain in the employer's or colleague's custody for the duration of the requisite retention period and that the appraiser will have access to those files, if needed.

USPAP does not dictate the form or format of workfile documentation. It is not necessary to include original documents in the file; photocopies and electronic files are acceptable as "true copies." Because there have been cases where employers and other have denied appraisers access to workfiles, an appraiser may wish to make and retain copies of workfiles. However, USPAP does not address any specific manner by which an employer or contractor and appraiser should handle record retention. This is a business matter, which should be arranged in the context of the employer- or contractor-appraiser relationship.

By the same token, provision of the workfile to a duly authorized party, such as a client's attorney could be, is permitted by USPAP. However, this does not relieve the appraiser of the responsibility for that workfile. At no time may an appraiser abdicate his or her responsibility for a workfile. Therefore, when an appraiser relinquishes possession of a file to a client or the client's representative, the appraiser should retain either a copy of the workfile or written reference to an agreement with the client that the appraiser will have access to the workfile if the need arises.

## Reprints of Appraisal Standard Board Advisory Bulletins, con't..

**QUESTION: What is the difference between a client and an intended user?**

**Response:** The term “client” is defined in the DEFINITIONS section of USPAP as: “[T]he party or parties who engage an appraiser (by employment or contract) in a specific assignment.” The term “intended user” is defined as “[T]he client and any other party as identified, by name or type, as users of the appraisal, appraisal review, or appraisal consulting report, by the appraiser on the basis of communication with the client at the time of the assignment.”

Eventual receipt of a copy of an appraisal, appraisal review, or appraisal consulting report does not make the recipient an intended user. To be an intended user the recipient must have been identified as such by the appraiser.

**QUESTION: Frequently, the borrower in a lending transaction is provided with a copy of the appraisal report; and in some cases, the appraiser knows that the borrower will be receiving a copy of the appraisal report. When the appraiser is aware that the borrower or any other third party will receive a copy of the appraisal, does this make that third party an intended user?**

**Response:** No, the fact that a borrower or anyone else receives a copy of the appraisal report does not make them an intended user. The concept of an “intended user” in USPAP is framed within the context of the appraiser-client relationship. An “intended user” is defined in USPAP as follows: “[T]he client and any other party as identified, by name or type, as user of the appraisal, appraisal review or appraisal consulting report by the appraiser on the basis of communication with the client at the time of the assignment.”

There are several things to note in this definition. First, intended user of the appraisal report must be identified by the appraiser. Secondly, this identification is made at the time of the engagement process so the appraiser can make a prudent judgment about the scope of work to apply in the assignment and the level of detail to include in the report.

It is also worth noting that the concept of “intended use” and “intended users” are related to the purpose of the assignment. Appraisal reports for loan transactions are typically used to substantiate real property value as underlying

collateral for a particular loan. The fact that the lending institution is required by law of regulation to make certain disclosures to the borrower about the loan and the basis for the loan decision does not alter the purpose, the intended use or the intended users of the appraisal assignment.

Statement on Appraisal Standards No. 9 (SMT-9) further clarifies this issue by stating: “A party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship. Parties who receive a copy of an appraisal, appraisal review or appraisal consulting report as a consequence of disclosure requirements applicable to an appraiser’s client do not become intended users of the report unless the client specifically identifies them at the time of the assignment.”

**QUESTION: The terms “recertification of value” and “appraisal update” are often used interchangeably. Do they have the same meaning?**

**Response:** No, these terms do not have the same meaning. The terms “update” and “recertification of value” are discussed in Advisory Opinion 3 (AO-3). An “update” is a new appraisal assignment involving a property that was previously appraised. An update is subject to the same USPAP requirements as any other appraisal assignment. A “recertification of value” is performed to confirm whether or not the conditions of a prior assignment have been met. One example of a recertification of value is a “final inspection.” When an appraiser is asked to complete a final inspection, the appraiser is confirming that conditions established in an assignment have, or have not, been met. Final inspections are commonly used in the case of proposed construction where an appraisal is completed subject to completion per plans and specifications. See AO-3 for further advice on updates of a prior assignment.

**QUESTION: Appraisers are receiving conflicting advice regarding the requirements to provide an “as is” value. Can the Interagency Work Group provide guidance on exactly when an “as is” value is required and when it is not?**

**Response from the Interagency Work Group:** The requirement for an “as is” value is an implied element in the minimum appraisal standards listed in the agencies’ appraisal regulations. Under these standards, an institution

## Reprints of Appraisal Standard Board Advisory Bulletins, con't..

must analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms and tract developments with unsold units.

The agencies' appraisal regulations require an appraisal report to include an "as is" current market value when an institution finances:

- The proposed construction or renovation of an existing property.
- A property that has not met its leasing goals (non-stabilized).
- A property with non-market lease terms (concessions that impact cash flow).
- A subdivision or tract development with unsold units.

If a transaction does not include any of these types of financing situations, then an "as is" value is not required. For example, in financing the purchase of an existing home, there typically would be no need to apply deductions or discounts to arrive at the market value of the property since the institution's financing of the purchase does not depend on events such as further development of the property or the sale of units in a tract development.

**QUESTION: The Management Section of the ETHICS RULE requires an appraiser to disclose "fees, commissions, or things of value" paid in connection with the procurement of an assignment. If the referral fee was paid in conjunction with an assignment, must the amount of the fee be disclosed, or is it sufficient simply to disclose that a fee was paid?**

**Response:** Disclosing the fact that a payment was made in the appraisal certification and any transmittal letter where the conclusions are stated is sufficient to meet the requirement. However, this is a minimum requirement and does prohibit full disclosure of the amount of the fee.

**QUESTION: My client, a federally insured financial institution, has asked me to provide a "value in use" appraisal instead of a market value appraisal. May I do this?**

**Response:** USPAP does not dictate the use of any specific type of definition of value. The type and definition of value must be appropriate for the intended use and the intended users.

For federally related transactions, federally insured financial institutions require an opinion of market value, as defined by regulations. Therefore, if you provide a value in use, you may also have to provide a market value, depending on the intended use.

**QUESTION: I just inspected the property and found an adverse condition. I informed the client, a bank and was told not to proceed because the client cannot lend on such property. Under USPAP, am I obligated to inform any other party, such as the city or county health department?**

**Response:** No.

### UNETHICAL OR UNLICENSED ACTIVITY

If you believe the practice or service provided by a licensed professional to be unethical, below an acceptable standard, beyond the scope of the profession or if you are aware of unlicensed practice, please call the Bureau of Professional and Occupational Affairs complaints hotline at:

**In Pennsylvania: 1-800-822-2113**

**Out of State: 1-717-783-4854**

A complaint form is available on the Department of State's website at [www.dos.state.pa.us](http://www.dos.state.pa.us)

# Disciplinary Actions

*The following is a chronological listing of disciplinary actions taken by the Board from August 12, 2004, through June 15, 2005. Each entry includes the name, certification number (if any), and last known address of the respondent; the disciplinary sanction imposed; a brief description of the basis of the disciplinary sanction; the effective date of the disciplinary sanction; and whether the disciplinary sanction was imposed pursuant to an Order (O), Adjudication and Order (A&O), or Consent Agreement and Order (C&O). The abbreviation USPAP refers to the Uniform Standards of Professional Appraisal Practice.*

*Every effort has been made to ensure that the following information is correct. However, this information should not be relied on without verification from the Prothonotary's Office of the Bureau of Professional and Occupational Affairs. One may obtain verification of individual disciplinary action by writing or telephoning the Prothonotary's Office at P.O. Box 2649, Harrisburg, PA 17105-2649; (717) 772-2686. Please note that the names of persons listed below may be similar to the names of persons who have not been disciplined by the Board.*

**BRAHEEM GHAFOR**, certificate no. **RL-001000-L**, of Pittsburgh, Allegheny County, was assessed a \$1,500 civil penalty and \$700 in costs and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (8/12/04) (C&O)

**TIMOTHY D. MULLRAY**, certificate no. **GA-001133-L**, of Chester Springs, Chester County, agreed to not reactivate his certification for a period of one year for failing to disclose his criminal record on his application for initial certification. (8/12/04) (C&O)

**JEFFREY E. HAWLEY**, certificate no. **RL-002060-L**, of Clarks Summit, Lackawanna County, was assessed a \$1,000 civil penalty and \$1,000 in costs and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (8/12/04) (C&O)

**PAUL W. DISCIASCIO**, certificate nos. **RL-000132-L** and **BA-000124-L**, of Media, Delaware County, was assessed a \$3,000 civil penalty and

\$525 in costs and directed to complete 22 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (8/12/04) (C&O)

**GALEN L. FREED**, certificate no. **AV-002055-L**, of Slatington, Lehigh County, was assessed a \$500 civil penalty for performing valuations of real property for ad valorem tax purposes without required certification from the Board. (8/12/04) (C&O)

**GEORGE T. BELL**, certificate nos. **RL-001362-L** and **BA-002639-L**, of Kingston, Luzerne County, was assessed a \$1,500 civil penalty and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (8/12/04) (C&O)

**LISA MARIE GIBSON**, certificate no. **RL-003108-R**, of Tannersville, Monroe County, was assessed a \$3,000 civil penalty and \$1,050 in costs, had her certificate suspended for one year, which was stayed in favor of probation, and was directed to complete 15 hours of remedial continuing education for performing three appraisals that did not conform to USPAP. (9/9/04) (C&O)

**LOUIS L. DELLOSO**, certificate no. **RL-000397-L**, of Glen Mills, Delaware County, was assessed a \$2,000 civil penalty and directed to complete two remedial continuing education courses for performing two appraisals that did not conform to USPAP. (9/9/04) (A&O)

**MAUREEN M. MILLER**, certificate nos. **RL-001981-L** and **BA-003772-L**, of Herndon, Northumberland County, was assessed a \$1,250 civil penalty and \$400 in costs and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (10/14/04) (C&O)

**JOHN JOSEPH QUIRUS**, certificate no. **RL-001208-L**, of Philadelphia, Philadelphia County, was assessed a \$500 civil penalty for performing an appraisal without required certification from the Board. (10/14/04) (C&O)

**SHIRLEY MELVIN**, certificate no. **BA-000684-L**, of Philadelphia, Philadelphia County, agreed to voluntarily surrender her certification for performing an appraisal that did not conform to USPAP. (10/14/04) (C&O)

**JOHN WILLIAM MAGANN**, certificate no. **RL-000207-L**, of Downingtown, Chester County, was assessed a \$2,500 civil penalty and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (10/14/04) (C&O)

**THOMAS JOSEPH O'CONNOR**, certificate no. **RL-001969-L**, of Easton, Northampton County, was assessed a \$3,000 civil penalty and \$1,675 in costs and directed to complete 15 hours of remedial continuing education for performing two appraisals that did not conform to USPAP. (10/14/04) (C&O)

**COBY C. JONES**, certificate no. **RL-003184-L**, of Champion, Westmoreland County, had his certificate revoked for performing two fraudulent appraisals. (11/23/04) (A&O)

**RICHARD S. HAYES**, certificate no. **BA-000207-L**, of Lenhartsville, Berks County, was assessed a \$1,400 civil penalty and directed to complete 14 hours of make-up continuing education for failing to complete required continuing education during the 2001-2003 certification renewal period. (12/9/04) (C&O)

**ROBERT RAY KENDALL**, certificate nos. **RL-001350-L** and **BA-000190-L**, of Troy, Bradford County, was assessed a \$350 civil penalty and directed to complete 7 hours of make-up continuing education for failing to complete required continuing education during the 2001-2003 certification renewal period. (12/9/04) (C&O)

**ROSALIE ALICE DUNLAVEY**, certificate no. **RL-000130-L**, of Margate, NJ, was assessed a \$250 civil penalty and directed to complete 4 hours of make-up continuing education for failing to complete required continuing education during the 2001-2003 certification renewal period. (12/9/04) (C&O)

**FREDERICK M. JAVER**, certificate no. **GA-000357-L**, of Harveys Lake, Luzerne County, was assessed a \$1,500 civil penalty and \$550 in costs and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (12/9/04) (C&O)

## Disciplinary Actions...con't

**CORAY SPEER MITCHELL**, certificate nos. **RL-000682-L** and **BA-003872-L**, of Forty Fort, Luzerne County, was assessed a \$1,000 civil penalty and directed to complete two remedial continuing education courses for performing an appraisal that did not conform to USPAP. (12/15/04) (A&O)

**GILBERT B. KLEIN**, certificate no. **RL-001724-L**, of Bala Cynwyd, Montgomery County, had his certification indefinitely suspended, which was stayed in favor of probation to run concurrent with his criminal parole, for being convicted on a state felony charge of murder in the third degree. (12/15/04) (A&O)

**BARRON J. GATTA**, certificate nos. **RL-001284-L** and **BA-001099-L**, of Pittsburgh, Allegheny County, had his certifications suspended indefinitely for pleading guilty to state felony charges of bribery and criminal conspiracy. Gatta may not petition to terminate the suspension until he completes his criminal probation. (12/15/04, eff. 1/14/05) (A&O)

**IBRAHEEM GHAFOOR**, certificate no. **RL-001000-L**, of Pittsburgh, Allegheny County, had his certification suspended for failing to submit documentation of remedial continuing education required by the Board on August 12, 2004, for a USPAP violation. The suspension was terminated on January 18, 2005, when Ghafoor submitted the required documentation. (1/13/05) (O)

**GEORGE CHARLES HOEZ**, certificate no. **GA-000081-L**, of Philadelphia, Philadelphia County, was assessed a \$250 civil penalty and directed to complete 4 hours of make-up continuing education for failing to complete required continuing education during the 2001-2003 certification renewal period. (1/13/05) (C&O)

**MICHAEL M. FROLOVE**, certificate nos. **BA-000231-L** and **RL-000402-L**, of Abington, Montgomery County, was assessed a \$250 civil penalty and directed to complete 2 hours of make-up continuing education for failing to complete required continuing education during the 2001-2003 certification renewal period. (1/13/05) (C&O)

**P. SCOTT ARCHIBALD**, certificate no. **RL-000060-L**, of Harrisburg, Dauphin County, was assessed a \$350 civil penalty and directed to complete 7 hours of make-up continuing for failing to complete required continuing education during the 2001-2003 certification renewal period. (1/13/05) (C&O)

**JAMES EDWARD TOMMOR**, certificate no. **RL-001574-L**, of Bethlehem, Lehigh County, was assessed a \$1,000 civil penalty and directed to complete two remedial continuing education courses for performing an appraisal that did not conform to USPAP. (1/18/05) (A&O)

**SAMUEL MICHAEL BROWNSTEIN**, certificate no. **RL-000704-L**, of Langhorne, Bucks County, was assessed a \$2,000 civil penalty and \$500 in costs and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (2/10/05) (C&O)

**WILLIAM L. BOATWRIGHT**, certificate no. **GA-001385-R**, of Plantation, FL, was assessed a \$750 civil penalty for performing an appraisal without a current certification from the Board. (2/10/05) (C&O)

**LINDA S. GRADY**, certificate no. **RL-001837-L**, of Harrisburg, Dauphin County, was assessed a \$500 civil penalty and \$656 in costs and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (2/10/05) (C&O)

**MICHAEL JAMES LERARIO**, certificate no. **GA-000594-L**, of Media, Delaware County, was assessed a \$1,000 civil penalty and had his certification suspended for performing an appraisal without a current certification from the Board. Termination of the suspension is conditioned on Lerario's payment of the civil penalty and his satisfying the continuing education and other requirements for obtaining a current certification. (2/10/05) (A&O)

**LOUIS L. DELLOSO**, certificate no. **RL-000397-L**, of Philadelphia, Philadelphia County, had his certificate suspended for failing to submit documentation of remedial continuing education required by the Board on September 9, 2004, for a USPAP violation. The suspension was terminated on March 29, 2005, when Dellosa submitted the required documentation. (3/18/05) (O)

**FREDERICK M. JAVER**, certificate no. **GA-000357-L**, of Harveys Lake, Luzerne County, had his certification suspended for failing to submit documentation of remedial continuing education required by the Board on December 9, 2004, for a USPAP violation. The suspension was terminated on April 1, 2005, when Javer submitted the required documentation. (3/31/05) (O)

**JEFFREY T. SPRAGUE**, certificate no. **RL-003590-R**, of Waverly, NY, was assessed a \$1,000 civil penalty for performing an appraisal without a current certification from the Board. (4/14/05) (C&O)

**GREGORY P. ROSATO**, certificate no. **RL-001817-L**, of Monroeville, Allegheny County, was assessed a \$1,500 civil penalty and \$750 in costs and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (4/14/05) (C&O)

**JANET MARY FABIAN**, certificate no. **RL-000549-L**, of Wexford, Allegheny County, was assessed a \$1,000 civil penalty and directed to complete 15 hours of remedial continuing education for performing an appraisal that did not conform to USPAP. (4/14/05) (C&O)

**THOMAS FRANCIS McGUIRE**, certificate no. **GA-000328-L**, of Bridgeville, Allegheny County, was assessed a \$1,000 civil penalty and had his certification suspended for performing an appraisal that did not conform to USPAP. Termination of the suspension is conditioned on McGuire's payment of the civil penalty and his completion of two remedial continuing education courses. (5/16/05, eff. 6/15/05) (A&O)

### Current Licensees Count

#### Certified Residential Appraiser

1,133

#### Certified General Appraiser

1,800

#### Certified Broker/Appraiser

945

#### Certified Pennsylvania Evaluator

467

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State Board of  
**Certified Real  
Estate Appraisers**

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**Robert E. Fischer**

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**Martha Brown, Esq.**  
*Secretary of the Commonwealth  
Designee*

**Steven Wennberg, Esq.**  
*Board Counsel*

**Michelle T. Smey**  
*Board Administrator*

### Remaining 2005 Board Meeting Dates

September 13

October 13

November 10

December 8

\*Meetings are located at the  
Penn Center facility, located at  
2601 North 3rd Street Harrisburg.