



I.

Based upon the foregoing, the Commission hereby states:

**FINDINGS OF FACT**

1. The Commission is an agency of the state of Missouri created and established pursuant to § 339.507, RSMo, for the purpose of licensing all persons engaged in the practice of real estate appraisal in this state. The Commission has control and supervision of the licensed occupations and enforcement of the terms and provisions of Sections 339.500 to 339.549, RSMo.

2. Jonathan B. Browning currently resides at 1183 N. Berry Road, St. Louis, Missouri 63122.

3. On or about November 22, 2013, Browning completed the application for a residential appraiser certification.

4. On or about December 10, 2013, Browning passed the residential appraiser examination.

5. On or about March 28, 2014, Browning submitted his experience log containing twenty-four months and 2,500 hours of experience. The Commission requested two work samples based on his experience log.

6. On or about April 9, 2014, Browning submitted two demonstration appraisals to the Commission for review.

7. The Commission met with Browning on June 18, 2014 regarding the two appraisals, described below. Browning also presented the Commission with his qualifications including education, professional education, experience and types of appraisals.

8. On or about June 30, 2014, the Commission completed its final review of Browning's appraisals of residential properties located at 2566 Heritage Landing, St. Charles, Missouri (Heritage Landing Property) and 2445 Eagle Forest, St. Charles, Missouri (Eagle Forest Property).

9. The Heritage Landing Property Appraisal did not comply with several provisions of the Uniform Standards of Professional Appraisal Practice (USPAP):

- a. It failed to comply with USPAP Standards Rule 1-1(a) in that Browning was not aware of, understood or correctly employed recognized methods and techniques necessary to produce a credible appraisal in that the sales approach did not consider correct adjustments necessary in comparing the subject property to a home in a superior portion of the subdivision.
- b. It failed to comply with USPAP Standards Rule 1-4(a) in that Browning did not collect, verify and analyze all necessary information for credible assignment results in completing the cost approach because Browning chose comparable sales from a superior portion of the subdivision with a higher price point. Comparable sales were available within the same area of the subdivision as the subject property.
- c. It failed to comply with USPAP Standards Rule 1-4(b)(i) in that in using the cost approach to value, Browning did not develop an opinion of the site value by an appropriate appraisal method or technique because Browning did not use a correct method to analyze and estimate land value.
- d. It failed to comply with USPAP Standards Rule 2-1(a) in that the appraisal report did not clearly and accurately set forth the appraisal in a manner that was not

misleading because in using comparable sales from a superior section of the subdivision, the reader receives a misleading report in that the subject property value is higher as a result of using the inappropriate comparable sales.

10. The Eagle Forest Property Appraisal did not comply with several provisions of the USPAP:

- a. It failed to comply with USPAP Standards Rule 1-1(a) in that Browning was not aware of, understood or correctly employed recognized methods and techniques necessary to produce a credible appraisal in that Browning's sales comparison approach to value did not consider location adjustments necessary from a superior subdivision for the comparable sales to that of the subject property.
- b. It failed to comply with USPAP Standards Rule 1-4(a) in that in completing the sales comparison approach for a credible assignment result, Browning did not analyze comparable sales data available to indicate a value conclusion because Browning chose comparable sales from a superior neighborhood with a higher price point despite an available comparable sale within the same subdivision as the subject property.
- c. It failed to comply with USPAP Standards Rule 1-4(b)(i) in that in using the cost approach to value, Browning did not develop an opinion of the site value by an appropriate appraisal method or technique because Browning did not use a correct method to analyze and estimate land value.
- d. It failed to comply with USPAP Standards Rule 2-1(a) in that Licensee did not create a clearly and accurately set forth appraisal report in a manner that would not be misleading because the use of comparable sales from a superior

neighborhood would mislead the reader into a higher value for the subject property.

## II.

### CONCLUSIONS OF LAW

11. The Commission has authority to deny or refuse any certificate or license application pursuant to § 339.532.1, RSMo, which provides:

The Commission may refuse to issue or renew any certificate or license issued pursuant to sections 339.500 to 339.549 for one or any combination of causes stated in subsection 2 of this section. The Commission shall notify the applicant in writing of the reasons for the refusal and shall advise the applicant of his or her right to file a complaint with the administrative hearing commission as provided by chapter 621, RSMo.

12. The Commission has cause to deny or refuse Browning's application for a certified residential appraiser license pursuant to § 339.532.2, RSMo, which provides:

The Commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621, RSMo, against any state-certified real estate appraiser, state-licensed real estate appraiser, or any person who has failed to renew or has surrendered his or her certificate or license for any one or any combination of the following causes:

...

- (7) Failure to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation;
- (8) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal[.]

13. As a result of Browning's non-compliance with numerous provisions of USPAP in the Heritage Landing Property and Eagle Forest Property appraisals, the Commission has

cause to deny or refuse Browning's application for a residential appraiser certification pursuant to §§ 339.532.1 and 339.532.2 (7) and (8), RSMo.

14. As an alternative to refusing to issue a certification, the Commission may, at its discretion, issue a certification subject to probation, pursuant to § 324.038.1, RSMo, which provides:

Whenever a Commission within or assigned to the division of professional registration, including the division itself when so empowered, may refuse to issue a license for reasons which also serve as a basis for filing a complaint with the administrative hearing commission seeking disciplinary action against a holder of a license, the Commission, as an alternative to refusing to issue a license, may, at its discretion, issue to an applicant a license subject to probation.

15. The Commission issues this Order in lieu of denial of Browning's application for a residential appraiser certification. The Commission has determined that this Order is necessary to ensure the protection of the public.

### III.

#### **ORDER**

16. Based on the foregoing, Jonathan B. Browning is granted a residential appraiser certification, which is hereby placed on **PROBATION** for a period of one (1) year from the effective date of this Order, subject to the terms and conditions set forth below.

### IV.

#### **TERMS AND CONDITIONS**

17. During the aforementioned probation, Jonathan B. Browning shall be entitled to present himself and serve as a certified residential appraiser subject to the following terms and conditions:

- A. Within six months after the effective date of this Settlement Agreement, Browning shall submit verification to the Commission of successful completion of a thirty hour approved qualifying education course, including examination, on the Sales Comparison Approach.

- B. During the probationary period, Browning shall not supervise any real estate appraisal, as defined by § 339.503(1), RSMo, of property located in the state of Missouri nor sign any appraisal for property located in Missouri as an appraisal supervisor.
- C. During the probationary period, Browning shall maintain a log of all appraisal assignments completed, including appraisal values. Browning shall submit a true and accurate copy of his log to the MREAC within three (3) months after the effective date of this Order and a copy of the log within nine (9) months after the effective date of this Order. All logs shall comply with rule 20 CSR 2245-2.050.
- D. During the disciplinary period, Browning shall keep the Commission informed of his current work and home telephone numbers. Browning shall notify the Commission in writing within ten days (10) of any change in this information.
- E. During the probationary period, Browning shall timely renew his certification granted hereby and shall timely pay all fees required for certification and comply with all other Commission requirements necessary to maintain said license in a current and active state.
- F. During the probationary period, Browning shall accept and comply with unannounced visits from the Commission's representatives to monitor compliance with the terms and conditions of this Order.
- G. During the disciplinary period, Browning shall appear in person for interviews with the Commission or its designee upon request.
- H. Browning shall submit written reports to the Commission every six (6) months during the probationary period stating truthfully whether there has been compliance with all terms and conditions of this Order. The first such report shall be received by the Commission on or before six months from the effective date of this Order.
- I. Browning shall execute any release or provide any other authorization necessary for the Commission to obtain records of his employment during the terms of the permit.
- J. Browning shall comply with all provisions of §§ 339.500 to 339.549, RSMo; all federal and state drug laws, rules, and regulations; and all federal and state criminal laws. "State" here includes the state of Missouri, all other states and territories of the United States, and the ordinances of political subdivisions of any state or territory. Browning shall immediately report any violation of this provision to the Commission in writing. Browning shall also immediately report any allegation that he has violated this provision to the Commission, in writing. Examples of allegations of such a violation include, but are not limited to, any arrest, summons, inquiry by any law enforcement official into these topics, or inquiry into these topics by a health oversight agency. Browning shall sign releases or other documents authorizing and requesting the holder of any closed record related to this paragraph to release such records to the Commission.

- K. Browning is hereby informed that the Missouri Real Estate Appraisers Commission will maintain this Order as an open record of the Commission as provided in Chapters 610, 339 and 324, RSMo. He shall truthfully answer any inquiry regarding his license status or disciplinary history.
- L. Browning shall immediately submit documents showing compliance with the requirements of this Order to the Commission when requested.
- M. In the event the Commission determines that Browning has violated any term or condition of this Order, the Commission may, in its discretion, after an evidentiary hearing, suspend, revoke, or otherwise lawfully discipline Browning's certification.
- N. No Order shall be entered by the Commission pursuant to the preceding paragraph of this Order without notice and an opportunity for hearing before the Commission in accordance with the provisions of Chapter 536, RSMo.
- O. If, at any time during the probationary period, Browning changes his address from the state of Missouri, or ceases to maintain his certified residential appraiser license current or active under the provisions of Chapter 339, RSMo, or fails to keep the Commission advised of all current places of residence, the time of such absence, unlicensed or inactive status, or unknown whereabouts shall not be deemed or taken to satisfy any part of the probationary period.
- P. Unless otherwise specified by the Commission, all reports, documentation, notices, or other materials required to be submitted to the Commission shall be forwarded to: Missouri Real Estate Appraisers Commission, P.O. Box 1335, Jefferson City, Missouri 65102.
- Q. Any failure by Browning to comply with any condition of discipline set forth herein constitutes a violation of this Order.

18. This Order does not bind the Commission or restrict the remedies available to it concerning any violation by Respondent of the terms and conditions of this Order, Chapter 339, RSMo, or the regulations promulgated thereunder.

19. The Commission will maintain this Order as an open, public record of the Commission as provided in Chapters 324, 339 and 610, RSMo.

SO ORDERED, EFFECTIVE THIS 25<sup>th</sup> DAY OF AUGUST, 2014.

MISSOURI REAL ESTATE APPRAISERS COMMISSION

*Vanessa Beauchamp*

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Vanessa Beauchamp, Executive Director