

MISSOURI REAL ESTATE APPRAISERS COMMISSION

Volume 9, Issue 1

February 2005

Message from the Commissioners

House Bill 600 (2003) and House Bill 978 (2004) were enacted to increase the tax revenue collected by the State of Missouri. There are several "income tax accountability" provisions requiring the Department of Revenue to take steps to collect income taxes owed by state employees and licensed professionals. As most of you know, one provision was specifically aimed at professionals licensed by the Division of Professional Registration. The language is as follows:

"324.010. All governmental entities issuing professional licenses, certificates, registrations, or permits pursuant to sections 209.319 to 209.339, RSMo, sections 214.270 to 214.516, RSMo, sections 256.010 to 256.453, RSMo, section 375.014, RSMo, sections 436.005 to 436.071, RSMo, and chapter 317, RSMo, and chapters 324 to 346, RSMo, shall provide the director of revenue with the name and Social Security number of each applicant for licensure with or licensee of such entities within one month of the date the application is filed or at least one month prior to the anticipated renewal of a licensee's license. If such licensee is delinquent on any state taxes or has failed to file state income tax returns in the last three years, the director shall then send notice to each such entity and licensee. In the case of such delinquency or failure to file, the licensee's license shall be suspended within ninety days after notice of such delinquency or failure to file, unless the director of revenue verifies that such delinquency or failure has been remedied or arrangements have been made to achieve such remedy. The director of revenue shall, within ten business days of notification to the governmental entity issuing the professional license that the delinquency has been remedied or arrangements have been made to remedy such delinquency, send written notification to the licensee that the delinquency has been remedied. Tax liability paid in protest or reasonably founded disputes with such liability shall be considered paid for the purposes of this section."

This statute requires the Department of Revenue to notify licensees, at the time of application or renewal, that they must file delinquent income tax returns or pay any delinquent taxes owed to the state. Since May of 2003, the Division of Professional Registration has been working with Revenue and the Attorney General's Office to establish procedures and define each agencies' responsibilities under this new law. As of July 2003, the effective date of the new law, the Division has been transmitting licensee data for each renewal cycle. Because of the amount of time that the Department of Revenue has needed for technical implementation of the law, their first notices did not go out to licensees until January of this year.

During the month of January 2004, there were 12,000 licensees who received notices either to file delinquent returns or pay delinquent taxes. Licensees were given 90 days to resolve the issue or have their license disciplined as a matter of law. On July 21, 2004, the division disciplined over 800 licenses.

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The law, as written, gives no discretion to either the Department of Revenue or the Division of Professional Registration. Revenue must send notices to every licensee who has no record of filing a return or paying taxes in the three years prior to renewing or applying for licensure. The Division must suspend the license of any licensee that fails to either respond that he or she does not live or work in Missouri, or resolve his or her tax delinquency. There are no appeal rights built into the law, and no right to cure the default after the 90-day period. If a licensee pays his or her taxes or files his or her return even one day after the 90-day period, the license may still be disciplined.

We cannot stress enough to our licensees the importance of responding promptly to any notification received from the Department of Revenue, even if the licensee has not lived or worked in Missouri in the last three years. Failure to respond could result in disciplinary action against your license. For appraisal professionals, this means reporting the disciplinary action to the National Registry - which may affect your ability to practice anywhere in the United States.

Yours truly,

Missouri Real Estate Appraisers Commission

Message from the Chair

Dear Missouri Appraisers,

We've answered your call and you will be receiving a newsletter on a more regular basis. We look forward to sharing timely appraisal issues with you through the newsletter, our annual presentation at the MAAC conference, visitations at your appraiser organization meetings, etc.

I would like to use this opportunity to update you on several important commission issues. Your appraiser's commission has many new faces. Within the past year the Governor has appointed two new commissioners: Gail McCann Beatty (daughter of our former Chairman, Willie), and Tish Tubbergen-Maglio (our public member), replacing David Millin, and Dottie Phelps (public member) who served the commission well for many years. So you might get to know your commissioners better, we'll include their biographical sketches in the newsletters.

Your commission has been hard at work on several projects including: developing case study curriculum for appraiser educators, revis-

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Governor

The Honorable Matt Blunt

Department of Economic Development

Gregory A. Steinhoff, Director

Division of Professional Registration

Alison Craighead, Director

Missouri Real Estate Appraisers Commission

Sharon K. Lowman, Chairperson
Sedalia, MO

Darryl "Skip" Knopf, Member
St Louis, MO

Glenn Polete, Member
Farmington, MO

Jim Hendren, Member
Rocheport, MO

Gail McCann Beatty, Member
Kansas City, MO

Tjitske "Tish" Tubbergen-Maglio,
Public Member
Kirksville, MO

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This is an official publication of the
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Submit articles to: REAC, P.O. Box 1335,
Jefferson City, MO 65102.

Message from the Chair (continued)

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ing the audit process of appraisers, initiating an audit process of appraiser educators' classes, utilizing our website for greater benefits, developing a new scope of practice rule for appraisers in Missouri, implementing the Appraiser Qualification Board's (AQB) 1/1/2008 appraiser qualification criteria, etc.

For the past year, I chaired a Case Study Curriculum Committee for the commission, composed of Missouri appraiser educators, some commissioners and staff, which developed the criteria for the offering of case study curriculum classes. Case study courses will be 30 +/- hour modules on different types of properties and assignments whereby the appraiser will do appraisals on actual properties, with a USPAP compliant appraisal report submitted after the course is completed for CE or pre-licensure education and experience credits. This will provide opportunities for trainees and licensed/certified appraisers to obtain some of the needed experience credits, yet equally important, education and practical experience that will likely upgrade the quality of appraisals for all appraisers in Missouri. Missouri is the first state to develop this criteria, with other states following our lead.

Treva Mongler, our auditor, recently resigned her position to work in a family business. We miss her, and wish her much happiness in her position. The commission is therefore in the process of revamping its audit process. We will be hiring a new person to work for the commission in an audit capacity. We'll inform you of future developments of this function.

The commission has also developed an audit process of appraiser educators. Classes will be audited for quality and quantity of class content, instruction, and logistics. Educators won't know in advance of the audit.

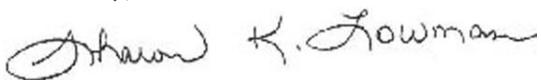
The commission has a new website address: <http://pr.mo.gov/appraisers.asp>. Our website will soon be updated by identifying the Missouri appraisers who have been publicly disciplined. The Appraisal Subcommittee (ASC) maintains a national list of appraisers at www.asc.gov and identifies those who have had their licenses suspended or revoked.

Your commission recently submitted a rule clarifying scope of practice. Some appraisers are appraising properties they're not qualified for; therefore this rule addresses those issues. The AQB has finalized the new appraiser qualification criteria to be effective 1/1/2008. You can view these new qualifications on the Appraisal Foundation's website at www.appraisalfoundation.org. Missouri has chosen to implement those required qualification criteria using a "Segmented Approach." Basically it means segmenting the new requirements into three categories: required education, examination, and experience. Whichever of these three components are completed prior to 1/1/2008 will fall under the old (pre-1/1/2008) requirements, with any not completed by that date falling under the new (1/1/2008) requirements. There are several other important changes in the new qualifications, which we'll discuss later or you can read on the Foundation's website.

It's truly an honor and pleasure to serve the appraisers of Missouri. Although the commission isn't very visible with its efforts, know that we are working hard to protect the general public on appraisal matters. The Missouri Appraiser Advisory Council (MAAC) also works diligently on matters relating to appraisers in our state, with their primary focus on appraisal legislation. Their input, your input are always welcomed.

On behalf of the Commission and myself, I'd like to wish you and your family a very happy and healthy New Year.

Sincerely,



Sharon K. Lowman, MAI, SRA
Chairperson, MREAC

Meet Some of the Commissioners



Sharon K. Lowman

Appointed: 6/18/2002

Appointed Chair: 1/16/2003

Term Expires: 9/12/2005

Sharon K. Lowman, MAI, SRA is a nationally recognized appraiser/instructor. Her 35 years of varied appraisal experience and 25 years of national teaching experience benefit all who attend her classes. Ms. Lowman was twice elected President of the K.C. Chapter of the AIREA, now known as the Appraisal Institute, and twice elected as a National Governing Councilor.

She has served on numerous national, regional, and chapter committees. She was one of the five AIREA members selected to represent its 20,000 members and candidates on the Unification Committee with the Society of Real Estate Appraisers which drafted the plan to unify the two large appraisal organizations. She also was on the staff of the Resolution Trust Corporation as the Real Estate Appraisal Specialist for the Central Region of the USA (26 state area). She has developed and taught numerous courses/seminars for appraisers, including the Residential and General Certification Exam Preparatory Session for Missouri Appraisers. She is an AQB certified USPAP instructor. Ms. Lowman is the owner of Lowman & Co., a Real Estate Appraisal School offering pre-licensure and CE curriculum.

Ms. Lowman served on the board of the Missouri Appraiser Advisory Council (MAAC). Sharon Lowman is presently the chairperson of the Missouri Real Estate Appraisers Commission.



Glennon (Glenn) R. Polete

Appointed: 4/16/2002

Term Expires: 9/12/2006

Owner of Glenn Polete Appraisers & Consultants, Inc., Farmington, MO.

Glenn has been a Licensed Real Estate Broker since 1979 with Real Estate Company County Seat Realtors, an appraiser since 1981; as well as a General Certified RE Appraiser since 1991.

Glenn is a retired police officer. He has many active years with the Missouri Association of Realtors and he has served on many local and state committees. He also has been active for many years with the National Association of Independent Fee Appraisers (NAIFA) and held Local, State and National offices. Glenn was Instructor of the Year for NAIFA in 1997.

He is also a Certified Real Estate Appraisal Instructor for NAIFA and AQB Certified USPAP instructor. He lives in Farmington with his wife Helen.



Tjitske (Tish) Tubbergen-Maglio, B.S.W.

Public Member

Appointed: 4/15/2004

Term Expires: 9/12/2005

Tjitske is a Social Worker residing in Kirksville, MO. In April 2004, Governor Bob Holden appointed Tjitske to the Missouri Real Estate Appraisers Commission. She has a Bachelor's of Social Work degree from University of Missouri-Columbia where she will soon complete a Master's in Social Work.

She is originally from Scottsdale, Arizona where she worked in the Corporate Offices of Camelback Behavioral Health Systems.

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Meet Some of the Commissioners (continued)

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E. Gail McCann Beatty

Appointed 1/15/2004
Term Expires :9/12/2005

E. Gail McCann Beatty is a life long resident of Kansas City Missouri. She is the daughter of Willie L. and MacNadine McCann. Born to a blended family, she has three sisters and two brothers. Gail is a graduate of Sunset Hill School now known as Pembroke Hill School. She went on to pursue a bachelors of Arts degree from Stanford University. While at Stanford, she had the opportunity to branch out and spent a semester at American University in Washington DC. While in DC, she completed an intercept with Congressman Alan Wheat. After graduating from Stanford, Gail returned to Kansas City and married Bruce B. Beatty. The two recently celebrated their 16th anniversary. Gail and Bruce are members of St. James United Methodist Church where Gail is a member and secretary of the trustee board.

Gail was born into a real estate family. At age 18 she obtained her salesperson license. After graduating from Stanford, she began taking appraisal classes and trained under her father. In 1990, she obtained her Real Estate Brokers license and in 1993 became a general Certified Appraiser. Gail continues to work with her father at McCann Real Estate Services.

Gail is a member of the National Society of Real Estate Appraisers, Inc. She is currently serving a second term on the board of NSREA and is president of the Kansas City Chapter. Gail served on the Missouri Appraiser Advisory Council (MAAC) for a year prior to her appointment to the Missouri Real Estate Appraisers Commission by Governor Holden.

Prior to serving on the Appraisers Commission, she served a 3-year term on the Missouri Tourism Commission.

Meet the rest of the commissioners in the next newsletter!

THE COMMISSION PRESENTATION FRIDAY APRIL 15 @ 8 AM TO 12 PM



7th

Annual Educational Conference

April 15th & 16th, 2005

GREAT INSTRUCTORS - GREAT COURSES - GREAT FELLOWSHIP - GREAT VALUE

* Holiday Inn
Lake Ozark, MO

Mark Your Calendars!

Readdressing, Reassigning and Transferring Reports

By: Larry Disney

Executive Director, Kentucky Real Estate Appraisers Board

Real property appraiser licensees often ask "can I readdress, reassign or transfer a real property appraisal report?"

The answer, contained in the 2004 Uniform Standards of Professional Appraisal Practice (USPAP) page 225 lines 29-30, is no. "After completing and delivering a report prepared for 1) an identified client(s) or other intended users, and 2) for an identified intended use, the appraiser cannot "readdress" (transfer) the report to another party."

Appraisers should understand that terminology such as readdress, reassign or transfer implies that a prior completed report belonging to an identified client or user will be altered, edited or delivered to someone who was not identified as the intended client or user(s) in the original assignment.

Committing the above action is a violation of USPAP because the altered report will be misleading. Why? The act of accepting the first assignment, developing a value opinion and delivering the first report created an appraiser-client relationship. Therefore, the act of simply altering the report by readdressing, reassigning, or transferring it to someone other than the original client or intended user, not identified in the first report, would violate that relationship.

Proper development of a scope of work is the most critical step a real property appraiser completes in each assignment he/she accepts. "Standards Rule 1-2(a) requires identification of the client and other intended users and 1-2(b) requires identification of the intended use of the appraiser's opinions and conclusions." These items serve as the drivers for the assignment. They are determined by the appraiser in communication and agreement with the client when the assignment is accepted. Therefore, to modify or alter these items after completing the assignment and delivering the report would be 1) a violation of the appraiser-client relationship, and 2) possibly the confidentiality section of the Ethics Rule.

Often, when the question is answered, as described above, appraisers ask "is the act permissible if my original client authorizes or grants permission for me to read-

dress, release or transfer the appraisal report to other parties?"

The answer is also no. Appraisers are warned that specific client requests do not allow violations of USPAP. However, USPAP does permit an appraiser to provide a duplicate (exact) copy of an original appraisal report without altering names, clients, intended users or other assignment specific information (the copy must be exactly as submitted to the original client) to anyone the original client requests. To protect the appraiser-client relationship, and satisfy confidentiality laws, the appraiser should request "any" release of assignment information in writing and place the request in the assignment work file.

Upon being told no to the above request, appraisers ask, "if one cannot readdress, reassign or transfer reports what can be done, if anything, to comply with requests similar to those described?"

The answer is usually found after analyzing the identity of the person or entity requesting the service, and answering why the request is made. Most often requests for readdressing, reassignment or transfer of reports are made of residential real property appraisers, originates from lending clients for lending use.

The following scenario, often presented in USPAP classes and asked of regulatory agencies, assumes a lending client engaged the services of a real property appraiser to develop and report an opinion of value. However, for whatever reason that lending client decided not to complete the original intended appraisal use.

The same appraiser who completed the first lending assignment is contacted, within a short period of time, by a second lender requesting that the original report be readdressed, reassigned or transferred to their name, for lending use.

Obviously the appraiser cannot comply with the second lender request as proposed. However, there is a way to accomplish acceptance of the second client assignment request and be in compliance with USPAP.

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Readdressing, Reassigning and Transferring Reports (continued)

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Provided the appraiser was not given information identified as confidential in the assignment for the first lending client and provided there is no contract or agreement that the appraiser not perform assignments for anyone other than the first lending client, the appraiser can accept the second request, establish an appraiser-client relationship with the second lending client, and complete the assignment.

To avoid confusion and problems with multiple assignments of the same identified subject properties, within short time periods, it is advised that appraisers establish appraiser-client relationships by written engagement letters or contracts at the time of initiating each assignment. The engagement letter or contract should specifically describe and identify any items of confidentiality. Also, terms specific to any subsequent future appraisals of the property, for other clients and users, should be identified by the client, agreed to by the appraiser, and made a part of the engagement or contract.

Based upon some unknown reason, or belief, appraisers often consider the above action a violation of USPAP. However, in the absence of confidential information, a written contract of agreement or a supplemental standard, there is absolutely nothing contained in USPAP prohibiting an appraiser from having more than one appraiser-client relationship for the same property during the same time period.

Appraisers sometimes argue that 1) the court system will have a different view than the one above, or 2) appraisers should be expected to exercise a higher business practice standard. However, until there is a court ruling, a contract, a supplemental standard, or other agreement, when enforcing USPAP the only standard regulators can recognize is the minimum binding USPAP requirement. It matters not how another appraiser or a regulator might perceive the correct answer. The only binding requirement of appraisers is to comply with the minimum USPAP requirements that are fact, not opinion.

Often appraisers believe, for whatever reason, 1) they have an appraiser-client relationship that goes beyond professional competence and ethical completion of an assignment (i.e., loan closing); 2) have a fiduciary responsibility to a specific client (i.e., protect business interest);

or 3) have some other binding professional client relationship used by other professionals (i.e., legal or accounting).

Also, many appraisers believe they can not accept a second request unless 1) the first client intended use has ended; 2) the appraiser requests a release from the first client to complete the second assignment; or 3) the second assignment report contains a disclosure that the appraiser previously appraised the subject property for another client and both that client identify an intended user be revealed in the report prepared for the second client use.

Appraisers who believe the above described activities should realize their actions could possibly be a violation of the confidentiality section of the Ethics Rule. USPAP contains nothing to suggest appraisers reveal or disclose the name of any prior client, to anyone, when performing a subsequent assignment with a different appraiser-client relationship. Conversely, the confidentiality section of the Ethics Rule does prohibit releasing results specific to a particular assignment. This includes the identity of previous clients and intended users. The value opinion developed by the appraiser is considered confidential only to each "specific" assignment. Therefore, because it is an opinion and not a fact, the appraiser may develop that opinion for multiple assignments in the absence of effective date and market condition changes. Each time the opinion is developed it becomes the confidential component of each assignment for which it was developed.

Those who believe appraisers must garner client release or permission prior to completing additional assignments, or before establishing more than one appraiser-client relationship, should review and study the following Standards Rule 2-3 certification items:

- ❖ "I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved."

- ❖ "I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment."

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Readdressing, Reassigning and Transferring Reports (continued)

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The assumption that an appraiser has some expanded appraiser-client relationship in a specific assignment implies a violation of the above. Frankly, the argument can be made that an appraiser who declines a second assignment request as described, insists that he/she must wait until the first client intended use has expired, or that he/she must obtain a request for release from the first client could easily be accused of having a personal interest owed to the first client. Also, it might be implied the appraiser is exhibiting a bias to protect the client's business interests, rather than exercising the conduct of a disinterested party and advocating only his/her final value opinion.

USPAP is the best source to follow in preventing regulatory violations while permitting appraisers the flexibility to perform the valuation services required in appraisal practice. Specifically, one should read and understand the following:

- ♦ Confidentiality and Conduct section of the Ethics Rule
- ♦ Standards Rules 1-2(a) and 1-2(b)
- ♦ Definitions of client, intended use, intended users and bias
- ♦ Standards Rule 2-1(a)
- ♦ Supplemental Standards Rule
- ♦ Statement on Appraisal Standards 9
- ♦ Statement on Appraisal Standards 10

- ♦ Advisory Opinion 25
- ♦ Advisory Opinion 26
- ♦ Advisory Opinion 27

This article represents my interpretation of USPAP and the above references. It is imperative that anytime there is a question or concern appraisers contact the real property appraiser regulatory agency in the licensing jurisdiction for the assignment location and request that agency's USPAP interpretation for the above.

Appraisers should regularly review laws and regulations of the jurisdictions for which they are licensed/certified. The rules and regulations often differ from USPAP requirements, thus creating a jurisdictional exception, and the interpretations of regulatory rules and regulations differ from one jurisdiction staff and board to the next.

The Competency Rule requires appraisers be knowledgeable of the market area in which assignments are accepted; therefore, it is each appraiser's responsibility to "know" and "understand," not only USPAP requirements, but all rules and regulations for which he/she is expected to comply in performing the valuation services of appraisal practice.

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Missouri Real Estate Appraisers Commission Mission Statement

PURPOSE:

To regulate real estate appraisers in accordance with federal and state laws, rules and policies in the State of Missouri.

MISSION:

To protect the public interest through examining candidates, issuing certificates, approving continuing education courses, investigating complaints, and administering disciplinary actions to persons in violation of rules, statutes, and uniform standards.

VISION:

To remain the premier regulatory commission operating at maximum efficiency, providing exemplary consumer protection, and enhanced quality improvement of licensees, recognizing that these are changing times and that the nature of professional services must change accordingly.

ASC Audit Examination Issue

The Missouri Real Estate Appraisers Commission recently underwent a routine audit by its federal oversight agency, the Appraiser Subcommittee ("ASC"). The ASC is responsible for auditing all fifty - six jurisdictions' appraiser licensing entities to determine if these agencies are licensing appraisers in compliance within federally mandated standards - standards that came about following the Savings & Loan crisis of the 80s. It was determined during the audit that Missouri is not in compliance with federal standards in that we allow applicants, by statute, to take three years from the date of passing the qualifying examination to meet the necessary experience requirements to become fully licensed. Under the ASC standards, this should be reduced to a two-year period.

In a prior audit in 2001, the ASC came to the same conclusion and simply advised the Commission that they "recommend" we change our law leaving the Commission with the impression that the decision to pursue the recommendation was within their discretion. Unfortunately, the ASC did not state or in any way stress that failure to follow its recommendation would result in any specific consequences for Missouri appraisers or the Commission. At the conclusion of the 2004 audit, the ASC became much more specific as to what would happen due to our noncompliance:

1. Any Missouri real estate appraiser who has been licensed outside of the 2-year period will have to retake the qualifying examination or face being "decertified" on the federal level. This would mean that the appraiser would not be allowed to perform work on any real estate transaction, the financing of which was guaranteed by federal deposit insurance; and
2. If Missouri did not amend its statute from three years to two years, the ASC would consider "decertifying" the entire state. This would mean that any real estate transaction subject to financing that is guaranteed by federal deposit insurance would have to hire an appraiser licensed in a state that maintains its federal certification. This would essentially shut down the vast majority of real estate transactions conducted in Missouri banks, which would be disastrous to our economic growth.

The Commission is attempting to ameliorate the problems created by the first conclusion by advising approximately 80 licensees of the need to retake the examination and by providing them with a free preparatory course and free exam. The ASC's second conclusion requires the Commission to pursue a legislative change to its governing statute. The Division of Professional Registration is requesting, on behalf of the Commission, that it be granted permission to pursue a bill to amend section 339.515, RSMo to comply with the federally mandated licensing qualifications.



Common Deficiencies in Residential Appraisals

by Commissioner Darryl "Skip" Knopf

Our profession is based upon communication of what we see, research and opinions. Most problems can be divided into bad decisions or bad communications. Good communication skills eliminate both problems in most cases. Many bad decisions are made because we are rushing to hit time constraints that others place upon us, which doesn't give us time to ponder problems. We should not take on other's problems such as leaky basements or marginal condition homes. Rather, we need to be a communication tool of the property appraised. Be honest with our opinion of value. The industry is at a crossroad of professionalism. Do not let the lender or the homeowner dictate value.

When the interest rates increase and the light shines on problem accounts, who will get the blame? The homeowner is now the injured party. The lender's lending officer is gone. The focus quickly becomes the appraiser. Protect yourself with quality, verifiable information and good communication within the appraisal. Many of the problems are coming from computer or cloned software errors. This excuse is not acceptable when money is lost and the lawyers are looking for a reason. It doesn't mean we shouldn't use the technology available; however, work should be checked before going out the door.

An appraiser should know his/her neighborhoods. Checking for comparables based upon price ranges can eliminate true comparables from the immediate neighborhood. When an appraiser has to go to a superior neighborhood because he/she can't find a quality comparable in the subject neighborhood, this should be a clue that there might be a problem with the value. Be prepared to defend the use of a different, superior neighborhood.

Depreciation, land values and in place value items seem to be an ongoing problem. Be sure that effective age, discussion of depreciation and deficiencies within the cost approach all reflect the same condition and age. If the effective age is significantly different from the actual age, state that it has been updated and where possible, what has been updated. Don't just pull land values out of the air in order to make the cost approach work. Research an area so you know lot or acre values when you do appraisals in that area. If the in place value items are higher than what the in place item adjustments in the sales comparison approach indicates, there could be a credibility problem.

If we appraisers want the respect of government agencies and lenders, we need to respect the profession. When agencies decide they do not need our services for more and more types of loans, or change the forms so we are just information gatherers with no valuable opinions, it is time to take a good look at the product we are producing.

Renewal and CE

Everyone is now on the biennial cycle for renewal. The current cycle expires on June 30, 2006. You will need 14 hours of CE a year or 28 hours of CE in the two year cycle. You must take a 7 hour NATIONAL USPAP UPDATE COURSE within the two year cycle in order to renew your license or certification. It has to be part of the 28 hours of CE! Eligible approved CE must be taken after July 1, 2004 . NO CARRY OVER ALLOWED! Please check our website for all approved CE @ <http://pr.mo.gov/appraisers.asp> then click on "Education". Don't wait until the last minute to complete your CE or submit your renewal, then call the office and expect miracles to be performed by staff.

Education Policy

The Missouri Real Estate Appraisers Commission has adopted a policy (May 2003) to NOT accept any on-line or distance education courses for pre-licensure. This includes National USPAP courses. Also the commission has adopted a policy (July 2003) to NOT accept the 7 hour National USPAP UPDATE course for CE on-line or distance education. Distance Education or on-line courses are approved for CE only. Check our website @ <http://pr.mo.gov/appraisers.asp> Click on Education to view approved on-line or distance education courses by the commission.

Have You Moved?

If you have moved your residence and/or business, have you notified the commission? Did you know that if you don't notify the commission of address changes that you are in violation of the Appraisers Law? According to Section 339.529 RSMo, you must notify the Commission in writing within thirty (30) working days of any change in your status as an appraiser. Please contact the office in writing at once!

Disciplinary Actions

Thevenot Jacques

RA00317 - Certified Residential

Violations: USPAP Violations: SR 1-1, SR1-4, SR1-5, SR2-1, SR2-2

Joint Stipulation with MREAC: Effective January 31, 2002
 Probation 5 years, keep MREAC apprised at all times in writing of current work and home addresses and telephone numbers, pay all fees required for licensure to maintain license in a current and active status, maintain log of all appraisal assignments completed (including estimate of value) which shall be submitted to the MREAC quarterly for possible selection of samples of appraisals for review by the Commission.

Dennis McIntyre

RA001615 - Certified Residential

Violations: USPAP Violations: SR1-1(b)(c), SR1-3(a), SR1-5(a)(b), SR2-1 (a)(b), SR2-2(b)

Joint Stipulation with MREAC: Effective January 31, 2003
 Probation 3 years, keep MREAC apprised at all times in writing of current work and home addresses and telephone numbers, maintain certification in a current and active status, maintain a log of all appraisal assignments completed (including estimate of value) which shall be submitted to the MREAC every six months for possible selection of samples of appraisals for review by the Commission. Shall not supervise or train any unlicensed appraisers during disciplinary period.

Debra Major

RA002395 - Certified Residential

Violations: USPAP Violations: SR1-1(a)(b)(c), SR1-4(b), SR2-1 (a)(b)(c), SR2-2(b)

Joint Stipulation with MREAC: Effective August 4, 2003
 Probation 2 years, completion of thirty hours tested instruction on the income approach, completion of fifteen hours tested instruction on report writing, prohibited from performing appraisals on commercial properties, keep MREAC apprised in writing at all times of current addresses and telephone numbers, maintain a current and active license, submit written reports to the MREAC no later than January 1 and July 1 during each year of the disciplinary period stating truthfully whether there has been compliance with all conditions of the agreement.

S. Gregory LeVota

RA003245 - State License

Violations: USPAP Violations: SR1-1(a)(b)(c), SR1-2(e)(i), SR1-4(a)(b)(i), SR1-5(a)(b)(i)(ii)(c), 2-1(a)(b), SR2-2(b)(iii)(v)(ix)(xi), SR2-5

Joint Stipulation with MREAC: Effective April 29, 2004
 Probation 3 years, shall not train appraisers-in-training during disciplinary period, keep MREAC apprised in writing at all times of home and business addresses and telephone numbers, maintain a current and active license.

Trisha Brickey

2000163278 - State License

Violations: USPAP Violations: SR1-1, SR1-4, SR2-1, SR2-2

Joint Stipulation with MREAC: Effective August 25, 2003
 Probation 1 year, completion of 30 hour tested residential property appraising course, completion of 7 hour USPAP course, keep MREAC apprised in writing at all times of home and business addresses and telephone numbers, maintain a current and active license, submit log every 6 months for possible selection of work samples, cannot supervise or train during probation period.

A.C. Bingham

RA001968 - Certified Residential

Violations: accepting an assignment and not completing it, did not respond to MREAC

Joint Stipulation with MREAC: Effective December 9, 2002

Revocation

Allen Norman

RA002074 - Certified Residential

Violations: failed to produce documents to MREAC

Joint Stipulation with MREAC: Effective December 9, 2002

Revocation

James Bockwoldt

RA001934 - Certified Residential

Violations: USPAP Violations: SR1-1, SR1-2, SR1-4, SR1-5, SR2-1, SR2-2, SR2-5

Joint Stipulation with MREAC: Effective June 25, 2004
 Probation 3 years, submit assignment log quarterly for possible selection of work samples, keep MREAC apprised of home and business addresses and phone numbers at all times, maintain a current and active license.

Turner Lacey

RA001742 - Certified General

Violations: USPAP Violations: SR1-1, SR1-5, SR2-1, SR2-2

Joint Stipulation with MREAC: Effective May 16, 2003

Continued on Page 13

Disciplinary Actions (continued)

Continued from Page 12

Probation 5 years, submit assignment log every 3 months for possible selection of work samples, keep MREAC apprised of business and home addresses and telephone numbers at all times, maintain a current and active license.

William Thomas

RA002372 - State License

Violations: USPAP Violations: SR1-1, SR1-2, SR1-3, SR1-4, SR1-5, SR2-1, SR2-2, SR2-5, SR4-4,
Joint Stipulations with MREAC: Effective July 8, 2004
Revocation

John Howard

RA001043 - Certified General

Violations: Practicing with a lapsed license
Joint Stipulation with MREAC: Effective December 1, 2003
Public Censure

Robert Kaufmann

RA001882 - Certified General

Joint Stipulation with MREAC: Effective May 24, 2004
Violations: Assisted and enabled a person to illegally engage in the practice of real estate appraising and to hold himself out as a real estate appraiser.
Probation 2 years, submit assignment log every 6 months for possible selection of work samples along with a written report stating he has been in compliance with the Joint Stipulation, keep MREAC apprised at all times of current business and home addresses and telephone numbers, maintain a current and active license.

Mike McNearney

RA002148 - Certified Residential

Violations: USPAP Violations: SR1-1, SR1-4, SR1-5, SR2-1, SR2-5
Joint Stipulation with MREAC: Effective June 10, 2004
Probation 3 years, completion of 30 hour tested market analysis/sales comparison course and 15 hour tested USPAP course, annually submit written report and assignment log for possible selection of work samples, keep MREAC apprised of business and home addresses and telephone numbers, maintain a current and active license.

Daniel Brady

RA001620 - Certified General

Joint Stipulation with MREAC: Effective July 12, 2004

Violations: USPAP Ethics Rule

Suspension 18 months followed by 5 years probation after license becomes current with MREAC, keep MREAC apprised at all time in writing of business and home addresses and telephone numbers, maintain a current and active license.

Richard Smith

RA001389 - Certified Residential

Joint Stipulation with MREAC: Effective September 7, 2004

Violations: USPAP Violations: SR1-1, SR1-2, SR1-3, SR1-4, SR1-5, SR2-1, SR2-2

Voluntary Surrender, may reapply for certification on September 7, 2006.

Tod Kinerk

RA001880 - Certified General

Joint Stipulation with MREAC: Effective September 8, 2004

Violations: USPAP Violations: SR1-1, SR1-2, SR1-4, SR2-1, SR2-2

Voluntary Surrender, may reapply for certification on September 8, 2006.

Raymond Hildebrand

RA002659 - Certified Residential

Joint Stipulation with MREAC: Effective September 16, 2004

Violations: USPAP Ethics Rule

Probation 6 months, keep MREAC apprised of business and home addresses and telephone numbers, maintain a current and active license.

Gaylon Byersdorfer

RA001706 - Certified Residential

Joint Stipulation with MREAC: Effective March 22, 2004

Violations: USPAP Violations: SR2-2, SR2-3

Probation 6 months, keep MREAC apprised at all times of business and home addresses and telephone numbers, maintain a current and active license.

Randy Watson

RA002733 - Certified Residential

Joint Stipulation with MREAC: Effective March 15, 2004

Violations: USPAP Violations: SR1-1, SR2-1, SR2-2

Probation 6 months, completion of 15 hour tested USPAP within first 4 months of disciplinary period, keep MREAC apprised of business and home addresses and telephone numbers, maintain a current and active license.

2005 Commission Meeting Dates

February 2 - 4, 2005
 *May 17 - 19, 2005
 July 12 - 14, 2005
 October 25 - 27, 2005



The Location of all meetings will be Jefferson City at the Division of Professional Registration unless noted. The dates or places are subject to change at any time.
 * Site location yet to be determined.

2005 Examination Dates

<u>Prep Session</u>	<u>Exam Date</u>
January 18-20, 2005	January 21, 2005
March 22-24, 2005	March 25, 2005
May 24-26, 2005	May 27, 2005
July 19-21, 2005	July 22, 2005
September 20-22, 2005	September 23, 2005
November 15-17, 2005	November 18, 2005

Deadlines...

<u>Exam Date</u>	<u>Application Due</u>	<u>Registration Due</u>
January 21, 2005	December 17, 2004	December 31, 2004
March 25, 2005	February 18, 2005	March 4, 2005
May 27, 2005	April 15, 2005	May 6, 2005
July 22, 2005	June 17, 2005	July 1, 2005
September 23, 2005	August 19, 2005	September 2, 2005
November 18, 2005	October 14, 2005	October 28, 2005

The Missouri Training Institute (MTI) of the University of Missouri-Columbia, administers all examinations. The examination fee for calendar year 2005 is \$130 for Missouri residents. The fee for the three day optional preparatory course is \$250. All exam and preparatory course fees need to be paid directly to MTI at UMC!

Licensee Count

STATE CERTIFIED GENERAL:	632
STATE CERTIFIED RESIDENTIAL:	1117
STATE LICENSE:	360
TOTAL:	2,109

As of 11/10/04:

The following 11 counties DO NOT have any licensed or certified appraisers; Carter, Knox, Maries, Mississippi, Schuyler, Scotland, Ste. Genevieve, St. Clair, Sullivan, Texas and Worth.

Complaint Numbers

- 41 Open Cases at the Attorney General's Office on 27 Different Appraisers.
- Complaints received for FY '2004 (July 1, 2003 through June 30, 2004) - 84 complaints
- Complaints received for FY '2005 (July 1, 2004 through November 30, 2004) - 25 complaints.

Key Features of 2005 USPAP and Advisory Opinions

The 2005 edition of USPAP is the result of exposure drafts that occurred on February 17 and April 26, 2004. On the basis of written responses, substantial public testimony at Appraisal Standards Board (ASB) public meetings, and extensive deliberation by the Board, the ASB formally adopted the 2005 USPAP on June 15, 2004. The effective date of 2005 USPAP is January 1, 2005. Every Licensee was mailed a copy of the 2005 USPAP book in December 2004. Please check pages VII & VIII of this document to further read the FULL TEXTS of the changes for 2005. The following is a list of the 2005 changes:

- *Definition of APPRAISAL REVIEW edited.
- *Definition of CASH FLOW ANALYSIS deleted.
- *The Comment in the definition of REPORT edited
- *STANDARDS, STATEMENT ON APPRAISAL STANDARDS AND ADVISORY OPINIONS edited.
- *CITATION OF SOURCE FOR VALUE DEFINITION clarified.
- *Standards Rules 1-3(b) and 6-2(k) edited
- *Standards Rules 2-1, 2-2, 3-2, 5-1, 5-2, 6-7, 8-1, 8-2, 10-1, 10-2, and STATEMENT ON APPRAISAL STANDARDS NO. 10 (SMT-10) new language.
- *Standards Rules 2-2, 6-7, 8-2, and 10-2 edited.
- *Standards Rules 2-3, 5-3, 6-8, 8-3 and 10-3 edited.
- *STANDARD 3 edited.
- *STATEMENT ON APPRAISAL STANDARDS NO. 6 (SMT-6) deleted.
- *STATEMENT ON APPRAISAL STANDARD NO. 7(SMT-7) edited.
- *Advisory Opinion 6 (AO-6) retired.
- *Advisory Opinion 21 (AO-21) re-titled
- *Note: New topical index added and administrative edits were made.
- *USPAP STRUCTURE AND USABILITY FEATURES.
- *The 2005 USPAP books were mailed to all In-State Appraisers in December 2004!**

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