



**REAL ESTATE APPRAISER COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243
615-741-1831**

**Meeting Minutes for March 18, 2024
Eleventh Floor Bicentennial Conference Room
Davy Crockett Tower**

The Tennessee Real Estate Appraiser Commission met on March 18, 2024, and the following business was transacted:

BOARD MEMBERS PRESENT: Brett Mansfield, Nelson Pratt, Sandra Tuck, Dr. Mark Sunderman, William Haisten, Taylor Vandever, Eric Robinson

BOARD MEMBERS ABSENT: Francie Mello

STAFF MEMBERS PRESENT: Glenn Kopchak, Anna Matlock, William Best, Heidi Overstreet, Taylor Hilton, Alexandria Griffey, Philip Allocco

CALL TO ORDER / ROLL CALL / NOTICE OF MEETING

Brett Mansfield called the meeting to order at 9:00 am and Heidi Overstreet took roll call.

AGENDA

William Haisten made a motion to adopt the agenda. This was seconded by Sandra Tuck.

MINUTES

Taylor Vandever made a motion to adopt the minutes from November 13, 2023. This was seconded by William Haisten. The motion passed by unanimous voice vote.

RULEMAKING HEARING

The Rulemaking Hearing began at 9:05 am and ended at 9:23 am. A transcript of the proceeding will be made available upon receipt from the court reporter present.

The board broke for a ten-minute recess.

EXPERIENCE INTERVIEWS

Mr. Will Haisten

Name	Upgrade Type	Recommend	Board Vote
Daniel Easterly	CR	Yes	Yes

Mr. Brett Mansfield

Name	Upgrade Type	Recommend	Board Vote
Valerie Clark	CG	Yes	Yes

Ms. Francie Mello

Name	Upgrade Type	Recommend	Board Vote
Brandi Nwagbara	CR	Yes	Yes
Patrick Binkley	CR	Yes	Yes
Nathan Carter	CR	Yes	Yes

Mr. Nelson Pratt

Name	Upgrade Type	Recommend	Board Vote
Anthony Eaton	CR	Yes	Yes
Kaitlin Page	CR	Yes	Yes
Sarah Vaughn	Licensed	Yes	Yes
Nicholas Lesser	CG	Yes	Yes

Ms. Sandra Tuck

Name	Upgrade Type	Recommend	Board Vote
Trent Gwaltney	CR	Yes	Yes
Roger Richardson	CR	Yes	Yes

Mr. Taylor Vandever

Name	Upgrade Type	Recommend	Board Vote
Emilee Potts	CR	Defer	

William Haisten made a motion to approve the above interview recommendations. This was seconded by Nelson Pratt. The motion passed by unanimous voice vote.

EDUCATION REPORT

Course Provider	Course Number	Course Name	Instructor(s)	Type	Hours	Recommendation
Appraiser eLearning LLC	2738	Believe It or Not: Creating Credible and Supporting Adjustments	Steve Kahane	CE	4	Approve
Appraiser eLearning LLC	2739	Online Measuring Square Footage with ANSI Z765-2021	David Hampton Thomas	CE	4	Approve
Melissa Bond	2743	Restricted Appraisal Reports	Multiple	CE	4	Approve
American Society of Appraisers	2742	Appraising in the Litigation Arena	Michael Orman	CE	7	Approve
The TN Chapter of the Appraisal Institute	2751	Workforce Housing: Bridging the Gap in Our Communities	Sandra McAlister Winter	CE	4	Approve
Appraiser eLearning LLC	2752	Supporting Land Value	Marty Wagar	CE	4	Approve
Appraiser eLearning LLC	2753	Manufactured Housing	Cathy Putegnat	CE	7	Approve
Appraiser eLearning LLC	2754	The Past, Present and Future for the Mortgage Appraisal	Marty Wagar	CE	7	Approve
Appraiser eLearning LLC	2755	ACTS Day 1	Multiple		7	Approve
Appraiser eLearning LLC	2756	ACTS Day 2	Multiple		7	Approve
Dennis Badger & Associates, INC.	2757	Valuation Bias and Fair Housing Laws and Regulations	Dennis Badger		7	Approve
Appraiser eLearning LLC	2761	Appraiser's Guide to Highest and Best Use	Bryan Reynolds		4	Approve

American Society of Farm Managers and Rural Appraisers	2770	Market Area and Industry Analysis	Greg Snyder	CE	8	Approve
American Society of Farm Managers and Rural Appraisers	2771	Timber Property Valuation	Mark Lewis	CE	8	Approve

Dr. Mark Sunderman made a motion to approve the education committee’s recommendations. This was seconded by Nelson Pratt. The motion passed by unanimous voice vote.

DIRECTOR’S REPORT

Budget Report

Heidi Overstreet briefed the budget report summarizing recent months of record and noting a balance of \$137,257 in surplus YTD. Heidi Overstreet drew attention to expense items in November and January. Both were determined to be expenses for ASC registry fees.

AARO Conferences

Nelson Pratt made a motion to send William Haisten, Sandra Tuck, and Brett Mansfield to the Spring AARO Conference, schedule for May 3 – 5, 2024, in Nashville, TN. This was seconded by Eric Robinson. The motion passed by unanimous voice vote.

The selections for the Fall AARO Conference were deferred by Brett Mansfield to allow board members to check their schedules and determine who is available to attend.

PUBLIC COMMENT PERIOD RELATED TO ITEMS ON THE AGENDA

There were no comments from the public.

LEGAL

(Presented by Taylor Hilton)

Legal Report

1. 2023031391

Opened: 7/3/2023

License Type: Certified Residential Real Estate Appraiser

First Licensed: 10/31/1991

Expires: 10/31/2025

History: None

Complainant states on December 17, 2023, Respondent entered Complainant's property past the gate to inquire if the property had a lake view. Complainant alleges once Complainant and their son began to head towards Respondent's direction, that Respondent attempted to run away. Complainant states, however, when they approached Respondent, they began to question why Respondent was on their property. Complainant explains Respondent was inquiring about the property having a lake view. Complainant states they called the Sheriff's department to file trespassing charges. However, Complainant explains they were informed since Respondent was in pursuit of their job no official charges could be brought. Complainant states they believe Respondent's actions constitute gross misconduct.

Respondent states on December 17, 2023, they drove onto Complainant's property in attempt to verify the comparable information found in the Multiple Listing System (MLS) and the courthouse data. Respondent explains this particular comparable property was unique due to having a water view but not being waterfront. Respondent advises the MLS data provided only one photo, and that the photo did not provide a view nor the slope of the property. Respondent states, as such, as part of their due diligence they wanted to observe the property. Respondent advises since the property's gate was opened, they drove up towards to the home. Respondent states they provided Complainant their business card, and disclosed they were there for business purposes to verify aspects of the property. Respondent explains as noted in the Sheriff's incident report, Respondent complied with all questions asked, and no further action was taken. Respondent states they believe they have complied with all rules and regulations, and apologize for any inconvenience.

Counsel recommends dismissing the complaint without action.

Recommendation: Dismiss.

Commission Decision: The Commission voted to accept counsel's recommendation.

2. 2024000851

Opened: 1/22/2024

License Type: Appraisal Management Company

First Licensed: 7/7/2011

Expires: 7/6/2025

History: None

Complainant received an appraisal request from Respondent for a refinance of a property that sold in August 2023. Complainant explains they inspected the property on December 22, 2023. Complainant states Respondent requested numerous "aggressive" revision requests from Respondent. Complainant alleges Respondent had the objective of getting

Complainant to "change/increase" the appraised value. Complainant states the listing agent informed them that the appraisal came in low and was causing the borrower to have to bring cash to the table. Complainant states since they were unable to find market data to support the sales price, they are being harassed to change the value.

Respondent disputes Complainant's assertion that they were being pressured for a value change. Respondent asserts that in no way were their requests for revisions an attempt to facilitate a change of value. Respondent states, rather, the revision requests were at the behest of the lender who reviewed the appraisal after submission and had additional concerns regarding the report. Respondent states the revision requests were for Complainant to provide a more detailed analysis to support their report's conclusion.

Respondent explains they outsource appraisal orders to geographically competent appraisers from their approved appraiser list. Respondent states as part of their contractual responsibility to their clients, they have a staff review appraiser review each appraisal outsourced who pursues any necessary revisions or corrections to each appraisal to ensure Page 3 of 6 the report reflects credible and compliant assignment results. Respondent states Complainant's appraisal included an incomplete analysis that merited attention and that there was no request for a value change. Respondent explains in an email sent by their Post Closing Manager, that it was clearly stated the request for additional support was not a request for value change. Respondent states a final report was submitted on January 5, 2024. Respondent disputes the assertions in the complaint.

Counsel reviewed the submitted revision requests. It does not appear Respondent was attempting to pressure Complainant into changing the value of the report. While Respondent did make numerous revision requests at the behest of the lender, it appears Respondent was not seeking value change. As such, Counsel recommends dismissing the complaint without action.

Recommendation: Dismiss.

Commission Decision: The Commission voted to accept counsel's recommendation.

3. 2023057001

Opened: 12/4/2023

License Type: Certified Residential Real Estate Appraiser

First Licensed: 7/5/1994

Expires: 6/30/2024

History: 2013 Consent Order for allegedly undervaluing a residential property by misreporting the square footage in the property; 2013 Consent Order for allegedly failing to properly report or analyze the correct listing and sales history of a residential property; 2014 Consent Order for allegedly undervaluing a residential

property by using inappropriate comparable sales; 2016 Consent Order for allegedly failing to properly supervise a trainee regarding USPAP violations; 2021 Consent Order for USPAP violations

Complainant alleges Respondent was negligent in their knowledge of the comparables in the subject property's neighborhood. Complainant states sufficient comparables were sent to Respondent, but that Respondent refused to utilize them. Complainant further alleges Respondent was unprofessional and failed to answer their inquiries.

Respondent states the appraisal was originally ordered on September 13, 2023, then cancelled on September 18, 2023, and then reinstated on October 5, 2023. Respondent explains they were informed the home was vacant, and could be accessed via a keybox. Respondent states on October 19, 2023, Tidewater was invoked. Respondent notes this was ten (10) business days after inspection, which exceeds the VA typical guidelines. Respondent states they worked on the report longer than typical in attempt to locate additional comparables. Respondent notes three (3) of their original comparables were the same ones the realtor sent after Tidewater was invoked. Respondent states they reviewed the sales and made the required adjustments. Respondent states they apologize for any mistake in their report but believe they used the best information available to support their conclusion. Respondent also notes they communicated with both the lender and mortgage company throughout the process.

An expert review was conducted. The reviewer notes the items found below were minor issues, and that none of the items noted caused the overall report to be misleading or not meaningful. The expert found the following violations:

1. Record Keeping Rule violation:

- a. Respondent's workfile was provided, and included seven (7) pages of handwritten notes
- b. The following items were not located in the workfile:
 - i. It did not include a true copy of the written report(s).
 - ii. There is no signed and dated appraiser certification.
 - iii. There are only a few references to the location of the MLS data.

2. Standard 1, Standards Rule (1-5) (a)(b); Standard 2, Standards Rule (2-2) (x) violation:

- a. The appraiser did not analyze the contract or prior sale

3. Standard 2, Standards Rule (2-1) (a) violation:

- b. Property was noted as owner-occupied in the report when the property was vacant.

Recommendation: Discuss.

Commission Decision: The Commission voted to authorize a Formal Hearing with the authority to settle via a Consent Order requiring Respondent to complete the four (4) hour Corrective Education Course "Appraiser Self Protection: Documentation and Record Keeping and the four (4) hour Corrective Education Course "Residential Report Writing vs. Form Filling." These courses are to be completed within 180 days of the execution of the Consent Order and in addition to any Continuing Education required for license renewal.

4. 2023023841

Opened: 6/20/2023

License Type: Certified Residential Real Estate

Appraiser First Licensed: 9/15/2020

Expires: 9/14/2024

History: None

Complainant alleges Respondent, a certified residential appraiser, directed an unlicensed person to perform "thousands of appraisal reviews." Complainant alleges more than 750 of these reviews were performed in relation to properties in Tennessee. Complainant states the reviews were primarily a form product known as the "Collateral Desktop Analysis (CDA)." Complainant alleges Respondent gave the unlicensed person a "cheat-sheet" with boilerplate language to complete the appraisal. Complainant states the unlicensed person raised concerns to Respondent who then fired the person in September 2021.

Respondent's legal counsel provided a response. The response explains that Respondent employed an individual (hereinafter "Employee") who was neither a certified real estate appraiser nor a trainee. Rather, the response explained the Employee provided supporting services including assisting Respondent in the creation of appraisal reviews. Respondent states that a substantial portion of the appraisal reviews with respect to which the Employee provided assistance for were the CDA review product.

Respondent explains they carefully and thoroughly trained the Employee to provide them assistance. Respondent states they created templates, like other professionals who create forms and then provide them for their subordinates to use as a model when dealing with similar situations in the future. Respondent states the Employee was trained to use these templates when assisting. Respondent objects to the characterization of one or more of these templates as a "cheat sheet," which Respondent believes unfairly reflects on what Respondent deems to have been a legitimate process. Respondent asserts that USPAP's certification requirements apply only to appraisers, and that it is not always necessary that non-appraisers be identified in the certification statement of reviews or other work product with respect to which they provided assistance. Respondent asserts further that it appears that USPAP "explicitly contemplates" that appraisers rely upon the work of others, including non-appraisers, as long as the appraiser reasonably believes that they

are competent and the work they perform is credible. Respondent explains given the extensive training and supervision of the Employee, Respondent submits that they had a reasonable basis for believing that the Employee was competent to provide assistance in reviews and that the Employee's work in relation to the same was credible.

Respondent "vehemently" denies that (1) the Employee ever raised concerns to Respondent about the alleged inappropriateness of the appraisal review assistance the Employee provided, or that (2) Respondent terminated the Employee in retaliation for raising such concerns. Respondent explains, rather, that the Employee was terminated in September 2022 for the following reasons only: (1) a then ongoing downturn in demand for real estate appraisal services that meant less work for the Employee to assist Respondent with; and (2) Respondent was experiencing adverse events in their personal life at that time that necessitated trimming his business expenses. Respondent goes on further to explain that all of their W-2 employees were terminated within the following month. Respondent states shortly after they made the decision to terminate the Employee, the Employee confronted them and expressed anger and frustration at being terminated. Respondent believes that the Complainant still harbors animosity toward Respondent for terminating their employment and has brought the present Complaint in an effort to "get even."

Respondent states Complainant has not provided any documentation substantiating or otherwise supporting the allegations in the Complaint. Respondent states they do not believe the complaint established that Respondent engaged in prohibited acts. There does not appear to be any provided evidence of Respondent violating USPAP, or any other relevant rules and/or laws. As such, Counsel recommends dismissing this complaint.

Recommendation: Dismiss.

Commission Decision: The Commission voted for this matter to be sent out for investigation, and for it to be deferred to the Commission's November 13, 2023, meeting.

New Information: This matter was sent out for investigation. During the investigation it was determined Complainant was an attorney who represented "Employee" in a prior whistleblowing case. Complainant explained after they were unable to maintain Employee's whistleblowing case, Complainant decided to file this complaint. However, both Complainant and Employee expressed to the investigator that they have no desire to participate past filing the complaint. As such, Counsel recommends dismissing the matter.

New Recommendation: Dismiss.

New Commission Decision: The Commission voted to accept counsel's recommendation.

ADJOURNMENT

There being no new business, the meeting adjourned at 10:03 a.m.