

# APPRAISAL REPORT

A Newsletter for Nevada Appraisers

<http://red.nv.gov/>



## EDUCATION CORNER

### NEW AQB EDUCATION CRITERIA DISCUSSED AT AUGUST CARE MEETING

In May 2018, the Appraisal Qualification Board (AQB) issued new education criteria for Appraisers. The Commission of Appraisers of Real Estate (CARE) held an open meeting on Aug. 27, 2019 regarding regulation changes to 645C.

The new AQB education requirements were discussed at the meeting, and the Commission made its recommendations to the Division, but these recommendations have not yet been adopted.

The current educational requirements will stay in place until the Division adopts all or part of the CARE recommendations. [Additional information and documentation from the workshop](#) is available on the Division's website.

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# A FOND FAREWELL TO COMMISSION PRESIDENT CHRISTOPHER LAUGER



**A**fter 20 years in Las Vegas and two years of service on the Nevada Commission of Appraisers of Real Estate (CARE), the Nevada Real Estate Division is bidding a fond farewell to Commission President Christopher Lauger, who has accepted a position as senior review appraiser with the Forest Service in Ogden, Utah.

Commissioner Lauger and his wife, Donna, first moved to Las Vegas in 1999. After working for a local commercial real estate appraisal firm for 10 years, he opened his own land appraisal and litigation business in 2009.

In addition to owning his own business, Commissioner Lauger worked on the Las Vegas Chapter of the Appraisal Institute (now known

as the Nevada Chapter) where he served as President in 2011. During his presidency, the Institute held its first annual Las Vegas Market Symposium which continues to be the Chapter's best-attended annual event.

In 2017, Commissioner Lauger joined CARE, where he was elected president in 2018. He was also nominated to the Clark County Board of Equalization in 2011, where he was appointed Vice Chair in 2016 and served up until this year.

Most recently, Commissioner Lauger worked as a senior review appraiser where one of his first jobs was to facilitate a land purchase in the Carson City area utilizing funds from the Southern Nevada Public Land Management Act generated by land auctions in Clark County.

Outside of his work in the Appraisal industry, Commissioner Lauger is a proud husband and father as well as an avid outdoorsman.

Along with his wife and daughter, Commissioner Lauger enjoys hiking, camping, skiing, snowshoeing and mountain biking in Southern Nevada and throughout the Southwest. The Commissioner also enjoys woodworking and motorcycling.

Though Commissioner Lauger's time with CARE is drawing to an end, his contributions to the Nevada Appraisal industry in will not soon be forgotten. The Nevada Real Estate Division wishes him well on his next adventure.

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# FROM THE STANDARD 3 REVIEWER'S DESK

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ONE OF THE MOST COMMON ERRORS FOUND IN STANDARD 3 REVIEWS FOR THE STATE OF NEVADA:

## LACK OF ADJUSTMENT SUPPORT

Standards Rule 1-1 (a) states "An appraiser must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal." Standards Rule 1-4 states "In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results." Standards Rule 2-2 (a) (viii) states "The content of an Appraisal Report must... summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions."

Foremost, simply stating that an adjustment is made is not a summary of the information that was analyzed, nor is it a summary of the methods you employed to derive the adjustment. For example, stating "a \$14,000 adjustment was made for garage differences based on market data" tells the user no more information than they already gained from your grid, and clearly conflicts with the USPAP standard.

## THE CURE

Most adjustments can be summarized relatively succinctly. Consider the following when summarizing your adjustments:

**1**

What specifically is the difference between the subject and the comp? This is normally apparent for garages and GLA but may not be as easily discerned for condition or quality. In other words, regarding quality-related components, what specific characteristics make the comp different from the subject?

**2**

Did you use paired sales, a cost-based method, grouped sales comparison, a statistical analysis, or a different technique to derive the adjustment amount? If the adjustment is unusual, large, or somehow complex, consider adding a few extra sentences so your user understands. Make sure a copy of the work is retained in your work file.

**3**

What data or information did you analyze? For one example, regarding date/time adjustments, did you study all sales in the area or only one subdivision, and did those sales span two years or only six months? Make sure a copy of the data is retained in your work file.

## DID YOU KNOW...?

### The Appraisal Advisory Review Committee



**T**he Appraisal Advisory Review Committee (AARC) is comprised of volunteer Appraisers who gather to hear investigative cases in an informal setting.

Allegations and cases are presented to the Committee, whose members then discuss the allegations and possible recommendations for education.

Committee recommendations are presented to the respondent, and if he or she agrees to the stipulated agreement (recommendation), then it is presented to the Appraisal Commission for approval. If the respondent does not agree to the stipulated agreement, then the case is forwarded to the Appraisal Commission to be presented there.

All volunteer appraisers who have served on the AARC say it is a great way to give back and an invaluable learning tool.

If you're interested in serving on the AARC, complete [the application on the Division's website](#) and email it to [jvlindsay@red.nv.gov](mailto:jvlindsay@red.nv.gov).

#### **FOR YOUR REFERENCE:**

##### **NAC 645C.600**

Establishment; appointment, rights and duties of members.

##### **NAC 645C.610**

Duties of committee; action by Administrator.

##### **NAC 645C.620**

Informal conference; Notification; procedure; report to Administrator.

# UPCOMING APPRAISAL COMMISSION MEETINGS

▶ FEBRUARY 4-6

▶ MAY 5-7

▶ SEPTEMBER 15-17

## COMMISSION OF APPRAISERS OF REAL ESTATE (CARE)



**T**he Commission of Appraisers of Real Estate (CARE) hears cases that involve violations of the Nevada Revised Statutes (NRS) and Administrative Code (NAC), as well as violations of the Uniform Standards of Professional Appraisal Practice (USPAP).

The State's case is presented by the Deputy Attorney General and the respondent may also choose to have legal representation during the Commission Meeting.

CARE has the authority to impose administrative fines and suspend or even revoke licenses. CARE is comprised of five members: a president and vice president, a secretary and two other members. NRS 645C establishes the Commission's configuration, how commissioners are appointed and their term limits.

Interested parties can apply to join the Commission by submitting the [Boards & Commissions Application](#) and the [Authorization for Release of Personal Information and Waiver](#).

### *DID YOU KNOW...?*

You can earn continuing education (CE) credit by attending a CARE meeting. If the meeting goes for at least two hours, you can earn CE credit just for attending.

### **NRS 645C.180 Commission of Appraisers of Real Estate: Creation; appointment and terms of members; limitations on membership.**

1. The Commission of Appraisers of Real Estate is hereby created, consisting of five members appointed by the Governor.

2. At least two members of the Commission must be residents of the southern district of Nevada, which consists of the counties of Clark, Esmeralda, Lincoln and Nye.

3. At least two members of the Commission must be residents of the northern district of Nevada, which consists of Carson City, and the counties of Churchill, Douglas, Elko, Eureka, Humboldt, Lander, Lyon, Mineral, Pershing, Storey, Washoe and White Pine.

4. Not more than two members may be appointed from any one county.

5. After the terms of the initial members, the Commission must contain at least two members who hold certificates as general appraisers and at least two members who hold certificates or licenses as residential appraisers.

6. A member of the Commission is eligible for reappointment but shall not serve for a period greater than 6 years consecutively, after which the member is not eligible for appointment or reappointment until 3 years have elapsed from his or her previous period of service.

(Added to NRS by [1989, 823](#); [A 1991, 888](#))

# DISCIPLINE CASES FROM THE COMMISSION OF APPRAISERS OF REAL ESTATE

Note: The following is a summary of recent disciplinary actions imposed by the Nevada Commission of Appraisers of Real Estate. This is only a summary of the written decisions of the Commission. For brevity, some of the facts and conclusions may have been edited out. Because these are summaries only, and because each case is unique, and fact specific, these summaries should not be relied on as precedent as to how similar cases may be handled



**AS OF OCTOBER 2019, THERE ARE 9 CASES PENDING CARE FOR 2019 AND 2020.**

## CERTIFIED GENERAL

A Standard 3 Review was conducted on the appraisal in question and found not credible due to several errors and omissions. Appraisal should have been retrospective value as of the date of death. Appraisal was done Dec. 14, 2014 but not completed until May 8, 2015. Respondent utilized FIRRE's market value definition, making the report inconsistent and misleading. Respondent placed a designation of CGA after her name, misleading the reader. Market value defined is misleading. Scope of work is inappropriate, by not utilizing date of death, IRS fair market value definition, and other IRS requirements. Methods of valuation appear to be adequate with the exception that it is unknown what the date of death was and whether the date of inspection was a contemporaneous date or an appropriate date for valuation purposes. Without this information, the remainder of the report is misleading.

### VIOLATIONS

Standard Rule 1-1 (a)	Standard Rule 1-2 (h)
Standard Rule 1-1 (b)	USPAP Ethics Rule
Standard Rule 1-1 (c)	Standard Rule 2
Standard Rule 1-2 (c)	NRS 645C.480 (1)(a)
Standard Rule 1-2 (d)	NAC 645C.440

### DISCIPLINE

Work File: 7 HRS  
Highest & Best Use: 7 HRS  
Report Writing: 7 HRS  
\$3,638.46 fine

## UNLICENSED

Respondent signed an appraisal report without having an Appraiser license in the State of Nevada.

### VIOLATIONS

NRS 645C.260  
NRS 645C.215  
NRS 645C.710

### DISCIPLINE

\$5,000 fine

## CERTIFIED GENERAL

Respondent accepted an assignment for a commercial property while she was licensed as a Certified Residential Appraiser. The respondent accepted funds for the assignment and then did not complete the assignment or keep in contact with the person who ordered the appraisal. Respondent did not cooperate with the Real Estate Division with regards to several requests for the appraisal and work file. Case was submitted to CARE. Respondent did not show up for the Commission Hearing.

### VIOLATIONS

NRS 645C.480 (1)(a)  
NRS 645C.400 (2) and (4)  
NRS 645C.470 (4) and (5)  
Standard Rule 1-1  
Standard Rule 2-1

### DISCIPLINE

License revoked.  
\$1,793.46

## CERTIFIED GENERAL

Complainant stated that the respondent's report lacked accuracy and credibility. The report was biased and conducted with the clients' specific needs for litigation in mind.

### VIOLATIONS

Ethics Rule                      Standard Rule 2-1 (a)  
Scope of Work Rule        Standard Rule 2-1 (c)  
Standard Rule 1-1(a)  
Standard Rule 1-6 (a)  
Standard Rule 1-6(b)

### DISCIPLINE

License suspended for one year.  
\$6,078.29 fine

## UNLICENSED - TEMPORARY PRACTICE PERMIT

Unlicensed activity. License application was received by the Las Vegas Office on June 25, 2018. The effective date of value was April 20, 2018. This would mean the respondent performed the valuation prior to being issued a temporary permit by the State of Nevada. Appraisal contains numerous inaccuracies and the qualifications of the respondent were brought into question. A Standard 3 review was also conducted on this appraisal and there were several inconsistencies found in the work file.

### VIOLATIONS

NRS 645C.260  
NRS 645C.215  
NRS 645C.710

### DISCIPLINE

\$5,000 fine

## UPDATES TO THE NATIONAL REGISTRY

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The Appraisal Program Manager uploads information to the National Registry once a week unless the Program Manager is out of the office for the week. However, the National Registry will not update a licensee's information until after the expiration date of the license.

For example, a license that expires on Nov. 30, 2019 will not be updated on the National Registry until Dec. 1, 2019. This is controlled by the Appraisal Subcommittee (ASC) and not the Real Estate Division.

### NEW ONLINE:

- [New Continuing Education \(CE\) Courses](#)
- [Renewed CE Courses](#)
- [Additional Resources](#)

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## APPRAISAL STATISTICS AS OF SEPTEMBER 2019

APPRAISER TYPE	COUNT
Certified General Appraisers	414
Certified Residential Appraisers	457
Residential Appraisers	75
Appraiser Interns	89
Appraisal Management Companies	154
Appraisal Management Companies (Individual)	340
Interns Approved since July 1, 2019	3

This is the Appraisal Section's first newsletter. It is the intent to get a newsletter out at least quarterly. If you have suggestions or recommendations for the newsletter, please feel free to contact Jaye Lindsay, Appraisal Program Manager at [jvlindsay@red.nv.gov](mailto:jvlindsay@red.nv.gov).

### REAL ESTATE DIVISION

SHARATH CHANDRA  
Administrator

PERRY FAIGIN  
Deputy Administrator

JAYE LINDSAY  
Appraisal Program Manager

DANIEL WALSH  
Compliance/Audit Investigator II

### COMMISSION OF APPRAISERS OF REAL ESTATE

CHRISTOPHER LAUGER  
*President*  
Clark County

DAVID STEFAN  
*Vice President*  
Washoe County

KENNETH CRONIN  
*Secretary*  
Washoe County

LARRY MICHAEL  
GANDY, JR.  
*Commissioner*  
Clark County

VACANT  
*Commissioner*