

APPRAISAL **REPORT**

A Newsletter for Nevada Appraisers

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



INTRODUCING ONLINE RENEWAL FOR APPRAISAL CE COURSES

The Nevada Real Estate Division is pleased to announce the launch of online renewals for sponsors of Appraisal Continuing Education (CE).

Most licensees are familiar with My Account, the personalized portal where they can review their contact information, track their continuing education, and complete their license renewals. The same portal is now open to sponsors. However, sponsors who are also licensees should be aware that there is a separate login for course renewals. The Division provides usernames

and passwords for sponsor accounts. If a sponsor has not been issued a username and password, or misplaces login information, they should email realest@red.nv.gov for assistance.

Upon logging in for the first time, sponsors will be prompted to configure three security questions. From there, they will have access to submit renewals. If no courses appear on the Renew a License page, sponsors should verify course expiration dates. A course only becomes available for online renewal within 45 days of its expiration date.

The online renewal process for CE courses follows the same template as the paper-form application. Providers will have the opportunity to review all entries and selections prior to submission, as well as a breakdown of fees which includes a 1.5 percent convenience fee for credit/debit card payments.

In addition to cutting down on paper waste, renewing online will save busy educators the hassle of mailing course materials and payment to the Division.

Good luck and happy renewing.

A Warm Welcome to Commissioner Scott D. Krueger



Scott D. Krueger began his appraisal career in 1989 after earning a Bachelor of Science in Real Estate from the College of Business at Arizona State University.

In 1994, he relocated from Phoenix, Arizona to Las Vegas, Nevada after accepting an offer to join the appraisal and consulting firm of Timothy R. Morse and Associates. During his 26 years with the firm (now operating as Morse-Krueger and Associates), Krueger has remained active in the valuation of a wide range of property

types throughout the state of Nevada.

Today, Krueger serves as the manager of the firm and credits his close friend and mentor, Tim Morse, for much of his experience and growth in the appraisal field.

In addition to a licensed Certified General Appraiser, Krueger is a Designated Member of the Appraisal Institute, where he has served in various capacities including President of the Las Vegas Chapter – now the Nevada Chapter – in 2008.

Krueger enjoys spending most of his personal time with his family. He and his wife, Julie, have been married for over 30 years and have raised four daughters.

From the Desk of the Compliance Investigator

HIGHEST AND BEST USE

Form 1004 asks the question, “Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?” After the yes/no check boxes, there is a small field entitled “If no, describe.” This field could be misleading as Form 1004 shows a description is only necessary if “no” is checked. However, USPAP says that checking “yes” without any

further discussion is inadequate for support and rationale.

An example of supporting the highest and best use analysis contained in your work file is:

The highest and best use is the current use. Because of the existing use and zoning, no alternate use is likely.

USPAP Standards Rule 2-2(a)(xii)

- (a) The content of an Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum:
 - (xii) when an opinion of highest and best use was developed by the appraiser, state that opinion and summarize the support and rationale for that opinion;

FROM THE DESK OF THE APPRAISAL MANAGER



REGARDING INTERN LOGS

Intern Logs must be completed on the form provided by the Real Estate Division (Form 537A). The form can be found on the Real Estate Division website under [Forms > Appraisal](#). Intern logs completed on any other form will be returned, and you will be asked to resubmit using the correct form.

Please ensure that you accurately record the time spent assisting with appraisals.

It is the responsibility of both the supervisor and the intern to ensure that intern logs are completed accurately and completely,

and the Appraisal Program Manager will contact supervisors to verify intern log accuracy.

Once an intern log is received by the Real Estate Division, it is sent to the Appraisal Program Manager to verify that the hours reported are correct, the log contains all required information, and education is complete.

If necessary, the Appraisal Program Manager will also reach out to the intern or supervisory appraiser with questions and submit appraisals for USPAP review.

RECURRING INTERN LOG ISSUES

- 1** Single family residential appraisals under 2000 square feet reported as taking anywhere from 18 to 37 hours.
- 2** Appraisals completed on one date that took more than 24 hours.
- 3** Incomplete logs and logs out of chronological order.

Check out the [State of Nevada Administrative Code for Supervision of Interns online](#).

DID YOU KNOW...?

The Appraisal Advisory Review Committee



The 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.

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.

DISCIPLINE CASES FROM THE APPRAISAL ADVISORY REVIEW COMMITTEE

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 JANUARY 2021, THERE ARE 10 CASES PENDING AARC FOR 2021.

FIRST CASE

The respondent ignored relevant sales data, claiming the assignment was accepted based on a predetermined value.

VIOLATIONS

Standard Rule 1-4 (i)
Standard Rule 1-5 (b)
Standard Rule 1-6 (b)
Standard Rule 2-1 (b)
Standard Rule 2-2 (a)(viii)

DISCIPLINE

Work File: 4 HRS
Residential Review/USPAP Compliance: 7 HRS
Cost Approach: 7 HRS
Thinking Outside the Form: 4 HRS
NRED to audit the respondent's appraisal logs for USPAP compliance.

SECOND CASE

The complaint alleges that the report does not address the previous purchase price of the subject property or mention upgrades and whether there is any value to the property's features.

VIOLATIONS

Record Keeping Rule	Standard Rule 1-4 (b)(iii)
Standard Rule 1-1 (a)	Standard Rule 1-5 (b)
Standard Rule 1-1 (b)	Standard Rule 1-6 (a)
Standard Rule 3-1 (b)	Standard Rule 1-6 (b)
Standard Rule 1-4 (a)	Standard Rule 2-2 (a)(viii)
Standard Rule 1-4 (b)(i)	Standard Rule 2-2 (a)(x)

DISCIPLINE

Cost Approach: 7 HRS
Residential Adjustments: 3 HRS
Residential Report Writing: 7 HRS
Highest and Best Use: 7 HRS

THIRD CASE

The complaint disagrees with the respondent's opinion of value and alleges that the report stated the search parameters include only comparative sales dated within six months prior to the effective date. The complaint also alleges that the respondent ignored comparable sales located within the neighborhood and "Refused the request to re-value the home to include only comparable sales which had occurred in the prior six months."

VIOLATIONS

Record Keeping Rule
Standard Rule 2-1 (b)
Standard Rule 2-2 (a)(viii)
Standard Rule 2-2 (a)(x)

DISCIPLINE

Residential Analysis/Highest & Best Use: 15 HRS
Report Writing: 7 HRS
Work File: 3 HRS
Must submit one month of appraisal logs to be reviewed for educational purposes.

FOURTH CASE

This complaint was filed 11/27/2018 by the Nevada Real Estate Division as an expanded investigation of another complaint filed against an appraiser. The complaint alleges that the respondent, a California certified appraiser, is not certified in Nevada. The original complaint further alleges that the respondent was the only individual who physically inspected the subject property. The respondent's name appears on email correspondences but does not appear on the emailed or mailed appraisal report. The report was signed by the original respondent. The original respondent was not physically present during the inspection but previously inspected the subject in 2012.

VIOLATIONS

Ethics Rule	Standard Rule 2-1 (c)
Record Keeping Rule	Standard Rule 2-2 (a)(vii)
Competency Rule	Standard Rule 2-2 (a)(viii)
Scope of Work Rule	Standard Rule 2-2 (a)(xii)
Standard Rule 1-2 (f)	
Standard Rule 2-1 (a)	

DISCIPLINE

Business Practices and Ethics: 6 HRS
 Residential Report Writing: 8 HRS
 Sales Comparison: 7 HRS
 USPAP: 15 HRS
 NRED to audit the respondent's appraisal logs for USPAP compliance.

FIFTH CASE

The respondent's sales comparison approach adjustments are unsupported.

VIOLATIONS

Record Keeping Rule	Standard Rule 1-4 (b)(iii)
Standard Rule 1-1 (a)	Standards Rule 1-6 (b)
Standard Rule 1-1 (b)	Standards Rule 2-1 (a)
Standard Rule 1-1 (c)	
Standard Rule 1-3 (a)	
Standard Rule 1-4 (a)	
Standard Rule 1-4 (b)(i)	

DISCIPLINE

Residential Market Analysis/Highest & Best Use: 14 HRS
 Appraising Luxury Homes: 4 HRS
 Residential Adjustments: 4 HRS
 Cost Approach: 7 HRS
 NRED to audit the respondent's appraisal logs for USPAP compliance.

SIXTH CASE

The respondent's report and attached complaint were originally included with a separate complaint filed with the Division. The Division reviewed the respondent's report and opened an investigation. The attached complaint states the respondent was retained to complete an appraisal for an estate settlement. The complaint alleges that the respondent assured the client the report would be completed two-three days following the inspection, but the report was late with little communication from the respondent. The complaint also alleges that the respondent may be biased due to the respondent's personal relationship with the attorney involved with the estate's disposition and that the subject was undervalued.

VIOLATIONS

Record Keeping Rule	Standard Rule 3-1 (b)
Scope of Work Rule	Standard Rule 1-6 (a)
Standard Rule 1-1 (a)	Standard Rule 1-6 (b)
Standard Rule 1-1 (b)	Standard Rule 2-2 (a)(viii)
Standard Rule 1-1 (c)	Standard Rule 2-2 (a)(x)
Standard Rule 1-2 (e)(i)	Standard Rule 2-2 (a)(xi)

DISCIPLINE

Residential Report Writing: 14 HRS
 Highest and Best Use: 7 HRS
 Work File: 4 HRS
 Must submit one month of appraisal logs to be reviewed for educational purposes.

A Couple More Things . . .

UPDATES TO THE NATIONAL REGISTRY

To have information such as addresses and phone numbers updated on the National Registry, contact the Appraisal Program Manager at jvlindsay@red.nv.gov with the information that needs to be updated or corrected.

SERVE ON THE ADVISORY REVIEW COMMITTEE

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

NEW ONLINE:

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

APPRAISAL STATISTICS AS OF DECEMBER 2020

APPRAISER TYPE	COUNT
Certified General Appraisers	424
Certified Residential Appraisers	456
Residential Appraisers	77
Appraiser Interns	90
Appraisal Management Companies	467
Appraisal Management Companies (Individual)	N/A

This is the Appraisal Section's third newsletter. It is the intent to get a newsletter out at least quarterly. If you have suggestions or recommendation for the newsletter, please feel free to contact Jaye Lindsay, Appraisal Program Manager at jvlindsay@red.nv.gov.

REAL ESTATE DIVISION

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Administrator

JAYE LINDSAY
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JAMES SILVA
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