

MAR 13 2023

NEVADA COMMISSION OF APPRAISERS

M. Gallo**Factual Allegations:**

1. Admit

2. Admit

3. Deny:

The Lender ordered the original appraisal as a 1004 townhome. I reached out on 6-25-2019 to ask the Lender if the prelim had townhome. After going back and forth a few times (which I included in the original workfile), they responded on 7-2-2019 and said to use 1004 form. Knowing Boulder City, many condominiums have Riders to change from a condominium to a townhome. I wanted to verify this information with the Lender. I took their word that it was a townhome. In the future, I will definitely ask to see the prelim for myself. I did reach out to the City and a local title company. See the attached City email stating that Boulder City deeded single-family residences on small site areas and townhomes as condominiums. Please see attached emails to show how they record properties as well. The subject tract has been considered townhomes and condominiums. Driggs Title emailed me that some properties in the subject tract receive Condo Riders to convert them to townhomes. I have lived in Boulder City for almost 18 years and have been appraising in Boulder City since then. Therefore, I have the knowledge and competency in the subject community and the subject tract. Please see the attached map showing the property's zoning/deed information.

4. Deny:

See above question #3. Lender requested the 1004 form.

5. Deny:

See above question #3. Lender requested the 1004 form.

6. Deny:

Please see the attached purchase agreement and screenshot showing that I did have the Purchase Agreement. I just failed to send it to you.

7. Deny:

Since the Lender indicated it was a townhome, I put on page 1 of the URAR that the square footage of the first floor derived the site area. County Records shows 11,165 square feet, which I knew was not accurate.

8. Partially Deny:

I should have been more detailed. Even though it is zoned C-2 the City allows Family Residences to be built in C-2 zoning. Several communities are located in C-2 and are townhomes, condominiums, one small hotel, and a gas station. The City has always kept zoning the same in this area. The subject property is not located in a commercial area; said commercial buildings are several streets away. The subject is not adjacent to the (93) Highway (no frontage access). No industrial buildings in the immediate area. The highest and best use is Single Family Residential. Please see the attached map showing properties zoning/deed information.

9. Admit:

From this point forward, I will add more information to my workfile regarding the highest and best use.

10. Deny:

Please see the original work file, Market Analysis. This shows DOM: low 33 and high 514.

11. Admit:

Since this appraisal, I have taken several classes to show how my sales comparison adjustments are made. I also purchased Gandy Software to help support my conclusions.

12. Admit:

Since this appraisal, I have taken several classes to show how my sales comparison adjustments are made. I also use Gandy Software to help support my conclusions.

13. Deny:

As stated in the comparable comments. Comparables 5 and 6 were only utilized to validate time adjustments. Located across the street from the subject tract showing market demand for the area. I also used MLS statistics to show an increase in values (Please see attached MLS statistics report). This was in the original workfile.

14. Deny:

No comparable sales had occurred in the MLS. Filling out the 1004MC form would be misleading and not accurate. The subject townhomes / condominiums are highly sought, making this community have fewer sales and very few for sale by owners (not in MLS). Knowing the subject demand area and the community and my knowledge of market trends in the area. Since 2019 I have included a separate 1004MC form that shows sales in the demand area when minimal comparable sales are available to fill out 1004MC form correctly.

15. Deny:

See above question #3. Lender requested the 1004 form. I noted the appraisal of how I calculated the site area (not misleading). Used like properties that are comparable to the subject. Again stating, comparables 5 and 6 were utilized for time adjustments. Comparables 1, 2, 3, 4, and 7 are all deeded as condominiums, however can receive Condo Riders.

16. Admit:

I should have included vacant land sales in my workfile (lack of vacant land sales in the area). I did use County Records' land value as an estimate (\$39,550). Since said appraisal, I have talked with a mentor of mine (Britt West), who explained that the best practice is to use better measures. I have now changed this in my reports.

17. Admit:

I was not aware that I had to disclose the management fee. I will be doing this moving forward.

First Violation:

- * Please see the attached purchase agreement and screenshot showing that I did have the Purchase Agreement. I must have failed to send it to you.**
- * Since this appraisal, I have taken additional classes to show how my sales comparison adjustments are made. I also now use Gandy Software to help support my conclusions.**
- * Please see question number 3 and the documentation attached that it could be either a condominium or a townhome with a Rider.**
- * Communication between Solidifi and Navy Federal Credit Union appeared to be lacking. You can see from the original screenshots of the portal that I reached out many times to get information from the Lender.**

Second Violation:

- *I am knowledgeable in the subject demand area and have done many appraisals in the subject tract.**
- *Please see question number 3 and the documentation attached that it could be either a condominium or a townhome.**
- *Since this appraisal, I have taken additional classes to show how my sales comparison adjustments are made. I also now use Gandy Software to help support my conclusions.**

Third Violation:

- *1. The property is identified as both a townhome and a condominium. The Lender ordered it as a townhome. I asked them to verify it was not a condominium. They verified it was a townhome. See attached documentation from the City and Title Company that it can be a townhome using a Rider or a condominium.**
- *2. See above and question 3 answer.**
- *3. This is all in my workfile**
- *4. This is all in my workfile**

Fourth Violation:

- *Site area was derived by the first floor of the subject residence (this is noted in the appraisal and at the request of the Lender using the 1004 form). Comparables 2, 3, and 4 are subject tract sales; comparables 1 and 7 are located in a competing tract.**
- *See above and question 3 answer.**
- *See question 8**
- *See original County Records printout; no transfer history in the past 3 years on the subject. Comparable 6 sold on 10/31/2017, which is noted in the appraisal.**
- *Bedroom count is a typo (it looks like I switched comps 2 and 3). As stated in my report room count is reflected in the gross living area.**
- *See the above Site area comment.**
- *Since this appraisal, I have taken additional classes to show how my sales comparison adjustments are made. I also use Gandy Software to help support my conclusions.**
- *Utilized comparables 5 and 6 to support time adjustment.**

***No comparable sales had occurred in the MLS. Filling out the 1004MC form would be misleading and not accurate. Knowing the subject demand area and previous appraisal files makes my knowledge of market trends in the area.**

***I derived at value and had comparables located in the subject tract and located in competing tracts.**

***Since this appraisal, I have taken additional classes to show how my sales comparison adjustments are made. I also use Gandy Software to help support my conclusions.**

Fifth Violation:

***See above and question 3 answer.**

***Since this appraisal, I have taken additional classes to show how my sales comparison adjustments are made. I also use Gandy Software to help support my conclusions.**

Sixth Violation:

***See above question 8**

***I will put in my workfile supply and demand data in the future. My knowledge of knowing the market is what I went off of. I now need to back my knowledge up with paperwork and will be doing this from now on.**

Seventh Violation:

***See above and question 3 answer.**

Eight Violation:

***See above and question 3 answer.**

***Since this appraisal, I have taken additional classes to show how my sales comparison adjustments are made. I also use Gandy Software to help support my conclusions.**

***I should have been more detailed. Even though it is zoned C-2 the City allows Family Residences to be built in C-2 zoning. Several communities are located in C-2 and are townhomes, condominiums, one small hotel, and a gas station. The City has always kept zoning the same in this area. The subject property is not located in a commercial area; said commercial buildings are several streets away. The subject is not adjacent to the (93) Highway (no frontage access). No industrial buildings in the demand area. The highest and best use is Single Family Residential.**

Ninth Violation:

*** I was not aware that I had to disclose the management fee. I will be doing this moving forward.**

I take my job seriously and always strive to learn from my mistakes. I have been an appraiser for over 25 years, and this is my first complaint. My peers and others in the Real Estate industry always say what a pleasure it is to work with me (see original workfile text message from listing agent who I have never worked with before). I had always reached out to my mentor Britt West seeking his knowledge and help. We would talk about the market and market trends occurring in the market. Britt often referred me to others if he was unavailable. He also got me added to some

of his client's lists. Fannie Mae recognized me a few years back as the #1 appraiser in Nevada for their REO division. That means the sales price to the appraised value I was the closest. Making mistakes is a chance to grow and learn, and this is what I will be taking from this hearing.

Thank you,

A handwritten signature in black ink, appearing to read "S Spragno". The signature is stylized and cursive.

Shelby B Spragno
03/12/2023
A.0006286-CR