

**BEFORE THE MISSISSIPPI REAL ESTATE APPRAISER  
LICENSING AND CERTIFICATION BOARD**

**IN THE MATTER OF:  
ALICE H. DEMPSEY  
LICENSE NO: RA-170**

**NO. 01-1601**

**CONSENT ORDER**

This matter came before the Mississippi Real Estate Appraiser Licensing and Certification Board (Board) for entry of a Consent Order regarding the Respondent **ALICE H. DEMPSEY**, who has been issued Mississippi Real Estate Appraiser License No. RA-170. This action is before the Board as the result of Respondent's appraisal of real property located at 3234 Jefferson Street, Macon, Mississippi 39341. By entering into this Consent Order, Respondent Dempsey waives her right to a hearing with full due process and the right to appeal any adverse decision resulting from that hearing. Having reached an agreement by consent on this matter, the Board issues its Findings of Fact, Conclusions of Law and Disciplinary Order as follows:

**FINDINGS OF FACT**

**I.**

The Mississippi Real Estate Appraiser Licensing and Certification Board is charged by law with the regulation of the practice of real estate appraisal including matters relating to real estate appraiser standards, qualifications and licensing, and disciplinary functions pursuant to Title 73, Chapter 34 of the Mississippi Code, as amended. The Board, pursuant to this authority, has full, complete and proper jurisdiction over the parties and the subject matter herein.

**II.**

Respondent Alice H. Dempsey is an adult resident of Mississippi whose last known

address of record with the Board is 6159 Hwy. 15 S. / P. O. Box 544, Ackerman, Mississippi 39735. Respondent is the holder of a real estate appraiser's license, No. RA-170, issued by the Board pursuant to Miss. Code Ann. §§73-34-1, *et seq.*, as amended, and, as such, she is subject to all of the provisions, rules, regulations and statutes governing the appraisal of real property and licensing of real estate appraisers under Mississippi law.

### III.

On or about August 4, 2015, Respondent Dempsey performed an appraisal of property located at 3234 Jefferson Street, Macon, Mississippi, 39341 and issued an Appraisal Report (sometimes hereafter "Report").

### IV.

Respondent did not provide verified documentation or analysis in the work file for certain information stated in the referenced Appraisal Report. The Report contained several inconsistencies when compared to information contained in the work file. Respondent does not reflect the amenities for comparables correctly when compared to the MLS data sheets contained in the work file. Respondent shows four out of the six comparables with a greater than a 10% adjustment with only a one line explanation, stating "Some percentages are excessive but necessary to reflect value." A more descriptive explanation of the excessive adjustments should have been reported. Comparable #3 reflects a four and one-half bath property but the Report only reflects a 4 bath property and was adjusted incorrectly. Comparable #6 reflects an elevator, boat house and pool that is not stated in the Report. Respondent's Report contained no explanation why Respondent felt no adjustment was warranted. In Respondent's analysis of comparables #5 and #6, Days on Market are stated incorrectly. In her Report, Respondent stated she considered

all "4" comparables yet there are 6 comparables analyzed in the report. Respondent utilized comparables from Brookville, Mississippi which are out of the market area for the subject property in Macon, Mississippi (annual taxes range from approximately \$3000 to \$4000 whereas Macon comparables range for taxes is only \$1000).

#### V.

Respondent did not follow the requirements specified in the "Client Order Request."

Respondent was requested to supply original photographs for the comparables used in the Report yet photographs for comparables #2 and #5 are MLS Photographs. Respondent was requested to ascertain and comment regarding the presence of carbon monoxide detectors yet Respondent provided no such information in the Report. The Client Order Request set forth instructions for completion of the appraisal including "The appraiser must provide appropriate comments reflecting the logic and reasoning for the adjustments provided" and "When there is a significant variance (10% or more) then detailed commentary must be provided" yet Respondent included only a one line standard statement insufficient to explain the significant variance.

#### VI.

Respondent stated no method and provided no verified documentation or analysis in support of the conclusion for the cost approach to value stated in the Appraisal Report. Respondent identifies the use of Marshall & Swift as the source for reproduction cost data and states "See attached Sketch" without further comment or analysis. The Appraisal Report reflects Respondent reached a conclusion as to site value as "site value from sales of vacant land in the market area and property record card" but provided no analysis in support of the conclusion and no documentation of the percentage applied to reach the conclusion.

## CONCLUSIONS OF LAW

### VII.

Respondent ALICE H. DEMPSEY admits and agrees, by consent with the Board, that the above and foregoing described actions and conduct violated Miss. Code Ann. §73-34-35(1)(I), and §73-34-37, as amended, and more specifically the Years 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP) Record Keeping Rule, Scope of Work Rule (*Problem Identification, Scope of Work Acceptability and Disclosure Obligations*), and Standards Rules 1-1(c), 1-2(e)(i)(h), 1-4(a)(b)(i)(ii) and (iii), and 2-2(a)(iii)(vii) and (viii), which state in relevant parts:

**§73-34-35(1):** ...[T]he rights of any licensed appraiser or licensed certified real estate appraiser may be revoked or suspended, or the holder of the license may be otherwise disciplined, in accordance with the provisions of this chapter for ...:

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(I) Any act or conduct, whether the same or of a different character than specified above, which constitutes or demonstrates bad faith, incompetency or untrustworthiness; or dishonest, fraudulent or improper dealing; or any other violation of the provisions of this chapter and of rules and regulations established by the board.

**§73-34-37:** Each real estate appraiser licensed under this chapter must comply with generally accepted standards of professional appraisal practice and generally accepted ethical rules to be observed by a real estate appraiser. Generally accepted standards of professional appraisal practice are currently evidenced by the uniform standards of professional appraisal practice...

### 2014-2015 USPAP REQUIREMENTS

**RECORD KEEPING RULE:** An appraiser must prepare a workfile for each appraisal, or appraisal review assignment. A workfile must be in existence prior to the issuance of any report...

The workfile must include:

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- all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation...

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**SCOPE OF WORK RULE:** For each appraisal, appraisal review assignment, an appraiser must:

1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report.

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

**Problem Identification:** An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal, appraisal review problem to be solved.

**Comment:** ...In an appraisal assignment, for example, identification of the problem to be solved requires the appraiser to identify the following assignment elements:

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- subject of the assignment and its relevant characteristics; and
- assignment conditions.

This information provides the appraiser with the basis for determining the type and extent of research and analyses to include in the development of an appraisal...

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Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work. Laws include constitutions, legislative and court-made law, administrative rules, and ordinances. Regulations include rules or orders, having legal force, issued by an administrative agency.

**Scope of Work Acceptability:** The scope of work must include the research and analyses that are necessary to develop credible assignment results.

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Determining the scope of work is an ongoing process in an assignment. Information or conditions discovered during the course of an assignment might cause the appraiser to reconsider the scope of work.

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An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use.

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**Disclosure Obligations:** The report must contain sufficient information to allow intended users to understand the scope of work performed.

Comment: Proper disclosure is required because clients and other intended users rely on the assignment results. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

### **STANDARD RULE 1: REAL PROPERTY APPRAISAL, DEVELOPMENT**

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

**Standards Rule 1-1:** In developing a real property appraisal, an appraiser must:

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(c) not render appraisal services in a careless or negligent manner,

such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results.

**Standards Rule 1-2:** In developing a real property appraisal, an appraiser must:

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(e) identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including:

Its location and physical, legal, and economic attributes;

(h) determine the scope of work necessary to produce credible assignment results in accordance with the Scope of Work Rule.

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**Standards Rule 1-4:** In developing a real property appraisal, an appraiser must collect, verify, and analyze all information must analyze all information necessary for credible assignment results.

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(a) When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

(b) When a cost approach is necessary for credible assignment results, an appraiser must:

(i) develop an opinion of site value by an appropriate appraisal method or technique;

(ii) analyze such comparable cost data as are available to estimate the cost anew of the improvements (if any)

(iii) analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation)....

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## **STANDARD RULE 2: REAL PROPERTY APPRAISAL, REPORTING**

**In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.**

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**Standards Rule 2-2:** Each written real property report must be prepared under one of the following options and prominently state which option is used: Appraisal Report, or Restricted Appraisal Report.

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**(a)** The content of an Appraisal Report must be consistent with the intended use of the appraisal, and at a minimum:

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- (iii)** summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;
- (vii)** summarize the scope of work used to develop the appraisal;
- (viii)** summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusions of the sales comparison approach, cost approach or income approach must be explained.

## **DISCIPLINARY ORDER**

### **IX.**

The Board, by Respondent **ALICE H. DEMPSEY**'s agreement and consent, hereby

Orders and imposes discipline as follows:

1. Respondent shall complete a fifteen (15) hour 2016-2017 national USPAP course, and pass the accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order. The Board staff recommends that the Respondent complete the mandated USPAP course in a classroom environment, if applicable.
2. Respondent shall complete a seven (7) hour Defendable Work File Course, within one

hundred and eighty (180) days of the signing of this Consent Order.

3. Respondent shall complete a fifteen (15) hour Advanced Residential Applications and Case Studies, and pass any accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order.
4. The credit hours generated by the successful completion of the above mandated courses may not be used to satisfy the twenty-eight (28) hours of continuing education that are required for renewal.
5. Respondent expressly agrees that failure to comply with any of the terms of this Consent Order, within the time period ordered, shall constitute grounds for additional disciplinary action by the Board. Respondent agrees further that failure to complete the above mandated courses, within the time period ordered, will effect the immediate placement of Respondent's license in inactive status until such time as Respondent provides the Board with proof of completion of said mandated courses and full compliance with the terms of this Consent Order.
6. This action and Order of the Board shall be public record and shall be spread upon the Minutes of the Board as its official act and deed.
7. This disciplinary action shall be reported to and posted with the appropriate authorities. This action shall also be published in the Disciplinary proceedings section of the MAB website.
8. Respondent, by her signature, waives any and all objections or legal challenges she may have regarding or arising out of this matter, the entry of the Consent Order, or any of its terms. She agrees to and waives any legal objections that may be otherwise available to

her as to the Board taking this matter up preliminarily for the purpose of considering and voting on whether or not to enter into this Consent Order.

9. Should the Board decline the entry of this Consent Order, Respondent understands and acknowledges that she remains entitled to a fair and impartial hearing of this matter before the Board.

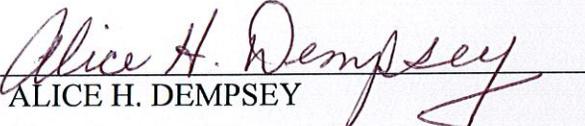
10. This Order with respect to Respondent ALICE H. DEMPSEY will be effective upon the date she signs this Consent Order.

SO ORDERED, this the 10 day of November, 2016.

MISSISSIPPI REAL ESTATE APPRAISER  
LICENSING AND CERTIFICATION BOARD

By:   
Amy Lovern, Chairperson  
For and on Behalf of the Board

AGREED:

  
ALICE H. DEMPSEY

10/26/2016  
DATE

