

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

**IN THE MATTER OF:  
C. SHELTON BALL**

**NO. 02-2001**

**LICENSE NO: GA-114**

**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 **C. SHELTON BALL**, who has been issued Mississippi Real Estate Appraiser License No. GA-114. This action is before the Board as the result of Respondent's appraisal of real property located at 53 Otis Lee Road, Petal, Mississippi. By entering this Consent Order, Respondent Ball waives his 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 C. SHELTON BALL is an adult resident of Mississippi whose last known address of record with the Board is 410 Courthouse Square, Columbia, Mississippi 39429. Respondent is the holder of a real estate appraiser's license, No. GA-114, issued by the Board pursuant to Miss. Code Ann. §§73-34-1, *et seq.*, as amended, and, as such, he 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 October 9, 2018, Respondent submitted an appraisal report for a real property appraisal assignment performed by Respondent of property located at 53 Otis Lee Rd., Petal, Mississippi, with an effective date of September 19, 2018 (sometimes hereinafter "Appraisal Report" or "Report").

## **IV.**

On or about January 21, 2020, the Board received written notice from the U.S. Department of Housing and Urban Development ("HUD") regarding Respondent Ball. The referenced notice reflected that HUD was informing the Board of "HUD's removal with education sanction imposed against appraiser; C. Shelton Ball ...for violations of FHA guidelines and/or the Uniform Standards of Professional Appraisal Practice (USPAP)." The referenced HUD notice identified the appraisal performed by Respondent of property located at 53 Otis Lee Rd., Petal, Mississippi. Upon receipt of the HUD notice, the Board initiated its own investigation of the subject appraisal performed by Respondent.

## **V.**

Respondent failed to timely respond to official inquiries/requests from the Board for information regarding the subject Appraisal Report. Respondent did not provide sufficient 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 the limited information contained in the work file.

## **VI.**

Respondent did not properly analyze the subject sales documentation regarding evidence the mobile home located on the subject property had been previously moved to the subject location and with regard to an easement for a neighbor's ingress/egress. The intended use for the appraisal was for an FHA purchase which requires that a mobile home not be moved and that same be on a permanent foundation.

## **VII.**

Respondent did not provide MLS documentation within the work file necessary to verify comparable sale information. Numerous issues are apparent with the comparables as selected, analyzed and adjusted by Respondent. Respondent stated verification source as "Tax Records" but no documentation of said records was contained in the work file. Comparable #1 is located within a different county from the subject and contains only two (2) baths, not two and one-half baths as reflected in the Appraisal Report. The Gross Living Area (GLA) was incorrectly reported. Comparable #3, also located in a different county, reflects an assessed site value significantly different in comparison to the subject property. Respondent failed to analyze this difference or to make/explain any adjustments, if warranted. Respondent failed to verify comparable information and to adjust properly in the Appraisal Report.

## VIII.

Respondent failed to properly document, verify or analyze the cost approach method in the Appraisal Report. Respondent stated the source of cost data as Marshall & Swift but provided no analysis or documentation to support the conclusion reflected in the Appraisal Report.

## CONCLUSIONS OF LAW

## IX.

Respondent C. SHELTON BALL 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 2018-2019 Uniform Standards of Professional Appraisal Practice (USPAP) Record Keeping Rule, Competency Rule, Scope of Work Rule (*Problem Identification, Scope of Work Acceptability and Disclosure Obligations*), and Standards Rules 1-1, 1-2, 1-4, 1-6 and 2-1, 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 any of the following acts or omissions:

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(I) Any act or conduct, whether the same or of a different character than specified above, which constitutes or demonstrates ...incompetency ...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... Generally accepted standards of professional appraisal practice are currently evidenced by the uniform standards of professional appraisal practice as directed by the Appraisal Subcommittee of the Federal Financial Institutions Examinations Council...

## **2018-2019 USPAP**

### **RECORD KEEPING RULE:**

An appraiser must prepare a workfile for each appraisal ...assignment. A workfile must be in existence prior to the issuance of any report or other communication of assignment results.

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 data, information and documentation.

### **COMPETENCY RULE:**

An appraiser must determine, prior to agreeing to perform an assignment, that he or she can perform the assignment competently. Competency requires:

1. the ability to properly identify the problem to be addressed;
2. the knowledge and experience to complete the assignment competently; and
3. recognition of, and compliance with, laws and regulations that apply to the appraiser or the assignment.

### **SCOPE OF WORK RULE:**

For each appraisal ...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 ...problem to be solved.

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

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- intended use of the appraiser's opinions and conclusions;

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

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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.

### **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 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:

- (c) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;
- (b) not commit a substantial error of omission or commission that significantly affects an appraisal; and
- © 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:

- (i) its location and physical, legal and economic attributes;

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- (iv) any known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature;...

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- (h) determine the scope of work necessary to produce credible assignment results...

### **STANDARDS RULE 1-4:**

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

- (iii) 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:
  - (iii) develop an opinion of site value by an appropriate method or technique;
  - (ii) analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and
  - (iii) analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (depreciation).

**STANDARDS RULE 1-6:**

In developing a real property appraisal, an appraiser must:

- (a) reconcile the quality and quantity of data available and analyzed within the approaches used; and
- (b) reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).

**STANDARD 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.

**STANDARDS RULE 2-1:**

Each written or oral real property appraisal report must:

- (a) clearly and accurately set forth the appraisal in a manner that will not be misleading;
- (b) contain sufficient information to enable the intended users of the appraisal to understand the report properly; and
- (c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

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## **DISCIPLINARY ORDER**

### **XI.**

The Board, by Respondent **C. SHELTON BALL's** agreement and consent, hereby Orders and imposes discipline as follows:

1. Respondent is suspended for thirty (30) days following the approval of this consent order.
2. Respondent is placed on probation for six (6) months following the approval of this consent order and must supply the board with a log of appraisal work, with said log due at the first of each month during the period of probation.
3. Respondent shall complete a fifteen (15) hour 2020-2021 national USPAP course, and pass the accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order.
4. Respondent shall complete a three (3) to seven (7) hour Manufactured Home Course within one hundred and eighty (180) days of the signing of this Consent Order.
5. Respondent shall complete a seven (7) hour FHA course and pass any accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order.
6. 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. The Board staff recommends that the Respondent complete the mandated USPAP courses in a classroom environment, if available.
7. 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 without further notice to Respondent. Respondent further agrees 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 satisfactory completion of said mandated courses and full compliance with all other terms of this Consent Order.

8. 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.
9. 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.
10. Respondent, by his signature, waives any and all objections or legal challenges he may have regarding or arising out of this matter, the entry of the Consent Order, or any of its terms. Respondent acknowledges and agrees that he waives any legal objections that may be otherwise available to him 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.
11. Should the Board decline the entry of this Consent Order, Respondent understands and acknowledges that he remains entitled to a fair and impartial hearing of this matter before the Board.
12. This Order with respect to Respondent C. SHELTON BALL will be effective upon the date the Consent Order is approved by the Board.

SO, ORDERED, this the 30 day of March, 2021.

MISSISSIPPI REAL ESTATE APPRAISER  
LICENSING AND CERTIFICATION BOARD

By:

  
David Griffith, Chairperson  
For and on Behalf of the Board

AGREED:

  
C. SHELTON BALL

DATE:

3/30/21

