

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

**IN THE MATTER OF:
LARRY CARAWAY
LICENSE NO: RA-658**

CASE NO. 15-1706

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 **LARRY CARAWAY** who has been issued Mississippi Real Estate Appraiser License No. **RA-658**. This action is before the Board as the result of Respondent's appraisal of real property located at **16234 Williamsville Road, Kosciusko, Mississippi 39090**. By entering into this Consent Order, Respondent Caraway 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 in Mississippi including matters relating to real estate appraiser standards, qualifications and licensing, and disciplinary functions pursuant to §§73-34-1, *et seq.*, Miss. Code Ann. (1972), as amended. The Board, pursuant to this authority, has full, complete and proper jurisdiction over the parties and subject matter herein.

II.

Respondent, Larry Caraway is an adult resident of Mississippi whose last known address of record with the Board is 385 Robinhood Trail, Brandon, Mississippi 39042. Respondent is the holder of a real

estate appraiser's license, NO. RA-658, issued by the Board pursuant to 73-34-1, *et seq.*, Miss. Code Ann. (1972), as amended, and, 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 26, 2015, Respondent Caraway performed an appraisal of property located at 16234 Williamsville Road, Kosciusko, Mississippi 39090, and issued an Appraisal Report.

IV.

Respondent did not provide verified documentation or analysis in the work file for certain information stated in the referenced Appraisal Report. No verification for comparable #4 was found in the work file to show the sales price or closed date reported in report. No MLS found for comparable #5 to verify information found in the appraisal report. Respondent did not state the easement in the report or if any adverse effect was found for the subject property value as a result.

V.

Respondent did not follow the requirements specified in the "Client Order Request." Order request required statement that utilities were on at time of inspection; Property meets minimum requirements per HUD handbook 4000.1; a head and shoulders inspection of attic and crawlspace; or statement regarding presence of septic system and whether same appears to be in working order. Information for these order requirements was not found in the appraisal report.

VI.

Respondent is located in Brandon, Mississippi and subject property is in Kosciusko, Mississippi. Comparables in the appraisal report were located in Starkville and Greenwood, either of which is more than 50 miles away from the subject. The appraisal report contained no explanation of the reasoning why Respondent felt the need to use comparables in a different market. Respondent stated no adjustments made for view or location and that these adjustments are included in the lot size adjustment. All lot

adjustments were taken from actual county property record values. Respondent makes no adjustments in the site of any comparables listed nor does he provide any tax records of the comparable sales to show site values.

VII

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 "Used comparable sales of similar vacant properties to support site values" but provided no analysis in support of the conclusion and no documentation of the percentage applied to reach the conclusion.

CONCLUSIONS OF LAW

VIII.

Respondent, Larry Caraway, admits and agrees by consent with the Board, that the above and foregoing described actions and conduct violated Miss. Code Ann. Sections 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 (*Scope of Work Acceptability and Disclosure Obligations*), and Standards Rules 1-2(h), 1-4(b)(i)(ii)(iii), and 2-2(a)(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 ...:

(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, or appraisal consulting assignment. A workfile must be in existence prior to the issuance of any report...

The workfile must include:

- 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...

SCOPE OF WORK RULE: For each appraisal and 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.

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

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.

An appraiser must be prepared to support the decision to exclude any investigation information, method, or technique that would appear relevant to the client Another intended user, or the appraiser's peers.

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

(h) determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE.

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

(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 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 (accrued depreciation)

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.

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 Use Appraisal Report.

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

- (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; exclusion of the sales comparison approach, cost approach, or income approach must be explained;

DISCIPLINARY ORDER

IX.

The Board, by Respondent **LARRY CARAWAY'S** agreement and consent, hereby orders and imposes discipline as follows:

- A)** Respondent must complete a fifteen (15) hour *2016-2017 National USPAP* course and pass the accompanying examination within one hundred and eighty (180) days of the date of this Consent Order.

- B)** Respondent must complete a seven (7) hour Education Course concerning *Residential Sales Comparison Approach Course* and pass any accompanying examination, if applicable, within one hundred and eighty (180) days of the date of this Consent Order.
- C)** Respondent must complete a seven (7) hour Education Course concerning *Advanced Work File Course* and pass any accompanying examination, if applicable, within one hundred and eighty (180) days of the date of this Consent Order.
- D)** Respondent must complete a fifteen (15) hour Educational Course concerning *Residential Site Valuation and Cost Approach Course* and pass any accompanying examination, if applicable, within one hundred and eighty (180) days of the date of this Consent Order.
- E)** The Board Staff recommends that the Respondent complete the mandated courses in a classroom environment, if available. The credit hours generated by the successful completion of the mandated courses may not be used to satisfy the required twenty-eight (28) hours of continuing education, but can be used toward supervisor education.
- F)** Respondent expressly agrees that if he fails to deliver to the Board Administrator evidence that he has successfully completed all of the required courses set forth herein, including evidence of passing grades on all of the accompanying exams, within the required time periods, such failure shall constitute grounds for additional disciplinary action by the Board without further notice to Respondent.
- G)** This disciplinary action shall be reported to and posted with applicable and appropriate authorities including the Board's newsletter and/or website.
- H)** 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.
- I)** Respondent, as evidenced by his signature hereto, waives any and all objections or legal challenges he may have regarding or arising out of this matter, the entry of this Consent Order or any of its

terms. He expressly waives any legal objections that may otherwise be available to him as to the Board taking this matter up preliminarily for purpose of considering and voting on whether or not to enter into this Consent Order.

J) 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.

SO ORDERED, this the 24th day of August, 2017.

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

By: *Douglas H. McKinnon*
**Doug McKinnon, Chairperson
For and on Behalf of the Board**

AGREED:

Larry O. Caraway *8-22-17*
Larry Caraway Date

