

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

**IN THE MATTER OF:  
JESSY W. PATTERSON  
LICENSE NO: RA-868**

**NO. 20-1809**

**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 **JESSY W. PATTERSON**, who has been issued Mississippi Real Estate Appraiser License No. RA-868. This action is before the Board as the result of Respondent's appraisal of real property located at 209 S. Hickory Street, Aberdeen, Mississippi 39730. By entering into this Consent Order, Respondent Patterson 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 JESSY W. PATTERSON is an adult resident of Mississippi whose last known address of record with the Board is 107 Annah Claire Cove, Saltillo, Mississippi 38866. Respondent is the holder of a real estate appraiser's license, No. RA-868, 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 June 26, 2017, Respondent Patterson performed an appraisal of property located at 209 S Hickory Street, Aberdeen, Mississippi, 39730 and issued an Appraisal Report (sometimes hereafter "Report").

## IV.

Respondent did not provide verified documentation or analysis in the work file for information stated in the referenced Appraisal Report. The Report contained several inconsistencies when compared to the information contained in the work file.

## V.

Respondent did not follow the requirements specified by the Respondent's Client when the client requested a response regarding the Appraisal Report as submitted. Client requested the appraiser to provide supporting documents and additional data showing support for his final value concluded with the comparables that were chosen by the Respondent. The Client requested Respondent to explain the age range between the subject of (77 years) to the elected comparable

which ranged from 18 to 30 and why Respondent made a single line adjustment of only \$2,115 for comparables 2, 3, and listing comparable #4. No explanation or analysis in support of this adjustment could be found in the Report or work file.

## VI.

Respondent did not provide an explanation of the analysis utilized as basis for the adjustments reflected in the sales comparison approach. The inconsistencies found within this approach were numerous including the adjustments reflected for site value in comparison to the subject lot vs. Comparable #2 (acreage of 2.2) and Comparable #3 (2 acres) where Respondent made only a \$1000.00 adjustment. Some comparables were located in a different city (Amory) in comparison to the subject that was located in the city of Aberdeen. There was no disclosure or explanation of why the comparables found in Amory were even comparable. Comparable #1 shows a sunroom that was not properly analyzed in the sales comparison grid. Comparable #2 (Amory) has a waterfront view and is located in a Flood Zone; it has a 2.5 bath (not 2.0) and a 14 foot aluminum boat that was sold with the house. There was no information reflecting whether this was the reason this comparable sold for \$6,700 above the list price. Comparable #2 also reflects a RV Shed and Pole Barn which were not disclosed or properly analyzed in the Report. Comparable #3 MLS reflects no car storage but Respondent states single garage. Listing Comparable #4 has a bonus room and a shop with a half bath that was not disclosed, analyzed or adjusted for. Listing Comparable #5 MLS reflects that property as completely updated with a single carport (not double).

## VII.

Respondent stated that site value was based on an extraction analysis utilizing the comparable sales listed in the sales comparison analysis, but Respondent provides no analysis or supporting documentation in the work file. Respondent 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 of the improvements in order to obtain a lump sum deduction for accrued depreciation. No documentation of this analysis could be found in the work file to show support of the site value or cost approach concluded.

## CONCLUSIONS OF LAW

### VIII.

Respondent JESSY W. PATTERSON 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 2016-2017 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 2-1(a), 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...

### **2016-2017 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 data, information and documentation...

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**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.

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

**Comment:** Perfection is impossible to attain, and competence does not require perfection. However, an appraiser must not render appraisal services in a careless or negligent manner. This Standards Rule requires an appraiser to use due diligence and due care.

**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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(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 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); 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).

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## **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.**

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**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;

**Standards Rule 2-2:** Each written real property appraisal 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; exclusion of the sales comparison approach, cost approach or income approach must be explained;

### **DISCIPLINARY ORDER**

#### **X.**

The Board, by Respondent **JESSY W. PATTERSON**'s agreement and consent, hereby Orders and imposes discipline as follows:

1. Respondent shall complete a fifteen (15) hour 2018-2019 national USPAP course, and pass the accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order.
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 Sales Comparison Approach 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. The Board staff recommends that the Respondent complete the mandated USPAP courses in a classroom environment, if available.

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 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.
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 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.
9. 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.

10. This Order with respect to Respondent JESSY W. PATTERSON will be effective upon the date he signs this Consent Order.

SO, ORDERED, this the 23 day of May, 2019.

MISSISSIPPI REAL ESTATE APPRAISER  
LICENSING AND CERTIFICATION BOARD

By: 

John Holliday, Chairperson  
For and on Behalf of the Board

AGREED:

  
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JESSY W. PATTERSON

4-26-19  
DATE

