

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

**IN THE MATTER OF:
CHRISTOPHER REED WILSON
(LICENSE NO. GA-581)**

NO. 16-2008

CONSENT ORDER

This matter came before the Mississippi Real Estate Appraiser Licensing and Certification Board ("Board") for entry of a Consent Order regarding CHRISTOPHER REED WILSON ("Wilson" or "Respondent") who has been issued Mississippi Real Estate Certified General Appraiser License No. GA-581 by the Board. This action is before the Board regarding Respondent's appraisal of real property located at 114 S. Memphis St., Holly Springs, Mississippi. By entering into this Consent Order, Respondent Wilson waives his right to an administrative hearing before the Board with full due process and the right to appeal any adverse decision that may have resulted from an administrative hearing. Having reached an agreement by consent in this matter, the Board issues its Order as follows:

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 Miss. Code Ann. §§73-34-1, *et seq.*, as amended. The Board, pursuant to this authority, has full, complete and proper jurisdiction over the parties and of the subject matter herein.

II.

Respondent, Christopher Reed Wilson is an adult resident of Mississippi whose last address of record with the Board is 1420 N. Lamar Blvd., Oxford, Mississippi 38655. Respondent is the

holder of a real estate appraiser's license, No. GA-581, 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 July 18, 2020, Respondent submitted an appraisal report for a real property appraisal assignment performed by Respondent of property located at 114 S. Memphis St., Holly Springs, Mississippi, 38635 with an effective date of July 8, 2020 (sometimes hereinafter "Appraisal Report" or "Report"). The subject property is the downtown location of the Bank of Holly Springs and the intended use of the report was stated to be for tax appeal purposes by the Bank of Holly Springs.

IV.

On or about August 13, 2020 the Board received a written complaint regarding the subject appraisal report prepared by Respondent Wilson. Upon receipt and review of the Appraisal Report, the Board initiated its own investigation of the subject appraisal performed by Respondent. During the course of the Board investigation, additional information and responses to several questions regarding the subject Appraisal Report were requested and obtained from Respondent disclosing additional information necessary for the Board's investigation.

V.

Upon conclusion of its investigation, the Board alleged that its investigation established the following violations:

ALLEGATION (1): Respondent provided a limited work file with random tax records with insufficient analysis. There was no or insufficient verified documentation for the analysis presented in support of the sales comparison approach. No verified documentation

was provided in support of the income approach section of the Report in reference to rent/lease analysis as stated.

ALLEGATION (2): Respondent did not properly analyze the subject property. Respondent failed to sufficiently analyze or disclose pertinent information such as the subject property's \$10,000 deferred maintenance, adjacent 1296 s.f. teller drive-through station or the adjacent parking lot. No support or hypothetical condition was reflected within the report regarding this pertinent information.

ALLEGATION (3): Respondent did not properly perform the income approach. There was insufficient support for the value concluded and lack of sufficient support for the per square foot rent rate reflected in the Report. Respondent's Report reflected the purported actual expense ratio for the subject, provided by the owner, and which did not necessarily reflect market derived expenses.

ALLEGATION (4): Respondent did not properly analyze or disclose pertinent information within the sales comparison approach section of the Report. Comparables were sold between family members which was not disclosed properly within the report. Comparables had upstairs areas and/or frontage differences not included in the analysis and/or the Report lacked verified documentation to verify total square footage of comparables. The Report reflected a lack of reasoning and analysis for adjustments concluded by Respondent. Each comparable was classified differently per the tax records with insufficient disclosure or analysis.

ALLEGATION (5): Respondent reasoned that a Cost Approach analysis would not be considered reliable for appraisal of the subject. However, Respondent's reconciliation of approaches utilized in the Report reflected a final value conclusion based upon widely divergent values between the Income approach (\$75,000) and Sales Comparison approach (\$465,000) suggesting that utilization of the Cost Approach could have been helpful to the development of the Report, especially in context of the reported intended use for purposes of a tax appeal.

VI.

Respondent Christopher Reed Wilson agrees, by consent with the Board, that the above and foregoing allegations of fact, if proved at an administrative hearing upon clear and convincing evidence, could constitute violations of Miss. Code Ann. §73-34-35 and §73-34-37 and the Years 2020-2021 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, 1-2, 1-4, 2-1 and 2-2, which provide, 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:

(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...

2020-2021 USPAP

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 or other communication of assignment results...

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 data, information, and 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.

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:

- 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. Similar information is necessary for problem identification in appraisal review assignments.

Communication with the client is required to establish most of the information necessary for problem identification. However, the identification of relevant characteristics is a judgment made by the appraiser that requires competency in that type of assignment.

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.

...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 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.

Disclosure Obligations

The report must contain sufficient information to allow the client and other 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, GENERAL DEVELOPMENT REQUIREMENTS

In developing a real property appraisal, an appraiser must:

- (b) not commit a substantial error of omission or commission that significantly affects an appraisal; and
- (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, PROBLEM IDENTIFICATION

In developing a real property appraisal, an appraiser must:

- (e) identify, from sources the appraiser reasonably believes to be reliable, the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal...

STANDARDS RULE 1-4, APPROACHES TO VALUE

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

- (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 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).

- (c) When an income approach is necessary for credible assignment results, an appraiser must:
 - (i) analyze such comparable rental data as are available and/or the potential earnings capacity of the property to estimate the gross income potential of the property;
 - (ii) analyze such comparable operating expense data as are available to estimate the operating expenses of the property;

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, GENERAL REPORTING REQUIREMENTS

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 user(s) 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.

STANDARDS RULE 2-2, CONTENT OF A REAL PROPERTY APPRAISAL REPORT

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.

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

- (x) provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1 by:

- (5) summarizing the information analyzed and the reasoning that supports the analyses, opinions, and conclusions, including reconciliation of the data and approaches;

ORDER

The Board, by Respondent Christopher Reed Wilson's agreement and consent, issues its Order in this matter as follows:

1. 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 effective date of this Consent Order.
2. Respondent shall complete a thirty (30) hour qualifying course in the Certified General category in either site/cost approach, income approach, or sales comparison approach, and pass the accompanying examination, within one hundred eighty (180) days of the effective date of this Consent Order.
3. 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 required for renewal of Respondent's license. The Board recommends Respondent complete the mandated courses in a classroom environment, if available. Respondent shall provide the Board with written evidence of the satisfactory completion of the above mandated courses.
4. 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 action by the Board. Respondent further agrees that failure to complete the above mandated courses, within the time period ordered, may result in the 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.

5. 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.
6. This action and Order of the Board shall be published on the Board's website and reported to and posted with appropriate authorities.
7. Respondent, by his signature, expressly waives any and all legal challenges he may have regarding or arising out of this matter, the entry of this Consent Order, or any of its terms. Respondent acknowledges and agrees that he waives any legal objections that may otherwise be available to him as to the Board taking up this matter preliminarily for the purpose of considering and voting on whether to approve entry of this Consent Order.
8. Should the Board decline 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.
9. This Order shall be effective upon the date it is approved for entry by the Board as evidenced by the authorized signature of the Board Administrator.

SO ORDERED, this the 16th day of November, 2021.



MISSISSIPPI REAL ESTATE APPRAISER LICENSING
AND CERTIFICATION BOARD

By: _____

ROBERT E. PRAYTOR, Administrator

AGREED:

Christopher Reed Wilson
CHRISTOPHER REED WILSON

11/12/21
DATE