

**BEFORE THE WEST VIRGINIA REAL ESTATE
APPRAISER LICENSING AND CERTIFICATION BOARD**

IN THE MATTER OF:

**PAMELA UNDERWOOD
Licensed Residential Appraiser License No. 0818**

**ORDER OF THE WEST VIRGINIA
APPRAISER LICENSING AND CERTIFICATION BOARD
SUSPENDING RESIDENTIAL APPRAISER LICENSE NO. 0818**

NOW COMES the West Virginia Real Estate Appraiser Licensing and Certification Board, and pursuant to the authority vested in this office by W. Va. Code §§ 30-38-14(c) and 30-1-8(e)(1), hereby **SUSPENDS**, effectively immediately, the real estate appraiser license of Pamela Underwood, Residential Appraiser License No. 0818. In support of the instant **ORDER**, the Board has determined that extraordinary circumstances exist wherein the continued licensure of Underwood will adversely affect the public welfare and integrity of the profession for the following reasons:

1. The Board is a state entity created by W. Va. Code § 30-38-1, *et seq.*, and is empowered to regulate, among other things, the conduct of licensed residential appraisers.
2. Underwood is a state licensed residential real estate appraiser licensed by the Board, holding license number 0818.
3. On December 3, 2007, the Board received a complaint, Complaint No. 07-024, concerning property appraised by Underwood located at Buck Run Road, Mineral Wells, West Virginia, 26150, on May 9, 2006.

4. The Board submitted the complaint to the Standards Committee for review and investigation.

5. Upon review of the complaint, the Standards Committee requested that Underwood attend an informal conference to discuss the complaint.

6. Underwood met with the Standards Committee on April 2, 2008.

7. During the informal conference, Underwood admitted to making numerous errors and mistakes on the appraisal.

8. When questioned by the Standards Committee about the appraisal, the errors within the appraisal, proper appraisal procedure and methodology, and the Uniform Standards of Professional Appraisal Practice, Underwood failed to exhibit sufficient knowledge and understanding that would allow her to competently perform appraisals.

9. On April 3, at 10:00 a.m., the Board conducted an emergency board meeting for purposes of determining whether to immediately suspend the license of Underwood.

10. Upon all due consideration of the circumstances surrounding the matter, the Board unanimously voted to immediately suspend Underwood's license, pending a hearing, on the basis that continued practice of appraising by Underwood would constitute a danger to the public, and/or would adversely affect the public welfare.

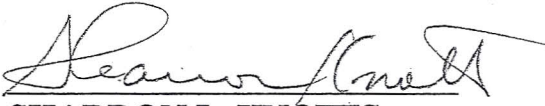
Accordingly, pursuant to W. Va. Code §§ 30-38-14(c) and 30-1-8(e)(1), Residential Appraiser License No. 0818, held by Pamela Underwood, is hereby immediately **SUSPENDED**. During such period of suspension, Underwood shall not engage in the business of real estate appraising whatsoever, either directly or indirectly, in the State of West Virginia. The Board shall

schedule and hold a hearing to determine the proper disposition of this matter. Such hearing shall be scheduled as soon as practicable in the future.

ENTERED into the records of the Board this:

4th day of April, 2008.

**WEST VIRGINIA REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD**

By:  4/4/08
SHARRON L. KNOTTTS **DATE**
EXECUTIVE DIRECTOR

**BEFORE THE WEST VIRGINIA REAL ESTATE
APPRAISER LICENSING AND CERTIFICATION BOARD**

IN THE MATTER OF:

**PAMELA UNDERWOOD
Licensed Residential Appraiser License No. 0818**



CONSENT DECREE

Now comes Respondent, Pamela Underwood, and the West Virginia Real Estate Appraiser Licensing and Certification Board (hereinafter "Board"), by Sharron L. Knotts, its Executive Director, for the purpose of resolving Board Complaint Number 07-024, against Underwood. As reflected in this Consent Decree, the parties have reached an agreement in which Underwood hereby agrees and stipulates to the Findings of Fact and Conclusions of Law set forth in the instant Consent Decree concerning the proper disposition of this matter, and the Board, having approved such agreement, does hereby find and Order as follows:

FINDINGS OF FACT

1. The Board is a state entity created by W. Va. Code § 30-38-1 *et seq.*, and is empowered to regulate, among other things, the conduct of licensed residential appraisers.
2. Underwood is a state licensed residential real estate appraiser licensed by the Board, holding license number 0818.
3. On May 9, 2006, Underwood performed an appraisal of property located at Buck Run Road, Mineral Wells, West Virginia, 26150 (hereinafter "Property").
4. In such appraisal, Underwood provided factually incorrect information relating to the Property, the comparable properties, and the appraisal.

5. Assignments of error include, but are not necessarily limited to, the following:
- a. Inaccurately plotted location of comparables on map, and cited incorrect distances from subject property;
 - b. Incorrectly stated an adjustment of \$20 for a site adjustment for comparable number 3, where Underwood had intended to make an adjustment of \$20,000. Had Underwood performed the intended \$20,000 adjustment, however, and given that Underwood stated the site value of the subject property was \$20,000, this would have had the net effect of erroneously concluding that the site value of comparable number 3 was valueless;
 - c. Additionally, because Underwood mistakenly utilized a \$20 adjustment where she intended to use a \$20,000 adjustment, the adjusted value of comparable number 3 is \$19,980 less than it should have been;
 - d. Underwood failed to place her license number on the report;
 - e. Underwood erroneously utilized the term "weighted averages" relative to the comparable properties;
 - f. Underwood failed to make adjustments for baseboard heating versus forced air gas heating;
 - g. Underwood erroneously utilized a \$2,324 appliance allowance in her Standard Report, where such allowance included personal property, which should not be considered within a residential appraisal;
 - h. Comparable number 1 contained a stone and wood fireplace that Underwood failed to make an adjustment for;

i. Underwood inaccurately cited the bedroom count in comparable number 2 as containing 2 bedrooms, whereas comparable number 2 contained 3 bedrooms;

j. Underwood stated the sale price of comparable number 2 as \$85,000, where the list price was \$79,900. Underwood failed to provide any explanation or analysis of the anomaly, or any discussion as to whether the sale price constituted market value;

k. Underwood incorrectly calculated and performed the cost approach to value on the appraisal.

l. In the USPAP Addendum of the appraisal, Underwood erroneously stated the valuation of the Property included the cost, income, and sales comparison approaches, where the income approach was neither developed nor utilized by Underwood.

6. In April, 2006, the owners of the Property contracted to sell the Property to a buyer for \$89,000.

7. Underwood appraised the value of the Property at \$89,000, as of May 9, 2006.

8. As a result of the above-referenced assignments of error, the estimated market value of the above-referenced subject property is inaccurate.

9. In relation to the complaint filed against Underwood, Underwood met with the Standards Committee on April 2, 2008, to discuss the substance of Complaint No. 07-024.

10. During the informal conference, Underwood admitted to making numerous errors and mistakes on the appraisal.

11. When questioned by the Standards Committee about the appraisal, the errors within the appraisal, proper appraisal procedure, technique and methodology, and the Uniform Standards of Professional Appraisal Practice, in the opinion of the Standards Committee

Underwood failed to exhibit sufficient knowledge and understanding that would allow Underwood to competently perform appraisals.

CONCLUSIONS OF LAW

1. Pursuant to Article 38 of Chapter 30 of the West Virginia Code, the Board is the State entity vested with the power to regulate real estate appraisers in the State of West Virginia.

2. West Virginia Code § 30-38-12(a)(11) provides that “[f]ailing or refusing without good cause to exercise reasonable diligence, or negligence or incompetence, in developing an appraisal, preparing an appraisal report, or communicating an appraisal,” is grounds for disciplinary action, including, but not limited to, revocation or suspension of license.

3. Underwood failed, without good cause, to develop, prepare and communicate an accurate appraisal in relation to the above-referenced property in violation of W. Va. Code § 30-38-12(a)(11).

4. Pursuant to W. Va. Code §§ 30-38-12(a)(7), the Board may revoke, suspend, refuse to renew, or otherwise discipline the license of an appraiser, or deny an application, for any violation of any section of this article, or rule of the Board.

5. West Virginia Code § 30-38-17 provides, in pertinent part, that “[e]ach real estate appraiser licensed or certified under this act shall 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 promulgated by the appraisal foundation.”

6. Pursuant to the Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(a), from which deviation is not permitted, “[i]n developing a real property appraisal, an appraiser must . . . be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.”

7. Underwood failed to correctly employ appropriate methods and techniques necessary to produce an accurate appraisal of the subject property, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-1(a).

8. Pursuant to the Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(c), from which deviation is not permitted, “[i]n developing a real property appraisal, an appraiser must . . . 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 affect the credibility of those results.”

9. Underwood rendered appraisal services in regard to the above-referenced properties, where such services contained error affecting the accuracy of said appraisals, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-1(c).

CONSENT

Underwood, both in her individual capacity and as a licensed residential real estate appraiser, by the execution hereof, agrees to the following:

1. Underwood has had the opportunity to consult with counsel and executes this Consent Decree voluntarily, freely, without compulsion or duress and mindful that it has legal consequences. No person or entity has made any promise or given any inducement whatsoever to encourage Underwood to make this settlement other than as set forth herein. Underwood acknowledges that she is aware that she may pursue this matter through appropriate

administrative and/or court proceedings, and is aware of her legal rights regarding this matter, but intelligently and voluntarily waives such rights.

2. Underwood consents to the entry of the following Order affecting her conduct as a licensed residential real estate appraiser.

ORDER

On the basis of the foregoing, the Board hereby ORDERS as follows:

1. The real estate appraiser license of Underwood, License No. 0818, is hereby **SUSPENDED**. Underwood shall not engage in the business of real estate appraising whatsoever, either directly or indirectly, in the State of West Virginia during such period of **SUSPENSION**.

2. Underwood's license shall remain suspended until such time Underwood successfully passes, completes, and provides to the Board all proper documentation reflecting the same, the 150 Hour Licensed Residential Appraiser Course, with examination, with such course approved by the Board. Such course shall be in addition to any continuing educational course required to obtain and/or maintain licensure, or renewal of licensure thereof.

3. Upon successful completion of the above-referenced course, Underwood's license shall be reinstated to active status within twenty-four hours of submission of proof by Underwood to the Board of such successful completion, with a letter to Underwood from the Board so stating, and shall thereafter be placed on probation for a period of six months, where such probation shall begin on the date of active reinstatement of Underwood's license.

4. During Underwood's period of probation, Underwood shall maintain and submit to the Board a monthly log of all appraisals performed by Underwood during the term of probation. The Board shall have the right to request workfiles at random during the term of

probation. If after reviewing such files the Board determines there is probable cause to pursue further action, nothing herein shall be construed to preclude the Board from doing so.

5. At the conclusion of the probationary period, Underwood shall submit to an informal interview before the Standards Committee to discuss any appraisal quality or USPAP conformity issues, if any, relating to the reports submitted by Underwood to the Board during Underwood's probationary period.

6. Underwood shall pay to the Board, within ninety days of the date of entry of the instant Consent Decree, the amount of one thousand-three hundred and twenty five dollars (\$1,325.00). Such payment by Underwood shall represent the costs incurred by the Board associated with the investigation and prosecution of Complaint Number 07-024, and the subsequent reimbursement to the Board thereof.

7. Any deviation from the requirements of the instant Consent Decree, without the prior written consent of the Board, shall constitute a violation of this Order, and result in the immediate suspension of Underwood's license. The Board shall immediately notify Underwood via certified mail of the specific nature of the charges, and the suspension of Underwood's license. Underwood may request reinstatement of her license through renewal of this agreement, or execution of a new agreement, which may contain different or additional terms. The Board is not bound to comply with Underwood's request.

In the event Underwood contests any such allegations of violation of the Consent Decree, if any, which results in the suspension of Underwood's license, Underwood may request a hearing to seek reinstatement of her license. Any such hearing shall be scheduled and conducted in accordance with the provisions of West Virginia Code § 30-1-8 and § 30-38-1 *et seq.*

Further, in the discretion of the Board and in the event Underwood violates the provisions of the instant Consent Decree, the Board may schedule a hearing on its own initiative for the purpose of allowing the Board the opportunity to consider further discipline against Underwood's license.

AGREED TO BY:

Pamela Underwood
Pamela Underwood, Individually

6/09/2008
DATE

ENTERED into the records of the Board this:

11th day of June, 2008.

**WEST VIRGINIA REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD**

By: Sharron L. Knotts
SHARRON L. KNOTTS
EXECUTIVE DIRECTOR

6/11/08
DATE