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FILED
BOARD OF
REAL ESTATE APPRAISERS
DR. JAMES HAU
Executive Director 2/11/09

COPY

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
NEW JERSEY STATE BOARD
OF REAL ESTATE APPRAISERS

CERTIFIED TRUE COPY

IN THE MATTER OF THE SUSPENSION OR REVOCATION OF THE LICENSE OF COREY J. SCHNEIDER License #RG0031500 TO ENGAGE IN REAL ESTATE APPRAISING IN THE STATE OF NEW JERSEY	CONSENT ORDER

This matter was opened to the New Jersey State Board of Real Estate Appraisers ("the Board")in connection with the Board's receipt of information regarding the appraisal of 1511 Bangs Avenue, Asbury Park, New Jersey, with a date of valuation of October 11, 2007. Having reviewed this appraisal report, the Board finds that respondent has acted in violation of the Uniform Standards of Professional Appraisal Practice ("the USPAP"), and finds violations of N.J.S.A. 45:1-21 (c),(d), and(e) as specified below:

1. Although respondent indicated that there was a prior

sale of the subject on November 30, 2006 for $330,000, respondent's analysis of that prior sale was inadequate to explain the value conclusion of $425,000 reached in his appraisal less than one year later, in October of 2007, at a time when it is generally recognized that market values were declining. Respondent testified that he was not aware whether any improvements had been made to the subject property after the November 30, 2006 sale. Respondent indicated in his report that the prior sale was a "d[i]stress sale . . . purchased below market value," however respondent testified that he obtained this information from the "owner" of this corporate-owned property, whose name he did not note in his workfile, who would have been an interested party in the transaction; nor was there any information on the prior sale in respondent's workfile, and when queried about the prior sale, respondent indicated that he was testifying from memory. Moreover, a review of the multiple listings indicates that the subject was offered for sale from March 28, 2006 through July 29, 2006, and then again offered for sale on August 2, 2006 for $315,000, so that the sale price of $330,000 does not appear to be below the market. Respondent's inadequate analysis of the prior sale of the subject constitutes a violation of Standards Rule 1-1(a) of the Uniform Standards of Professional Appraisal Practice (the USPAP), which requires an appraiser to correctly employ those recognized methods and

techniques necessary to produce a credible appraisal. This constitutes gross negligence in violation of N.J.S.A. 45:1-21(c). Additionally, pursuant to N.J.A.C. 13:40A-6.1, this constitutes professional misconduct in violation of N.J.S.A. 45:1-21(e).

2. Respondent testified that he selected two of his comparable sales from tax records, which do not include any description of the property, and consequently he had no knowledge as to the condition of the interior of these properties, even though he described these properties as being in "average" condition in his report. Had he consulted the multiple listings in selecting his comparable sales, he would have had a description upon which he could rely, and he would have had access to contact numbers for listing brokers with whom he could have verified the condition of the properties. This conduct constitutes a violation of Standards Rule 1-1(a) of the USPAP. The conducts also constitutes gross negligence in violation of N.J.S.A. 45:1-21(c), and pursuant to N.J.A.C. 13:40A-6.1, constitutes professional misconduct in violation of N.J.S.A. 45:1-21(e).

3. Respondent estimated the gross building area of comparable sale #1, 1105 Grand Avenue, as approximately 2100 square feet, although public records indicate it was 2526 square feet; and he estimated the gross building area of comparable sale #2 as 1700 square feet, although public records indicate it was

2048 square feet. This conduct constitutes a violation of Standards Rule 1-1(a) of the USPAP, and pursuant to N.J.A.C. 13:40A-6.1, constitutes professional misconduct in violation of N.J.S.A. 45:1-21(e).

4. Respondent indicated that there was a seller concession of $25,500 in the sales contract to be used towards the borrower's closing costs, and his testimony before the Board indicated that he believed that this was typical of the Asbury Park market at the time. However, respondent did not indicate in the appraisal report whether or not the comparable sales he selected had similar concessions, and according to his testimony he did not have any knowledge as to whether the properties had offered these "typical" concessions. This conduct constitutes a violation of Standards Rule 1-1(a) of the USPAP, and pursuant to N.J.A.C. 13:40A-6.1, constitutes professional misconduct in violation of N.J.S.A. 45:1-21(e).

5. The Board further finds that the conduct described in paragraphs #1-4 above constitute repeated acts of negligence in violation of N.J.S.A. 45:1-21(d).

In order to resolve this matter without further proceedings, and without admissions, and the Board finding that the within Order is sufficiently protective of the public safety and welfare, and for other good cause shown,

IT IS ON THIS 11th DAY OF February, 2009,

HEREBY ORDERED AND AGREED THAT:

1. Respondent shall, commencing upon the filing of the within Order, agree to cease and desist from engaging in real estate appraising in the State of New Jersey. Respondent further agrees that he shall not renew his real estate appraiser license in the State of New Jersey upon expiration. No application for reinstatement of license shall be entertained by the Board for a minimum of five years following the date of filing of this Order.

2. A public reprimand is hereby imposed upon respondent for his violations of N.J.S.A. 45:1-21 (c), (d) and (e).

3. A civil penalty in the amount of $5,000 is hereby imposed upon respondent pursuant to N.J.S.A. 45:1-25. See payment terms specified in paragraph #4 below.

4. Respondent shall pay costs of investigation in the amount of $247.75. Payment of the total amount due of $5,247.75 shall be in the form of certified check, money order or attorney trust account check made payable to the State of New Jersey, and forwarded to Dr. James S. Hsu, Executive Director, Board of Real Estate Appraisers, P.O. Box 45032, 124 Halsey Street, 3rd Floor, Newark, NJ 07101. Payment of $1,000.00 shall be submitted contemporaneously with this signed Order. Subsequent payments shall be due on the fifteenth (15th) day of each month, in a minimum amount of $250.00, with the first $250.00 payment due on March 15, 2009. If any individual payment is not received within

fifteen (15 days of the payment due date, the entire unpaid balance due and payable under this order shall immediately become accelerated and be deemed due and payable without the need for notice and presentment, with interest calculated in accordance with R. 4:42-11 from the date of default.

5. Upon any application for reinstatement of license, respondent shall appear before the Board or a committee thereof, if requested, at which time the burden shall be on respondent to demonstrate fitness and competency to practice real estate appraising. Any reinstatement shall be upon the conditions and requirements deemed necessary by the Board in its discretion to protect the welfare and safety of the public.

NEW JERSEY STATE BOARD
OF REAL ESTATE APPRAISERS

By: Cheryle A. Randolph-Sharpe

Cheryle Randolph-Sharpe
Board President

I have read and understood the above Order and agree to abide by its terms.

Corey J. Schneider

Consent as to form and entry:

John J. Cardile, Esq.