

STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE REAL ESTATE APPRAISER BOARD

CERTIFIED TRUE COPY

In the matter of:

JUSTIN T. SAVINO
License #42RA00409300

CONSENT ORDER

COPY

This matter was opened before the New Jersey State Real Estate Appraiser Board (the "Board") upon the Board's receipt of a copy of an appraisal review report that respondent Justin Savino, SLRREA, prepared on or about May 23, 2009, on property located at 31 Delaware Avenue, Cartaret, New Jersey (the "subject property"). The Board has considered available information concerning this matter, to include copies of respondent's appraisal review report and the appraisal report which respondent reviewed; respondent's written statement under oath received on February 20, 2010; oral testimony offered by respondent when he appeared before a Committee of the Board on January 31, 2012, represented by Dennis Scardilli, Esq.; information maintained in respondent's workfile, and information concerning the subject property obtained by the Board during the course of its investigation.

Upon review of all available information, the Board finds that respondent accepted an assignment to perform a review

appraisal of an appraisal report dated April 21, 2009 (with an effective date of April 17, 2009) on the subject property that had initially been prepared by W.W. (respondent testified that he was not in fact provided with any information identifying the appraiser who prepared the initial appraisal report). Respondent then prepared an appraisal review report, wherein he concluded that the appraisal report that he had reviewed included an "unreasonable" opinion of market value. Specifically, respondent opined that the market value of the subject property as of April 17, 2009 was \$320,000; W.W. had appraised the property at \$425,000 as of that date.

Respondent additionally reported that certain data in W.W.'s appraisal report was not accurate. Of particular import, respondent stated that W.W. had misreported the gross living area of the property to be 2,517 square feet.¹ Respondent instead noted that tax records identified the gross living area of the subject

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W.W.'s estimate was based on his having measured the property, and was supported in his appraisal report by a "dimension list addendum" and a "floor plan," both of which detailed the basis for W.W.'s determination that the gross living area was 2,517 square feet. W.W.'s comparable sales approach, in turn, was predicated on his reporting that the subject property's gross living area was 2,517 square feet, as W.W. selected comparable sales with gross living areas ranging between 2,044 square feet and 3,000 square feet and made adjustments to those sales based on his conclusion that the subject property's gross living area was 2,517 square feet.

property to be 1,216 square feet, and respondent thereafter based his sales comparison approach (which analyzed an entirely different selection of comparable sales) and his comments as to the accuracy of information reported in W.W.'s appraisal, on the assumption that the subject property's gross living area was accurately recorded in the tax record card (and that the data set forth in W.W.'s report was therefore overstated and inaccurate).²

When testifying before the Board, respondent acknowledged that he was aware, at the time he prepared the review appraisal, of the vast discrepancy between the information detailed in W.W.'s report and that recorded on the property record card. Respondent testified that he conducted an exterior inspection of the property, but was unable to accurately estimate the gross living area of the subject property because it had an unusual configuration. At that time, respondent decided to rely solely on the data set forth on the tax record card, and did not seek authorization from his client to conduct an interior inspection of the property. While respondent did include a statement in his report that he had made extraordinary assumptions "concerning interior room count and condition of subject property and comparables as well as

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Respondent based his comparable sales analysis on three sales of ½ duplex properties, which ranged in gross living area from 1,225 to 1,354 square feet.

information provided by the Middlesex MLS, NJACTB, NJ Tax Records ASP and Vtal Gov," he failed to clearly articulate that he was making an extraordinary assumption that the gross living area of the property was in fact 1216 square feet.³

The Board finds that respondent failed to take steps required by the Uniform Standards of Professional Appraisal Practice (the "USPAP") to reconcile the disparate information he had regarding the gross living area of the subject property, and that by failing to do so, he failed to perform the scope of work necessary to prepare a credible review appraisal report. USPAP's Scope of Work Rule requires, within the "Scope of Work Acceptability" subsection, that "the scope of work must include the research and analyses that are necessary to develop credible appraisal assignments" and that "an appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment conditions are not credible in the context of the intended use." In this case, once respondent became aware of the substantial divergence between the reported gross living area

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Respondent has suggested, in his written statement under oath and his testimony before the Board, that his intent was to make an extraordinary assumption that the gross living area of the subject property was 1216 square feet and not 2517 square feet. The Board finds that had that been respondent's intent, he failed to clearly state that in his report, and finds that such intent could not reasonably be understood or inferred by any reader of the report.

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of the property in W.W.'s appraisal and in the tax assessor's records, he needed to seek to reconcile that information by personally measuring and inspecting the interior of the subject unit, in order to verify that the information detailed in his review appraisal was accurate. To the extent that, in turn, would have required respondent to have sought access to the subject property, he needed to either withdraw from the assignment, have modified the assignment conditions to expand the scope of work, or to have used an extraordinary assumption. See USPAP, Comment, Scope of Work Rule, Scope of Work Acceptability Subsection.

The Board further concludes that respondent violated Standards Rules 3-1(c) and 3-2(f) in preparing the review appraisal. Appraisers licensed or certified by this Board are required, pursuant to N.J.A.C. 13:40A-6.1(a), to ensure that all appraisals, at a minimum, conform to the USPAP. Respondent's preparation of an appraisal report that failed to comply with USPAP requirements provides grounds for disciplinary sanction pursuant to N.J.S.A. 45:1-21(h).

The parties desiring to resolve this matter without the necessity for further administrative proceedings, and the Board being satisfied that any need that might otherwise exist to conduct further proceedings is obviated by respondent's agreement to the entry of this Order, and the Board being satisfied that good cause

exists for the entry of this Order,

IT IS on this 22nd day of May, 2012

ORDERED and AGREED:

1. For the reasons set forth above, Respondent Justin Savino is hereby formally reprimanded for having prepared a review appraisal report which failed to conform to requirements of the USPAP.

2. Respondent is hereby assessed a civil penalty in the amount of \$2,500. The penalty shall be payable in six equal monthly installments of \$416.67, the first payment to be due and payable in full upon entry of this Order, the second payment to be due and payable on or before June 30, 2012, and the remaining payments to be made monthly on or before the 30th of each following month, with a final payment due on or before October 30, 2012.

3. Respondent is hereby assessed costs of investigation, limited to transcript costs, in the amount of \$287.00. The costs herein assessed shall be payable in full upon entry of this Order.

4. Respondent shall, not later than December 31, 2012, take and successfully complete a 15 hour course in the Uniform Standards of Professional Appraisal Practice. Respondent shall be required to secure pre-approval from the Board for any course she proposes to take to satisfy the requirements of this paragraph. The course shall be taken in a

classroom setting (that is, the Board will not approve an "on-line" course). For purposes of this paragraph, "successfully complete" shall mean that respondent shall be required to pass the examination given at the end of the course and/or obtain a passing grade at the completion of the course. Respondent may not claim any continuing education credit for the completion of the course herein required.

NEW JERSEY STATE REAL
ESTATE APPRAISER BOARD

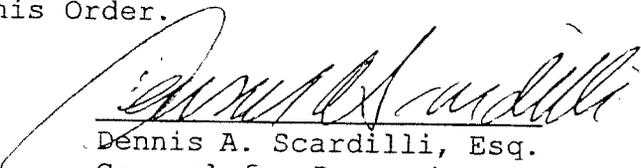
By: _____


Denise M. Siegel
Board President

I acknowledge that I have read and considered this Order, and agree to the entry of the Order as a matter of public record by the Board.


Justin T. Savino, SLRREA

Consent given to the form and entry of this Order.


Dennis A. Scardilli, Esq.
Counsel for Respondent