FILED 3-26-15
BOARD OF
REAL ESTATE APPRAISERS
CHARLES F. KIRK
Acting Executive Director

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

In the Matter of:

CARLOS QUINTERO, SCRREA
Certification #42RC00143800

CONSENT ORDER

This matter was opened before the New Jersey State Real Estate Appraisers Board (the "Board") upon the Board's receipt of a complaint dated September 18, 2013 from Margaret E. Reisen regarding an appraisal that respondent Carlos Quintero, SCRREA, prepared upon property located at 17 Maple Avenue, Mahwah, New Jersey (the "subject property appraisal"). Ms. Reisen generally alleged that respondent inflated the value of the subject property, and further alleged that there were numerous factual errors within the report. In reviewing this matter, the Board has considered available information concerning the subject property appraisal, to include, without limitation, the subject property appraisal, the filed complaint and supporting documentation supplied by the complainant, respondent's initial written response to the complaint dated October 9, 2013, respondent's workfile and testimony that respondent offered when he appeared, *pro se*, before a Committee of the Board for an investigative hearing on May 27, 2014.

Upon review of available information, the Board finds that respondent was engaged by Reverse Mortgage Solutions to appraise the subject property, a 5 room (3 bedrooms and 1 bathroom) ranch built in 1962, with a gross living area of approximately 1,134 square feet.[1] While respondent was initially engaged to conduct an interior inspection of the property, the assignment was thereafter changed (after respondent was unable to make contact with the property owner) to an exterior-only "drive-by" appraisal.

Respondent valued the subject property by the sales comparison approach alone, and opined that the subject property had a market value of $345,000 as of November 14, 2012. Respondent analyzed four closed sales in Mahwah, which he found to have adjusted values ranging from a high of $344,585 (comparable sale #1) to a low of $304,616 (comparable sale #2). Respondent then analyzed a closed sale from Englewood, New Jersey (although respondent listed in the report that comparable #5 was 4.65 miles south of the subject property, in fact the comparable sale is located approximately 20 miles from the subject property), which he opined had an adjusted value of $390,459. Finally, respondent analyzed one active listing (comparable #6) from Mahwah, which he opined had an adjusted value of $318,190 (comparable 6).

[1] Ms. Reisen, the complainant in this matter, is the homeowner, however she was not Mr. Quintero's client and thus not the intended user of the subject property appraisal.

When reconciling his data, respondent placed the greatest weight on comparable sale #1 (a six room property with 4 bedrooms and 2 bathrooms and a g.l.a. of 1,612 square feet) and stated that sale #1 had the "closest site size, closest age and closest GLA" to the subject property. In fact, however, comparable sale #2 (a five room property with 2 bedrooms, 1.1 bathrooms and a g.l.a. of 1,276 square feet) had property dimensions and characteristics that were far closer to the subject property than comparable sale #1.

When appearing before a Committee of the Board, respondent conceded that he made many errors in the report, which he claimed were a result of his having failed to have reviewed and finalized a draft of the report before he sent it to his client. Respondent further conceded that, had he reviewed the report, he would have recognized that comparable sale #2 was far more similar than comparable sale #1, that he would have in turn placed far greater weight on comparable sale #2 when conducting reconciliation, and that he would therefore have likely concluded that the subject property's market value more closely approximated $304,000. Respondent further conceded that there were many "obvious" mistakes made in the report.

The Board has reviewed the subject property appraisal report, and finds that respondent made numerous significant errors when preparing the subject property appraisal report, to include, without limitation:

-- repeated reporting of factually inaccurate information, to include respondent's having, in one instance, misidentified the location of the subject property, the type of appraisal report being prepared and the identity of his client;

-- the inclusion of an entirely inappropriate and invalid comparable sale (comparable sale #5) in the sales comparison approach;

-- the failure to conduct a proper reconciliation process (by reason of respondent's conceded error in placing the greatest weight and basing his value conclusion exclusively upon comparable sale #1, when that sale was not in fact the comparable sale which was most similar to the subject property); and

-- the failure to have specifically stated and identified that all descriptive information regarding the physical characteristics of the subject property had been taken exclusively from a prior appraisal report prepared in April 2009 by another appraiser, and the concomitant failure to have explicitly stated that the report had been prepared with the extraordinary assumption that all of the reported data (i.e., concerning the characteristics of the subject property) was accurate and unchanged from the 2009 appraisal.

Based on the findings above, the Board concludes that respondent violated multiple requirements of the Uniform Standards of Professional Appraisal Practice when preparing the subject

property appraisal, to include violations of Standards Rules 2-1(a) ("Each written or oral real property appraisal report must clearly and accurately set forth the appraisal in a manner that will not be misleading"), 1-6(b) ("In developing a real property appraisal, an appraiser must reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion"), 2-1(c) ("Each written or oral real property appraisal report must clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions and limiting conditions used in the assignment"), 1-2(f) ("In developing a real property appraisal, an appraiser must: identify any extraordinary assumptions necessary in the assignment") and 2-2(b)(x) ("The content of a summary appraisal report must be consistent with the intended use of the appraisal and, at a minimum: clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and state that their use might have affected the assignment results"). Additionally, based on the aggregate number of errors made and the materiality of those errors, the Board finds that respondent violated Standards Rule 1-1(b) ("In developing a real property appraisal, an appraiser must not commit a substantial error of omission or commission that significantly affects an appraisal").

The Board concludes that, by failing to ensure that the subject property appraisal conformed to the requirements of the

USPAP and by violating the above cited provisions of USPAP, respondent violated N.J.A.C. 13:40A-6.1 and engaged in professional misconduct. The Board further concludes that cause for formal action against respondent exists pursuant to N.J.S.A. 45:1-21(d), N.J.S.A. 45:1-21(e) and/or N.J.S.A. 45:1-21(h). Finally, the Board finds that this matter constitutes a second offense, as respondent was previously formally reprimanded for having failed to conform to requirements of the USPAP when preparing a prior appraisal report in a Consent Order of Reprimand filed on December 30, 2010.

The parties desiring to resolve this matter without need for additional administrative proceedings, and the Board being satisfied that good cause exists for the entry of the within Order,

IT IS on this 26th day of March, 2015,

ORDERED and AGREED:

1. The certification of respondent Carlos Quintero to practice residential real estate appraising in New Jersey is suspended for a period of six months, the entirety of which shall be stayed and served as a period of "probation" contingent upon his compliance with all terms and conditions set forth herein.

2. Respondent Carlos Quintero is hereby assessed a civil penalty in the amount of $5,000, which penalty shall be paid in full upon the entry of this Order.

3. Respondent Carlos Quintero is hereby assessed costs of investigation, limited to transcript costs, in the amount of

$236.25, which costs shall be paid in full upon entry of this Order.

4. Respondent shall, within six months of the date of entry of this Order, take and successfully complete a 15 hour course in the Uniform Standards of Professional Appraisal Practice and a 15 hour course in Report Writing. Respondent shall be required to secure pre-approval from the Board for all courses he proposes to take to satisfy the requirements of this paragraph. For purposes of this paragraph, "successfully complete" means that respondent must fully attend each course and pass any 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 courses herein required. Respondent shall be responsible to ensure that documentation of successful completion of the courses taken to satisfy the requirements of this paragraph is forwarded by the course provider(s) to the Board. In the event that respondent fails to successfully complete the course work required herein in a timely fashion (that is, in the event the Board does not receive documentation of successful completion of approved courses within six months of the date of entry of this Order), respondent shall be deemed to have failed to comply with the requirements of this Order, and his license may then be immediately suspended by the Board for failure to comply with the terms of this Order. In the

event an Order of immediate suspension for failure to comply with the terms of this Order is entered, respondent's license shall thereafter continue to be actively suspended until such time as he successfully completes the required course work, documentation thereof is submitted to the Board, and written notice of reinstatement is provided by the Board to respondent.

NEW JERSEY STATE REAL
ESTATE APPRAISER BOARD

By: _____
Joseph Palumbo
Board President

I represent that I have carefully read and considered this Order, understand its terms, agree to comply with said terms and consent to the entry of the Order by the Board.

_____
Carlos Quintero, SCRREA

Dated: 3/5/2015