STATE OF ARIZONA

DEPARTMENT INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter the Appraiser’s License of:

CRINA M. CROWLEY,
Certified Residential Appraiser
License No. 21225
Respondent.

22A-015-FIN
CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions1 (the “Department”) has received evidence that Crina M. Crowley (“Crowley” or “Respondent”) violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 32 and the Uniform Standards of Professional Appraisal Practice (“USPAP”). Respondent wishes to resolve this matter without the commencement of formal proceedings, admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order

FINDINGS OF FACT

1. Respondent was at all material times, licensed as an Arizona Residential Appraiser, license number 21225, originally issued on May 17, 2005. Crowley’s license is scheduled to expire on May 31, 2023.

2. During the period from May 2020 to September 2021 the Department received four complaints alleging misconduct by Respondent in the conduct as a residential appraiser. The Department conducted an investigation into the matter and concluded the following:

1 The Department of Insurance, the Department of Financial Institutions (“DFI”), and the Arizona Automobile Theft Authority merged on July 1, 2020, and are now the Department of Insurance and Financial Institutions (“DIFII”). See A.R.S. § 6-101(5). Similarly, the DIFI Director now exercises the powers once held by the DFI Superintendent. See A.R.S. §§ 6-101(6)–(7) and 6-110; and A.R.S. §§ 20-101 through 20-102.
Complaint 2020-DF1-0307

3. Crowley performed an appraisal of a single-family residential property located at 3744 E. Sheridan Street, Phoenix, Arizona, ("Sheridan Appraisal") as part of a mortgage refinance transaction. The effective date of the Sheridan Appraisal is May 6, 2020.

4. The Department’s investigation included a review of the Sheridan Appraisal Report ("Sheridan Report") and related work file. There are six versions of the Sheridan Report dated 5/10/20, 5/14/20, 5/15/20, a second version dated 5/15/20, a third version dated 5/15/20, 5/19/20, and the related work file. The Department’s investigation found the following violations in the Sheridan Appraisal:

   a. In the original and first version of the Sheridan Report, dated 5/10/20 and 5/14/20, Crowley signed the Sheridan Report on the left as the sole appraiser, failed to complete the inspection herself, as indicated in the Sheridan Report certification, and did not disclose the significant assistance provided by another appraiser. In the third version of the Sheridan Report, one of three dated 5/15/20, Crowley again signed on the left as the Appraiser. Crowley noted in the USPAP Addendum that “Walter Pester is a certified appraiser #20946 was of assistance as of the effective date of the appraisal report with the full inspection of the subject property.” The USPAP addendum indicates that Crowley did not make a personal inspection of the property. In the fourth version of the Sheridan Report, also dated 5/15/20, Crowley still signed the Sheridan Report on the left as the Appraiser and Walter Pester (“Pester”) signed on the right as the Supervisory Appraiser and checked that he did inspect the subject exterior and interior and inspected the comparable properties from the street. Both Crowley and Pester attached their certifications to that version of the Sheridan Report. In the fifth version of the Sheridan Report, again dated 5/15/20, Pester signed on the left as the Appraiser and Crowley
signed on the right as the Supervisory Appraiser. Crowley, in this version of the Sheridan Report, checked that she did not inspect the subject property, but also indicated that she did inspect the exterior of the comparable sales from the street. In the sixth version of the Sheridan Report, dated 5/19/20, Pester signed on the left as the Appraiser and Crowley signed on the right as the Supervisory Appraiser. Crowley indicated that she did not inspect the subject property, but did inspect the exterior of comparable properties. The 5/19/20 version includes a statement at the end of the Supplemental Addendum that: “Field inspection was completed by Walter Pester.”

b. According to the Ethics Rule, appraisers must not use or communicate a report or assignments results known by the appraiser to be misleading. Also, according to USPAP Standards Rule 2, “an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.” In addition, Standards Rule 2-2(a)(ix) requires that the extent of any significant real property appraisal assistance is summarized in the report. Each version of the Sheridan Report is misleading and changes to the Sheridan Reports reveal significant inconsistencies regarding who completed the report and who provided the data. Crowley failed to complete the inspection herself, although she signed the certification stating she had done so, and did not disclose in the first two versions of the Sheridan Report that Pester had provided significant assistance. The versions of the Sheridan Report vary widely in terms of whether the originally signing appraiser or the signing appraisers in the final version of the Sheridan Report inspected the property. This is a violation of USPAP Ethics Rule, Scope of Work Rule, Standards Rules 2-2(a)(ix) and 2-3.

c. Crowley, in the Sheridan Report, states “[a]justments were based on buyers [sic] reaction to the estimated cost to cure and subject market neighborhood. Zero indicates no
adjustment warranted based on paired sales.” This statement is the sole reference to the methodology Crowley used to determine adjustments and there is no data and/or support in the appraisal or work file to indicate any analyses were completed. These are violations of the USPAP Record Keeping Rule, Standards Rules 1-1(a) and 1-4(a).

d. Crowley, in the Sheridan Report, did not use the conclusion of final market rent value as the estimated monthly market rent in the income approach. Consequently, the income approach in the report lacks credibility. This is a violation of USPAP Standard Rules 1-1(a) and 1-4(c)(iv).

e. The Department’s investigation identified additional errors including Crowley incorrectly identified the occupant of the property as the property owner, there is insufficient discussion about the location of some of the comparable properties, and the required fee disclosure in the Sheridan Report is listed as two different amounts ($310 on page 3 and $350 in the USPAP Addendum). The totality of errors indicates that the appraisal was completed in a careless or negligent manner in violation of Standards Rule 1-1(c).

f. In addition, Crowley, failed to produce an appraisal report with sufficient information to indicate that she complied with the requirements of Standard 1 which is a violation of USPAP Standards Rule 2-2(a)(x).

Complaints 2021-DFI-0085 and 2021-DFI-0176

5. Crowley performed an appraisal of a single-family residential property located at 11640 East Bloomfield Drive, Scottsdale, Arizona, (“Bloomfield Appraisal”) as part of a mortgage refinance transaction. The effective date of the Bloomfield Appraisal is December 28, 2020.
6. The Department’s investigation included a review of the Bloomfield Appraisal Report ("Bloomfield Report") and the related work file. The Department’s investigator found the following violations in the Bloomfield Appraisal:

a. Crowley failed to complete the inspection herself, as certified in the Bloomfield Report, and did not disclose the significant assistance provided by another appraiser. According to the Ethics Rule, appraisers must not use or communicate a report or assignments results known by the appraiser to be misleading. Also, according to USPAP Standards Rule 2, "an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading." In addition, Standards Rule 2-2(a)(ix) requires that the extent of any significant real property appraisal assistance is summarized in the report.

b. Crowley, in the Bloomfield Report, states "adjustments were based on buyers [sic] reaction to the estimated cost to cure and subject market neighborhood. Zero indicates no adjustment warranted based on paired sales." This statement is the sole reference to the methodology Crowley used to determine adjustments and there is no data and/or support in the appraisal or work file to indicate any analyses were completed. These are violations of the USPAP Record Keeping Rule, Standards Rules 1-1(a) and 1-4(a).

c. The engagement letter agreement for the assignment states that Multiple Listing Service ("MLS") photos can be used, but the appraiser must also provide their own photos in the report to document compliance. Crowley used only MLS photos for all comparable properties. This is a violation of the Scope of Work Rule. Also, failing to produce an appraisal report with sufficient information to indicate the appraiser complied with the requirements of Standard 1, is a violation of USPAP Standards Rule 2-2(a)(x).
Complaint 2021-DF10-0583

7. Crowley performed an appraisal of a single-family residential property located at
2022 N. 38th Way, Phoenix, Arizona, ("38th Way Appraisal") as part of a mortgage refinance
transaction. The effective date of the 38th Way Appraisal is August 6, 2021.

8. The Department’s investigation included a review of the 38th Way Appraisal Report
("38th Way Report") and the related work file. The Department’s investigator found the following
violations in the 38th Way Appraisal:

a. Crowley failed to complete the inspection herself, as certified in the 38th Way Report,
and did not disclose the significant assistance provided by another appraiser. According


to the USPAP Ethics Rule, “In each communication, the appraiser must not use or
communicate a report or assignment results known by the appraiser to be misleading or
fraudulent.” Two versions of the 38th Way Report were sent to the client with incorrect
and misleading information about who inspected the subject property for the 38th Way
Report and an incorrect certification. Under USPAP Standards Rule 2, “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.

b. Crowley, in the 38th Way Report, states “[a]justments were based on buyers [sic]
reaction to the estimated cost to cure and subject market neighborhood. Zero indicates no
adjustment warranted based on paired sales.” This statement is the sole reference to the
methodology Crowley used to determine adjustments and there is no data and/or support
in the appraisal or work file to indicate any analyses were completed. These are
violations of the USPAP Record Keeping Rule, Standards Rules 1-1(a) and 1-4(a). Also,
fail to produce an appraisal report with sufficient information to indicate the appraiser
complied with the requirements of Standard 1, is a violation of USPAP Standards Rule 2-2(a)(x).

CONCLUSIONS OF LAW

9. The Department has personal and subject matter jurisdiction in this case under A.R.S. §§ 32-3601 et seq., and is authorized to seek disciplinary action against any licensed or certified real property appraiser in the State of Arizona for violations of the Statutes, Rules or the standards of practice adopted by the Department.

10. Under A.R.S. § 32-3635, a certified or licensed appraiser in the State of Arizona must comply with the standards of professional appraisal practice adopted by the Department. The standards of practice adopted by the Department are codified in the Uniform Standards of Professional Appraisal Practice ("USPAP") edition applicable at the time of the appraisal.

11. The conduct described above constitutes violations of the following provisions of the USPAP, 2020-2021 Edition, and the Arizona Revised Statutes:

a. For Complaint No. 2020-DFI-0307 (Sheridan Appraisal), Standards of Professional Practice: Ethics Rule, Scope of Work Rule, Record Keeping Rule, and Standards Rules 1-1(a)(c), 1-2(h), 1-4(a)(c)(iv), & 2-2(a)(ix)(x), and A.R.S. § 32-3635(A) and (B).

b. For Complaint No. 2021-DFI-0085 (Bloomfield Appraisal), Standards of Professional Practice: Record Keeping Rule, Standards Rules 1-1(a) and (c), 1-2(e)(i), 1-4(a) and (b)(i), 1-6(a) and (b), 2-1(a) and (b), and 2-2(a)(iii) and (viii) of the USPAP 2016-2017 edition; and A.R.S. § 32-3635(A) and (B).

c. For Complaint No. 2021-DFI-0176 (Bloomfield Appraisal), Standards of Professional Practice: Ethics Rule, Scope of Work Rule, Record Keeping Rule, Standards Rules 1-1(a), 1-2(h), 1-4(a) & 2-2(a)(ix)(x), 2-3, and A.R.S. § 32-3635(A) and (B).
For Complaint No. 2021-DFI-0583 (38th Way Appraisal), Standards of Professional Practice: Ethics Rule, Scope of Work Rule, Record Keeping Rule, Standards Rules 1-1(a), 1-4(a), & 2-2(a)(x), and A.R.S. § 32-3635(A) and (B).

ORDER

IT IS HEREBY ORDERED THAT:

12. Crina M. Crowley's License No. 21225 is suspended for fourteen (14) days beginning from the date of this Order.

13. Crina M. Crowley shall complete the following education courses within six (6) months of the Effective Date of this Consent Order: a fifteen (15) hour USPAP course with exam. The education required under this paragraph may not be counted toward the continuing education requirements for the renewal of Crowley's license. Crowley shall provide proof that she completed the required education to the Department within three (3) weeks of completion of the required coursework. Crowley shall be responsible for all costs and expenses associated with completing the required coursework.

14. During the period of suspension, Crina M. Crowley shall not issue a verbal or written appraisal, appraisal review, or consulting assignment or hold herself out as a certified residential appraiser. During the period of suspension, Crina M. Crowley may provide revisions for reports that she completed before the suspension. Crina M. Crowley shall notify the Department before preparing any revisions.
15. Crina M. Crowley shall pay a civil penalty in the amount of one thousand dollars ($1,000). This civil penalty is due and payable to the Department within one hundred and twenty days (120) of the effective date of this Order.

DATED and EFFECTIVE this 2nd day of May, 2022.

By: ____________________________

Shane Foster
Deputy Director of Financial Institutions
Arizona Department of Insurance and Financial Institutions
CONSENT TO ORDER

1. Respondent acknowledges that it has been served with a copy of the foregoing Consent Order in the above-referenced matter, has read it, is aware of its right to an administrative hearing in this matter and has knowingly and voluntarily waived that right.

2. Respondent accepts the personal and subject matter jurisdiction of the Department over it in this matter.

3. Respondent acknowledges that no promise of any kind or nature has been made to induce it to sign the Consent to Assessment and it has done so knowingly and voluntarily.

4. Respondent acknowledges and agrees that the acceptance of this Consent to Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondent, including but not limited to violations of Arizona's Consumer Fraud Act. Respondent acknowledges that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

5. Respondent acknowledges and agrees that failure to correct the violations set forth above in this Consent Order, or any repeat findings of the above violations in the future, can result in disciplinary action which may include a greater civil money penalty and suspension or revocation of its license.

6. Respondent waives all rights to seek an administrative or judicial review or otherwise to challenge or contest the validity of this Consent Order and its accompanying parts before any court of competent jurisdiction.
7. The Department considers this to be a disciplinary action as defined in Arizona Administrative Code R4-46-101.

DATED this 2\_ day of May, 2022.

By: Crina M. Crowley
ORIGINAL of the foregoing e-filed this
3rd day of May, 2022,
in the office of:

Evan G. Daniels, Director
Arizona Department of Insurance and Financial Institutions
Attn: Ana Starcevic, Paralegal
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007
Ana.Starcevic@difi.az.gov

COPY of the foregoing delivered/emailed same date to

Tammy Seto, Assistant Director
Attn: Kelly Luteijn, Appraisal Investigations
Arizona Department of Financial Institutions
100 N. 15th Avenue, Suite 261
Phoenix, AZ 85007
Tammy.Seto@difi.az.gov
Kelly.Luteijn@difi.az.gov

COPY of the foregoing emailed same date to:

Crina M. Crowley
Respondent

Ana Starcevic
#10332493