

1 STATE OF ARIZONA

2 DEPARTMENT INSURANCE AND FINANCIAL INSTITUTIONS

3 In the Matter the Appraiser's License of:

22A-015-FIN

4 **CRINA M. CROWLEY,**

CONSENT ORDER

5 Certified Residential Appraiser
6 License No. 21225

7 Respondent.

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

14 FINDINGS OF FACT

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

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

21 _____
22 ¹ The Department of Insurance, the Department of Financial Institutions ("DFI"), and the Arizona
23 Automobile Theft Authority merged on July 1, 2020, and are now the Department of Insurance and
24 Financial Institutions ("DIFI"). 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.

1 **Complaint 2020-DFI-0307**

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

5 4. The Department's investigation included a review of the Sheridan Appraisal Report
6 ("Sheridan Report") and related work file. There are six versions of the Sheridan Report dated
7 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,
8 and the related work file. The Department's investigation found the following violations in the
9 Sheridan Appraisal:

10 a. In the original and first version of the Sheridan Report, dated 5/10/20 and 5/14/20,
11 Crowley signed the Sheridan Report on the left as the sole appraiser, failed to complete
12 the inspection herself, as indicated in the Sheridan Report certification, and did not
13 disclose the significant assistance provided by another appraiser. In the third version of
14 the Sheridan Report, one of three dated 5/15/20, Crowley again signed on the left as the
15 Appraiser. Crowley noted in the USPAP Addendum that "Walter Pester is a certified
16 appraiser #20946 was of assistance as of the effective date of the appraisal report with the
17 full inspection of the subject property." The USPAP addendum indicates that Crowley
18 did not make a personal inspection of the property. In the fourth version of the Sheridan
19 Report, also dated 5/15/20, Crowley still signed the Sheridan Report on the left as the
20 Appraiser and Walter Pester ("Pester") signed on the right as the Supervisory Appraiser
21 and checked that he did inspect the subject exterior and interior and inspected the
22 comparable properties from the street. Both Crowley and Pester attached their
23 certifications to that version of the Sheridan Report. In the fifth version of the Sheridan
24 Report, again dated 5/15/20, Pester signed on the left as the Appraiser and Crowley

1 signed on the right as the Supervisory Appraiser. Crowley, in this version of the
2 Sheridan Report, checked that she did not inspect the subject property, but also indicated
3 that she did inspect the exterior of the comparable sales from the street. In the sixth
4 version of the Sheridan Report, dated 5/19/20, Pester signed on the left as the Appraiser
5 and Crowley signed on the right as the Supervisory Appraiser. Crowley indicated that
6 she did not inspect the subject property, but did inspect the exterior of comparable
7 properties. The 5/19/20 version includes a statement at the end of the Supplemental
8 Addendum that: "Field inspection was completed by Walter Pester."

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

23 c. Crowley, in the Sheridan Report, states "[a]djustments were based on buyers [sic]
24 reaction to the estimated cost to cure and subject market neighborhood. Zero indicates no

1 adjustment warranted based on paired sales.” This statement is the sole reference to the
2 methodology Crowley used to determine adjustments and there is no data and/or support
3 in the appraisal or work file to indicate any analyses were completed. These are
4 violations of the USPAP Record Keeping Rule, Standards Rules 1-1(a) and 1-4(a).

5 d. Crowley, in the Sheridan Report, did not use the conclusion of final market rent value
6 as the estimated monthly market rent in the income approach. Consequently, the income
7 approach in the report lacks credibility. This is a violation of USPAP Standard Rules 1-
8 1(a) and 1-4(c)(iv).

9 e. The Department’s investigation identified additional errors including Crowley
10 incorrectly identified the occupant of the property as the property owner, there is
11 insufficient discussion about the location of some of the comparable properties, and the
12 required fee disclosure in the Sheridan Report is listed as two different amounts (\$310 on
13 page 3 and \$350 in the USPAP Addendum). The totality of errors indicates that the
14 appraisal was completed in a careless or negligent manner in violation of Standards Rule
15 1-1(c).

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

19 **Complaints 2021-DFI-0085 and 2021-DFI-0176**

20 5. Crowley performed an appraisal of a single-family residential property located at
21 11640 East Bloomfield Drive, Scottsdale, Arizona, (“Bloomfield Appraisal”) as part of a mortgage
22 refinance transaction. The effective date of the Bloomfield Appraisal is December 28, 2020.

1 6. The Department's investigation included a review of the Bloomfield Appraisal Report
2 ("Bloomfield Report") and the related work file. The Department's investigator found the following
3 violations in the Bloomfield Appraisal:

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

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

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

1 **Complaint 2021-DFI0-0583**

2 7. Crowley performed an appraisal of a single-family residential property located at
3 2022 N. 38th Way, Phoenix, Arizona, (“38th Way Appraisal”) as part of a mortgage refinance
4 transaction. The effective date of the 38th Way Appraisal is August 6, 2021.

5 8. The Department’s investigation included a review of the 38th Way Appraisal Report
6 (“38th Way Report”) and the related work file. The Department’s investigator found the following
7 violations in the 38th Way Appraisal:

8 a. Crowley failed to complete the inspection herself, as certified in the 38th Way Report,
9 and did not disclose the significant assistance provided by another appraiser. According
10 to the USPAP Ethics Rule, “In each communication, the appraiser must not use or
11 communicate a report or assignment results known by the appraiser to be misleading or
12 fraudulent.” Two versions of the 38th Way Report were sent to the client with incorrect
13 and misleading information about who inspected the subject property for the 38th Way
14 Report and an incorrect certification. Under USPAP Standards Rule 2, “In reporting the
15 results of a real property appraisal, an appraiser must communicate each analysis,
16 opinion, and conclusion in a manner that is not misleading.

17 b. Crowley, in the 38th Way Report, states” [a]djustments were based on buyers [sic]
18 reaction to the estimated cost to cure and subject market neighborhood. Zero indicates no
19 adjustment warranted based on paired sales.” This statement is the sole reference to the
20 methodology Crowley used to determine adjustments and there is no data and/or support
21 in the appraisal or work file to indicate any analyses were completed. These are
22 violations of the USPAP Record Keeping Rule, Standards Rules 1-1(a) and 1-4(a). Also,
23 failing to produce an appraisal report with sufficient information to indicate the appraiser
24

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

4 **ORDER**

5 IT IS HEREBY ORDERED THAT:

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


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

15 14. During the period of suspension, Crina M. Crowley shall not issue a verbal or written
16 appraisal, appraisal review, or consulting assignment or hold herself out as a certified residential
17 appraiser. During the period of suspension, Crina M. Crowley may provide revisions for reports that
18 she completed before the suspension. Crina M. Crowley shall notify the Department before
19 preparing any revisions.

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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

1 **CONSENT TO ORDER**

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

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

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

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

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

24 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.

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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 Crowley
Crina M. Crowley

1 ORIGINAL of the foregoing e-filed this
2 3rd day of May, 2022,
3 in the office of:

4 Evan G. Daniels, Director
5 Arizona Department of Insurance and Financial Institutions
6 Attn: Ana Starcevic, Paralegal
7 100 North 15th Avenue, Suite 261
8 Phoenix, AZ 85007
9 Ana.Starcevic@difi.az.gov

10 COPY of the foregoing delivered/mailed same date to

11 Tammy Seto, Assistant Director
12 Attn: Kelly Luteijn, Appraisal Investigations
13 Arizona Department of Financial Institutions
14 100 N. 15th Avenue, Suite 261
15 Phoenix, AZ 85007
16 Tammy.Seto@difi.az.gov
17 Kelly.Luteijn@difi.az.gov

18 COPY of the foregoing emailed same date to:

19 Crina M. Crowley
20 Respondent

21 *Ana Starcevic*
22 _____

23 #10332493