



NEWSREAL

The Seattle Chapter of the Appraisal Institute Newsletter

February 2009



President's Message

by Mel Morgan, Jr., MAI
Seattle Chapter President

The word February is derived from the Roman word *februum*, which means *purification* in Latin. In the Roman calendar, the *Februa* purification celebration was held on February 15th. Our economy seems to be going through its own purification process, but it is taking much longer than a day.

Most economists point to the housing market as the catalyst for the economic purification process we're currently going through. And the housing market was certainly in need of some purification.

Between January 2000 and July 2006, the median home price for the 20 largest markets in the country, as measured by S&P/Case-Schiller, increased by 107%. This equates to average annual appreciation of 12% - for six and a half years.

Well, it turns out that 12% a year for more than six years is not sustainable. On a national basis, July 2006 was the peak. In nearly two and half years since then, the median national home price has fallen by 25%. And the decline has not slowed yet.

How much lower can we go? As of November, the national median home price was back to February 2004 levels,

but still 28% above January 2002 levels. In the Seattle market, we are back to January 2006 levels, but still 49% above January 2002 levels. With unemployment and foreclosures still on the rise, it seems very possible that the price purification process is not over yet.

On the bright side, some of the hardest hit markets are seeing sales increase due to lower prices. In California, the number of closed home sales in December 2008 was 48% higher than in December 2007. While over half of the sales were foreclosed properties and the median price was 38% lower than a year earlier, the increase in transactions is the first step in stabilizing the market.

At the January dinner meeting, I had the distinct honor of presenting Don Hill, SRA with his newly earned SRA certificate. What was truly remarkable about this is that Don started his career in the appraisal profession in 1970. He is living proof that it is never too late to get your designation, not even after 38 years.

If you are close to achieving your designation, this is the year to get it done. In 2009, the Chapter will pay for 50% of your demonstration report fee, 50% of your comprehensive exam fee, and 50% of your designation application fee. How can you pass up a deal like that?

And finally, another piece of advice for all appraisers, courtesy of Albert Einstein:

“The important thing is not to stop questioning.”

In this Newsreal...

Chapter Calendar.....	Page 2
Chapter Meeting.....	Page 3
Chapter News.....	Page 4
National News.....	Page 8
Government News.....	Page 10

Submission date for the next Newsreal: February 27, 2009

Upcoming Courses

South Sound Branch Chapter Lunch Meeting

February 11, 2009

Join fellow South Sound appraisers for a networking lunch at the Tacoma Elks Club.

11:30 AM - Registration
12:00 PM - Lunch

Cost:
\$17 for AI Members and Non-Members
Free to Prepaid Seattle Chapter Members

Location:
Tacoma Elks Club

Meal:

Attendees will choose an item from the Elks Club menu when they arrive.

North Sound Branch USPAP 7-Hour Update and Lunch Meeting

February 12, 2009

This one-day update is an approved equivalent of the Appraisal Foundation's 7-Hour National USPAP Update Course. Its enhanced design and interactive presentation focus on the changes to USPAP requirements for ethical behavior and competent performance by appraisers. The material also includes information intended to clarify some commonly misunderstood aspects of USPAP. The course will aid appraisers in all areas of appraisal practice seeking updated competency in USPAP, including those subject to state licensing or certification and continuing education requirements imposed by professional organizations, client group, or employers.

Instructor: Marc Campos, MAI, SRA
Credit: 7 hours CE
Location: Best Western Cottontree Inn & Convention Center, Mount Vernon

Lunch Meeting

Join fellow North Sound appraisers for a deli buffet and discussion.

USPAP Students automatically registered for free lunch.

Lunch Only Attendees

\$17 for AI Members and Non-Members
Free to Prepaid Seattle Chapter Members

To register or to find out more about other courses being offered, go online to www.ai-seattle.org.
For more information, please contact: Jessica Larson at (206) 622-8425 or by email: aisea@qwestoffice.net

February Chapter Calendar

DATE	EVENT	LOCATION/TIME	HOURS
February 4-5	Spring Committee Meetings	Westin River North, Chicago	
February 10	Finance Committee Meeting	10:30 AM by phone	
February 11	South Sound Branch Chapter Lunch Meeting	Tacoma Elks Club 1965 S. Union Ave., Tacoma	
February 12	North Sound Branch: USPAP Update & Lunch Meeting	Best Western Cottontree Inn & Convention Ctr 2300 Market Street, Mount Vernon	7 CE
February 18	Associate Members Social	6:00 PM Redhook Brewery 1400 NE 145th Street, Woodinville	
February 25	Appraisal of Wineries & Vineyards and Chapter Lunch Meeting	Willows Lodge 14580 NE 145th Street, Woodinville	7 CE
February 27	Newsreal Deadline		
February 27	Board Meeting *	9:30 AM Banner Bank 3005 112th Ave NE, Ste 100, Bellevue	

* All Chapter members are welcome to attend Board Meetings. Call the Chapter office for directions.

For More Information

For more information on the Seattle Chapter of the Appraisal Institute's upcoming events, contact (206) 622-8425, or via email at aisea@qwestoffice.net. Information can also be located at the Seattle Chapter website at www.ai-seattle.org.

APPRAISAL OF WINERIES & VINEYARDS AND CHAPTER LUNCH MEETING

February 25, 2009

Meeting Schedule:

8:00AM - 8:30AM

Registration

8:30AM - 11:45AM

Seminar

11:45AM - 1:15PM

**Chapter Lunch Meeting with
Keynote Speaker**

1:15PM - 5:00PM

Seminar

5:00PM - 6:00PM

Wine Tasting

*Participants will be sampling
some exciting wines from
Northwest wineries.*

Meeting Location:

Willows Lodge

14580 NE 145 Street

Woodinville, WA 98072

1-877-424-3930

Education Credit:

7 hrs



Event Sponsor

Introduction to the various appellations in the Northwest

Presenter: Scott Adams, MAI, Banner Bank

Eastern Washington

The Willamette Valley area of Oregon

This segment will focus on regional diversity in product development

Valuation Aspects of Vineyard and Winery Property

Presenters: Shane Hatch (Eastern WA), Mark Stolz (Eastern WA), Mike Gibbons (Eastern WA), and Craig Christopherson (Salem) Commercial Appraisers, Farm Credit Services.

The presenters are specialists in vineyard and winery property valuation. They will discuss Vineyard appraising and provide comparable sales and valuation examples comparing and contrasting the better known and lesser known appellations in these regions. They will follow with a detailed analysis of:

- Vineyard set up costs and time lines to fruit production, based a several different locations, again to compare and contrast
- Frost kill and other elements that stymie/destroy fruit production
- The terroir - What type of dirt grows what kind of grapes in what appellations
- Additional Valuation aspects specific to these regions

Northwest Market Conditions

Presenters: Carl Stillman, MAI, Stillman & Associates, Inc. (Salem) and D. Eric James, MAI, Columbia Valuation Group (Spokane)

- Where is the Winery and Estate Vineyard market in the Northwest?
- The effect of Supply and Demand on Wineries and Estate Vineyards
- When does it look like the new supply of wineries will slow, so demand for these properties will increase?
- What new winery and estate vineyard properties are on the horizon?

Business Valuation of Wineries and Estate Vineyards

Presenter: Keith Meyers, CPA/ABV, Perkins & Co. (Portland)

- Business Valuation and the relationship with the appraiser
- The business enterprise value component or the valuation of the going concern
- Current Northwest conditions

Who's Buying - Who's Selling?

Presenter: Lynne Chamberlain, Real Estate Specialist and Broker

The Real Estate market for vineyard and winery properties throughout the Northwest.

- Who are the most likely buyers and sellers
- Are they selling?
- Current sales conditions in the Northwest and California and how that impacts investments

Please complete the following form and return with your check to: Seattle Chapter of the Appraisal Institute, c/o HomeStreet Bank, 8050 15th Avenue NW, Seattle, WA 98117. Phone: (206) 622-8425, Fax: (206) 623-4474, Email: aisea@qwestoffice.net.

Name _____
 MAI SRA SRPA Associate Affiliate

Firm _____

Address _____

City/State/Zip _____

Phone _____

Email _____

Seminar and Lunch Meeting

- \$200 Member
 \$250 Non-Member
 \$145 Reduced Rate for Prepaid Seattle Chapter Members
(Contact the chapter office for the discount code if registering online)

Lunch Meeting Only (no CE)

- \$35 Member
 \$50 Non-Member
 Free Prepaid Meals Member

Substitutes for prepaid members,
please provide member name

JANUARY AI SEATTLE CHAPTER DINNER MEETING



Joe Creech was presented his MAI Designation Certificate from Chris Monger, MAI.



Don Hill was presented his SRA Designation Certificate from Mel Morgan, MAI.



Allen Safer, MAI presented a plaque to Jim Irish, SRA for his dedicated service to the Seattle Chapter.



Jim Irish, SRA with Stan Sidor, current ACOW President.



Jim Irish, SRA

Congratulations to our newly designated members and to Jim Irish for his outstanding contributions to the Seattle Chapter!

ACOW BOARD & OFFICERS

On January 8, 2009, the Appraiser’s Coalition of Washington (ACOW) elected its new board for the coming year. The board is comprised of six members from the various representative appraisal organizations, which includes: the Appraisal Institute (Seattle Chapter, No. Sound Branch Chapter, So. Sound Branch Chapter, Inland Northwest Chapter, and Columbia Basin Chapter); the American Society of Appraisers – Seattle Chapter (ASA); the American Society of Farm Managers & Rural Appraisers; the International Association of Assessing Officers, or IAAO (Central WA Chapter, Evergreen Chapter, No. Puget Sound Chapter, and W. Puget Sound Chapter); the International Right of Way Association, or IRWA (Seattle Chapter and Spokane Chapter); and the National Association of Independent Fee Appraisers, or NAIFA (Cascade Chapter, Olympic Peninsula Chapter, Seattle Chapter, and S. Puget Sound Chapter).

Officers for the organization are elected from among the board members. The following represent the ACOW Board and Officers for 2009:

- Stan Sidor, President**
Appraisal Institute, South Sound Branch of the Seattle Chapter
- Mark Noble, Vice President**
Appraisal Institute, Inland Northwest Chapter
- Michael Imes, Secretary**
NAIFA Olympic Peninsula Chapter
- David Hunnicutt, Treasurer**
Appraisal Institute, Seattle Chapter
- Sheridan Shaffer, Board Member**
NAIFA, Seattle Chapter
- Barry Wilson, Board Member**
Representing Unaffiliated Appraisers/Individual Members within the State of WA



Jim Irish, the outgoing ACOW President, was presented with a special commemorative plaque at January’s AI – Seattle Chapter dinner, and acknowledged for his many years of service and dedication in governmental affairs.

ACOW’s purpose is to educate and communicate with members of the appraisal profession, in particular regarding legislative and regulatory issues pertaining to

real and personal property in the State of Washington. ACOW also has been monitoring national legislative trends and issues, and providing input to the Appraisal Institute’s national lobbyist in Washington, DC, which now represents not only the Appraisal Institute, but also NAIFA, ASA, and ASFMRA.

ASSOCIATE MEMBER LIAISON REPORT

As Residential and General Member Liaisons, we are the Associate membership’s voice to the Chapter leadership and Directors. In that role, we welcome your comments or concerns regarding issues at the Chapter level. In addition, we would be happy to answer questions regarding the designation path, state licensing, and involvement within the Seattle Chapter.

Mark your calendars!

We are planning an informal Associate gathering at the Red Hook Brewery in Woodinville, on Wednesday, February 18, starting at 6:00 PM. This will be a great opportunity to meet and network with Associates in a fun, relaxed atmosphere. Please let us know if you plan to attend.

Also, we have moved the Annual Associate Bowling event from June to March! On Friday, March 27, plan on attending this 3rd annual event at Garage Billiards on Capitol Hill (<http://www.garagebilliards.com/choice.htm>). Bowling will start at 6:00 PM, and again, this is another opportunity to meet and mingle with Associates and show your bowling prowess. The side action from last year’s event resulted in some extra push-ups for a few Associates (only required if you opt to take part in the side action!). Please contact us for details and to RSVP.

Finally, the “Treat Your Associates” Chapter Dinner Meeting will be on April 15 at the Broadmoor Golf Club. This event has the biggest turnout for associate members and YET AGAIN provides a good networking opportunity with Chapter members.

If you have any ideas or suggestions for Associate events please contact us. We look forward to hearing from you!

Selena Woods
Residential Associate Member Liaison
206-883-3958

Matt Bacon
General Associate Member Liaison
206-436-1179

DON HILL RECIEVES SRA DESIGNATION



The Seattle Chapter presented the SRA Designation to Don Hill at the January 21 meeting at the Broadmore Golf and Country Club. Don has been in the appraisal industry since 1970. He started out with the "Old Society of Real Estate Appraisers" and became a member of the "Appraisal Institute" after the merger.

Don felt it was important to have the SRA designation even though he is very well established in the appraisal industry. He is a USPAP Instructor and teaches many appraisal classes and seminars.

Don feels the designation sets him apart from the licensed and certified appraiser and gives him more opportunities with diversified appraisal work and complex assignments. Additionally it is important for credibility as an expert witness in court work.

It is an inspiration to all of us to see a seasoned professional with over (39) thirty-nine years in the business still believing our designation is important and prestigious.

Remember the institute did a study and proved designated members have higher earnings. This should give all of us licensed and certified appraisers incentive to work toward designation, which is much more user friendly and gears toward appraisers with busy schedules.

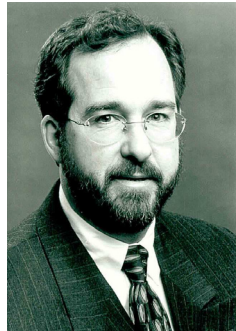
Good luck Don and congratulations, on behalf of the Chapter and its members.

GET DESIGNATED IN 2009!!!

Chapter support for those pursuing their designations in 2009.

In the chapter's budget for 2009, funds have been allocated to motivate Associates to complete their final steps towards designation. The chapter has agreed to pay half of the fees associated with the Comprehensive Exam (or alternative), the Demonstration report (or alternative), and/or the application for designation. In order to qualify, associates must submit a receipt (or receipts) from national to the chapter office for their fee payment(s) for the exam, report, and/or designation application paid during 2009.

GREENFIELD ADVISORS WELCOMES NEW TEAM MEMBER



Seattle, WA, December 10, 2008 -- Greenfield Advisors LLC, a company specializing in complex real estate valuation and advisory services, is pleased to announce that Christopher A. Miner, MAI has joined the company as our Managing Director, Real Estate Advisory Services. Mr. Miner, a certified general real

estate appraiser and licensed broker, has more than 30 years in real estate including teaching at the University of Connecticut and for the Appraisal Institute and providing expert testimony and counsel for cases before boards of Tax Appeal, Planning and Zoning Commissions, Connecticut Superior Court and Federal Bankruptcy Court. "Chris brings a tremendous amount of experience and leadership in precisely those areas most needed by our clients in the coming months," said John Kilpatrick, CEO of Greenfield. "His talents will be in high demand as our economy continues working its way through the current turmoil." Greenfield Advisors is a 32-year-old financial services firm specializing in complex real estate problem solving. Best known for its work in high profile litigation and trophy property valuation, Greenfield addresses a variety of real estate related projects, including feasibility studies, market research, valuation, business plans, wealth-management and private-equity advisory services, brokerage, and fund raising.

For additional information, contact: Lisa Mc Sherry, info@greenfieldadvisors.com, or via phone (206) 623-2935

UPDATING AI MEMBER'S SPECIALTIES
Please be advised that there will be an email sent out to all AI members to get updated specialties for the Seattle chapter website. You will need to respond to the email by February 13 in order to get your information on the web.

PREPAID MEALS
Last Call for those wishing to prepay their Chapter Meetings for 2009.
Go online to sign up: <http://ai-seattle.org/>

NOMINEES SOUGHT FOR 2010 LEADERSHIP POSITIONS

The nominations and elections process is underway for 2010. There are open positions for Vice President, Secretary, Treasurer, two Regional Representatives, and general and residential Associate Member Liaisons, as well as Branch Chapter Vice Chairs. Members (except for Temporarily Non Practicing Designated, and Non Practicing Associate Members, Affiliate Members, and Honorary Members) are strongly encouraged to nominate themselves for positions for which they are qualified.

All potential candidates must be members in good standing, current in the Appraisal Institute's continuing education requirements (for Designated Members), have not been subject to a publishable disciplinary action by the Appraisal Institute within the five (5) years prior to the election. Branch chapter members can run for any office.

Vice President (one-year term) may be a Designated or Associate Member of the Appraisal Institute, preferably one who has previously served as a director, secretary, or treasurer, and has a history of service to the Chapter. The Vice President will also act as president-elect and will automatically become President in the following year, provided he or she is a Designated Member at that time.

Secretary and Treasurer (each one-year term) may be a Designated or Associate Member, preferably one who has prior service as a Chapter officer, director, or committee chair.

Regional Representative (two-year term) may be a Designated or Associate Member. It is desirable for Regional Representatives to have prior service as a Chapter committee chair or board member. No member can serve more than two terms as Regional Representative.

General and Residential Associate Member Liaisons (one-year term) must be Associate Members, preferably ones who actively participate in Chapter events and wish to represent the Associate Member viewpoint to the Board of Directors. Associate Member Liaisons must have been in good standing with the Chapter for at least one year, and have taken the Standards of Professional Practice course and passed the corresponding examination. No member can serve more than two consecutive terms as an Associate Member Liaison.

Branch Chapter Vice Chairs (one-year term) must be a member of the branch chapter to be served. Will succeed to the office of Branch Chapter Chair for the following year.

Your 2009 Nominating Committee Chair is Chris Berger, MAI.

To be included on the 2010 ballot you must complete and submit a Statement of Qualifications form no later than March 6, 2009. To obtain this form, or if you have questions regarding the nominations process or the eligibility requirements for any position, please contact Chris Berger, MAI at (425) 450-1175 or by email to cberger@gvakm.com, or Elly Snow at the Chapter office by phone at (206) 622-8425 or by email to aisea@qwestoffice.net.

JOE CREECH RECEIVES MAI DESIGNATION



Chris Monger, MAI had the honor of presenting Joe Creech with his MAI Designation Certificate at the January 21, 2009, Chapter Dinner Meeting. Chris worked with Joe for over eight years at PGP Valuation.

Joe is currently one of four managing directors in charge of the Seattle office for PGP Valuation. He started as an appraiser trainee with PGP in 1998 and later became a team leader. Joe has experience in office, industrial, retail, and Chris' favorite, golf courses. His prior career was in international finance.

Joe has many skills that Chris and other appraisers value. His ability to see the big picture, his quick thinking, and his knack for writing cogent and persuasive arguments are among the skills that make him a fine appraiser. However, what makes Joe stand out among other highly qualified appraisers is his strong leadership skills when working with his staff, his uncanny ability when working with clients, and his high standards of ethics.

Joe graduated with a BA in Philosophy from the University of Colorado. He enjoys soccer and has a charming family - Suzie, his wife and their two children, Reilly and Josh.

Congratulations Joe for becoming the Seattle Chapter's newest MAI!

ROSTER PHOTOS ARE PAST DUE!

Submit your photos for the 2009 roster to the chapter office today!

HUEFNER AWARDED MAI DESIGNATION



Portland, Oregon – Hillary Huefner, Managing Director, CJM Investment Property Advisors, Portland Office, has been awarded the Appraisal Institute’s prestigious MAI membership designation.

Hillary received her designation from the Appraisal Institute January 9, 2009, and was honored during the January 24, 2009, meeting of the Greater Oregon Chapter of the Appraisal Institute.

While Hillary is a State of Oregon Certified General Appraiser and appraises a wide variety of properties primarily in Oregon, she is also a State of Washington Certified General Real Estate Appraiser and does a significant amount of appraisal work in the Puget Sound area. Hillary got her start in appraising working at the CJM headquarters office in Bellevue as the office manager when she quickly realized that appraising was a career that appealed to her. During the ten years she has been appraising in Oregon and Washington, many members of the Seattle Chapter have had the opportunity to get to know Hillary and will be pleased to recognize her achievement in receiving the MAI designation.

NEW SEATTLE CHAPTER MEMBERS

A warm welcome is extended to these new members who joined our chapter since mid December!

- Ricardo Ceja
- David H. Coleman
- Heather Elliott
- Richard J. Hollister
- Heber Kennedy III
- Beth Le Mieux Glander
- Debra D. Lively
- John C. Parsons
- John S. Parsons
- Stephanie Stallings

CPT MIKE VINCENT, SRA



The Senior Staff at AI National sent 11 priority mail boxes full of miscellaneous items to our local member Michael Vincent, SRA who is stationed in Iraq. Mike has 50 soldiers in his unit and a total of 1100 soldiers in the task force that work 13 hrs a day 7 days a week with no breaks or days off.

Mike received his SRA over the summer right before he was deployed. We can’t wait to have Mike home and present him with his Designation Certificate at an upcoming Chapter Meeting.

If you would like to send your own contributions, feel free to contact the chapter office for a list of possible items and where they should be sent.



Lori Mason Curran, MAI is happy to announce that she passed the LEED-AP exam in December.

APPRAISAL INSTITUTE’S HVCC WEBINAR NOW AVAILABLE ONLINE

To access the Appraisal Institute’s 60-minute *The Real Impact of the Home Valuation Code of Conduct* webinar, visit www.appraisal institute.org/store/p-143-the-real-implications-of-the-hvcc-on-appraisers-and-lenders.aspx. The webinar is free for Appraisal Institute members and \$45 for nonmembers.

More than 650 appraisers participated in the Appraisal Institute’s January 16 webinar, *The Real Impact of the Home Valuation Code of Conduct*, during which they voiced concern that the upcoming implementation of the Home Valuation Code of Conduct will jeopardize the quality of residential valuations as intermediaries, or “middle-men,” are added to the appraisal management process.

Among specific concerns voiced are worries that AMCs demand turnaround times on assignments that leave little

room for thorough analysis. Appraisers are also concerned that lenders using AMCs will inadvertently sacrifice the best interests of the consumer, as there is a general belief that appraisers willing to work for lower fees and on tighter deadlines often are the least experienced appraisers in their markets.

The Appraisal Institute's HVCC webinar, which highlighted the day-to-day, "real-life" impact of the HVCC on appraisers and their businesses, brought together panelists from across the appraisal profession to discuss how the HVCC will affect various types of appraisal work.

The HVCC establishes appraiser independence requirements for lenders selling loans to Fannie Mae and Freddie. Beginning May 1, 2009, Fannie and Freddie will not buy or guarantee loans that do not comply with the HVCC.

This was the first of several webinars the Appraisal Institute intends to offer to professional appraisers to discuss the implementation processes of the HVCC on the real estate industry and mortgage lending practices.

AI MEMBERS ELECTED TO SERVE ON FOUNDATION BOARDS

From January 7, 2009, Edition of Appraisal News Online

At the Board of Trustees' annual Fall Meeting, Appraisal Institute members were named as Chair of the Appraisal Standards Board and Appraiser Qualifications Board, as well as many other members appointed and elected to serve on the Foundation's various boards. The meeting was held on November 1 in Newport, R.I.

Past Appraisal Institute President Gary Taylor, MAI, SRA, of Brooksville, Fla., was appointed as the 2009 Chair of the Appraiser Qualifications Board, while Rick Baumgardner, MAI, SRA, of Elizabethtown, Ky., and associate member Jeffrey Lagrew of Versailles, Ky., were reappointed to three-year terms all commencing January 1, 2009.

Sandra Guilfoil of Olympia, Wash. was appointed as the 2009 Chair of the Appraisal Standards Board while J. Carl Schultz, MAI, SRA, of Atlanta, Ga., was appointed as the 2009 Vice Chair of the Board. Alan Hummel, SRA, of St. Paul, Minn., was named as 2009 Treasurer of the Foundation's Board of Trustees, while Jim Park, SRA, of Larkspur, Colo., was named Assistant Secretary and Shawn McGowan, SRA, of Germantown, Tenn., was honored as Immediate Past Chair. Earlier this year, Alyce DeJong, MAI, of Newark, N.J., was appointed by the Advisory Councils (the Industry Advisory Council and The Appraisal Foundation Advisory Council, respectively) to a three-year term on the Board of Trustees.

APPRAISAL INSTITUTE ESTABLISHES STATE REGULATORY CLEARINGHOUSE

As a new service for its members, the Appraisal Institute Web site now includes a State Regulatory Clearinghouse that lists all of the state regulatory proposals that have been made affecting the appraisal profession.

Each day, the organization's Washington, D.C., office uses a sophisticated commercial program to track proposed regulations on a number of important issues, including licensing, brokers' price opinions, appraisal management companies, etc. These proposals are tracked online and placed into a chart which is available for all Appraisal Institute members to see. Included in the chart are: the state in which the proposal was made, the date, whether it is a proposed or final regulation, and the general nature of the regulatory proposal. Members also have the ability to link to the actual text of each proposed regulation so that they can read the specifics of the proposal, and the process by which members and chapters can provide input on the proposal. The State Regulatory Clearinghouse is updated online on a weekly basis.

Scott Dibiasio, manager of State and Industry Affairs for the Appraisal Institute states, "Keeping abreast of the regulatory changes in your state can be a cumbersome task. The AI State Regulatory Clearinghouse is the one place where individual members and chapters can now find out what proposals have been made in their state and how the industry can provide its input."

To see if regulations affecting the appraisal industry have been proposed recently in your state, visit the AI State Regulatory Clearinghouse at www.appraisalinstitute.org/newsadvocacy/reg_clearinghouse.aspx.

FEATURED MEMBER BENEFIT FOR JANUARY: SELF-PROMOTION TOOLS

To start the year on a high note, take advantage of the marketing vehicles provided by the Appraisal Institute.

Two of the most effective (and free) self-promotion tools are the AI Web site's "Find an Appraiser" online member directory and the Career Center section, each of which consistently rank among the top five most visited pages with approximately 25,000 visits per month.

To maximize your exposure in the "Find an Appraiser" directory, we encourage designated members to complete

and/or update their member profiles. Accurate profiles will increase your chances of landing your next appraisal assignment. To update your profile, designated members need to login to the “My Appraisal Institute” section of www.appraisalinstitute.org and select “My Member Profile” on the left sidebar.

All members can create an “Appraiser Available” profile in the Career Center to help generate more leads by visiting the Create an Appraiser Available Profile page (http://www.appraisalinstitute.org/profession/jobsearch/apprsrsvlbl_submit_job_ad_agree.aspx).

Government Affairs

USPAP Q & A

Vol. 10, No. 12 December 2008

The Appraisal Standards Board (ASB) of The Appraisal Foundation develops, interprets, and amends the Uniform Standards of Professional Appraisal Practice (USPAP) on behalf of appraisers and users of appraisal services. The USPAP Q&A is a form of guidance issued by the ASB to respond to questions raised by appraisers, enforcement officials, users of appraisal services and the public to illustrate the applicability of USPAP in specific situations and to offer advice from the ASB for the resolution of appraisal issues and problems. The USPAP Q&A may not represent the only possible solution to the issues discussed nor may the advice provided be applied equally to seemingly similar situations. USPAP Q&A does not establish new standards or interpret existing standards. USPAP Q&A is not part of USPAP and is approved by the ASB without public exposure and comment.

Current Sales Contract Not Provided

Question:

I am an appraiser with several bank clients that do not provide a copy of the current sales contract as a part of their standard appraisal ordering procedures. In addition, the parties to the transaction have been requested by the client not to provide either the contract or information contained in the sales contract to the appraiser. If the client withholds the current pending sale contract, can I still perform the assignment in compliance with USPAP?

Response:

Yes. Standards Rules 1-5 and 7-5 require real and personal property appraisers to analyze all agreements of sale that are current at the effective date of the appraisal “if such information is available to the appraiser in the normal course of business.” Since these contracts are not available to you, you can complete the assignment and still be in compliance with USPAP.

However, the [Comment](#) to Standards Rules 1-5 and 7-5 reference the related reporting Standards Rules which require the appraiser to include a “statement on the efforts of the appraiser to obtain the information” in the report. Therefore,

if you have attempted to obtain the current contract and could not, you must disclose how you attempted to obtain the contract in your report.

For more information regarding the meaning of “normal course of business,” see Advisory Opinion 24, *Normal Course of Business*, which is applicable to both real and personal property.

Appraisal Report Labeling Confusion

Question:

I am an appraiser who is still confused about the use of the various labels used in USPAP. For example, I am not certain how many approaches to value must be developed when performing a Summary Appraisal. Can you help resolve my confusion?

Response:

To resolve this confusion, you must first understand that USPAP separates the process of *developing* your assignment conclusions from the process of *communicating* your results to the client and other intended users. The “summary” label is used in the reporting process, and is one means of communicating your assignment results. The actual label used in STANDARD 2 (for real property) and STANDARD 8 (for personal property) is “Summary Appraisal Report.” Standards Rules 2-2(b) and 8-2(b) describe the minimum requirements for preparing a Summary Appraisal Report, which have to do with the level of detail and amount of information communicated for that reporting option.

The number of valuation approaches you develop is part of the scope of work decision made in the development process. USPAP does not specify the number of approaches required, but leaves that decision to the appraiser. The SCOPE OF WORK RULE requires that the development process (including the number of approaches used) is sufficient to produce credible assignment results. The scope of work that you determine appropriate for an assignment is the same regardless which option you use for writing your report, Self-Contained, Summary or Restricted Use Appraisal Report.

For additional information on the appraisal reporting options, see Advisory Opinion 11, *Content of the Appraisal Report Options of Standards Rules 2-2 and 8-2*.

For more information regarding how to make the decision of how many valuation approaches to develop in an assignment, see the SCOPE OF WORK RULE, Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure*, and Advisory Opinion 29, *An Acceptable Scope of Work*.

Reviewer Citation of USPAP Non-Compliance

Question:

If a review appraiser concludes that an appraisal report is unacceptable, does the reviewer need to cite specific requirements in USPAP that were not fulfilled appropriately?

Response:

No, but the review appraisal report must include the reasons for the reviewer’s conclusion. When the scope of work requires the review appraiser to “evaluate compliance with relevant USPAP requirements,” it is appropriate to analyze compliance or

non-compliance with USPAP. However, USPAP does not require a reviewer to determine that the subject of an appraisal review complies with USPAP.

USPAP Q & A

Vol. 11, No. 1 January 2009

Communicating Confidential Information to a Sworn Peace Officer

Question:

I was contacted by a sworn peace officer who simply requested the workfile of an assignment I had previously completed. The officer made this request without a subpoena or any form of court order. If the workfile contains confidential information, does USPAP allow me to comply with the officer's request?

Response:

The answer to the question depends on whether or not the officer's request qualifies as "due process of law."

The Confidentiality section of the ETHICS RULE states, in part:

An appraiser must not disclose confidential information or assignment results prepared for a client to anyone other than the client and persons specifically authorized by the client; state enforcement agencies and such third parties as may be authorized by due process of law... (Bold added for emphasis)

It is likely that this determination would need to be made by a court or other legal body, since USPAP does not define what "due process of law" constitutes. You may want to seek legal advice to determine an appropriate response.

It is also important to note that if the officer made the request on behalf of a state enforcement agency, the portion of the Confidentiality section of the ETHICS RULE quoted above allows the appraiser to communicate confidential information.

Signature on Letter of Transmittal

Question:

Does USPAP require an appraiser to sign the letter of transmittal?

Response:

No. USPAP does not require that any report include a letter of transmittal. However, USPAP does require that an appraiser who signs a letter of transmittal must also sign the certification required in Standards Rules 2-3, 3-3, 5-3, 6-9, 8-3, and 10-3. For example, the Comment to Standards Rule 2-3 states, in part:

A signed certification is an integral part of the appraisal report. An appraiser who signs any part of the appraisal report, including a letter of transmittal, must also sign this certification. (Bold added for emphasis)

Citation of Effective Date

Question:

I've been engaged for a real property appraisal review assignment and have a question about the appraisal report under review.

Does USPAP require the date of value to be cited each time the opinion of value is stated in the appraisal report?

Response:

No. USPAP does not require the appraiser to state the effective date of the appraisal with each statement of the value opinion. In a real property appraisal report, the requirements that apply to reporting the effective date can be found in Standards Rules 2-2(a)(vi) for a Self-Contained Appraisal Report, 2-2(b)(vi) for a Summary Appraisal Report, and 2-2(c)(vi) for a Restricted Use Appraisal Report. Each of these appraisal reporting options simply requires the appraisal report to "state the effective date of the appraisal and the date of the report."

However, you should take care to assure that intended users are not misled, such as by stating the effective date of value in a manner which does not clearly establish the context for the value opinion. In most instances, reporting the value opinion with the effective date of the appraisal, especially when the effective date is significantly different (retrospective or prospective) from the date of the report, assists intended users to clearly understand the context for the value opinion.

For further information regarding USPAP Q&A, please contact:

John S. Brenan
Director of Research and Technical Issues
The Appraisal Foundation
(202) 624-3044
john@appraisalfoundation.org

REAL ESTATE APPRAISER COMMISSION MEETING FEBRUARY 20, 2009

Department of Labor and Industries
7273 Linderson Way
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Tumwater, WA 98501

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Board Meeting Minutes

Seattle Chapter of the Appraisal Institute BOARD OF DIRECTORS MEETING MINUTES January 21, 2009

In Attendance:

Mel Morgan, MAI, Gretchen Young, MAI, Scott Adams, MAI, Chris Monger, MAI, Mary Campos, SRA, Matt Bacon, Renee Schaefer, MAI, Gary Wessels, MAI, Dan Hewitt, SRA, Stan Sidor, Elly Snow, Jim Irish

Absent:

Chris Berger, MAI (excused), Darin Shedd, MAI (excused), Mark Thurston, MAI (excused), Selena Woods

I. Call to Order, roll call, introduction of guests **M. Morgan**

II. Minutes of November Board meeting **S. Adams**

Approved in writing by 7 voting Board members, 12/08

III. November and December Treasurers report **S. Adams**

• A profit of approximately \$19,000 was noted. Cash balance was higher at year end 2008 than in the prior two years. Mel Morgan reported that the minimum reserve required is 75% of operating expenses (excluding education and sponsorships) and that the current cash balance provides some cushion. In addition, the by-laws previously had been changed to allow dropping below this reserve requirement for a short period of time.

IV. Finance Committee report **G. Young**

a. financial reports described

• The type and nature of financial reporting utilized by the chapter was discussed, including the annual budget. A copy of the 2009 budget was included in the binders distributed at the board meeting. A slight loss is budgeted for 2009. The board will monitor the financial situation throughout the year. Elly Snow noted that a pitch is being made to encourage listings in the chapter roster to generate additional income.

V. Nominating Committee report **C. Berger**

a. board elects one member to the Committee

• The nominating process for next year's officers was discussed. The nominating committee (consisting of 5 members) is responsible for selecting officer and board candidates. The past president (Chris Berger) chairs the nominating committee. The president (Mel Morgan) selects one member of the committee. The board selects one member and the chapter members select the remaining two members. Gretchen Young moved to select Carol Peisley as the board representative. Scott Adams seconded the motion. The motion passed unanimously. Carol later accepted the nomination.

VI. Review of Chapter's 2009 calendar **E. Snow**

• The next board meeting will be February 27, which is a departure from the typical structure in which the board meeting coincides with a chapter meeting.

• The Fall Conference is scheduled for December 1.

• The Appraisal of Wineries and Vineyards seminar and chapter lunch meeting was discussed. Scott Adams, who is responsible for the seminar, is expecting a strong program. Scott is looking into wine tasting as part of the event.

VII. Directors' reports:

• Mel Morgan discussed board responsibilities. Mel's approach is that directors have primary responsibility to work with committee chairs to make sure the committees are operating as expected. The committee chair will communicate with, and report directly to, the overseeing director. Communication should occur primarily between the committee chair and the director; directors should talk with committee chairs and report to the board on committee actions and progress. Directors should always be in the loop on any committee communication. Support staff should only be involved as needed.

• Mel asked directors to work with the committee chairs to come with up with one 2009 goal for each committee. The requested deadline is the February board meeting. So they can be distributed in advance with the board meeting packet, the directors were asked to forward the goals to Elly Snow no later than February 20.

a. D. Shedd: Education, Technology
Darin, absent from the meeting, provided a written report as follows:

• Darin spoke with Diane Hayes, Education chair, and Marc Campos Technology chair. No pressing issues.

• Justin Slack is working on the all day residential seminar in March. Jessica should provide enrollment counts for the January classes to the

board prior to the meeting.

• As far as tech goes there was an outstanding balance owed to Kinja Media, the prior web host, of approximately \$250 which Marc authorized to be paid out. The "search for an appraiser" function of the web site has not been working since the changeover of web hosts but Marc is working on finding a techie who can fix it. He is also working on how the site can list more than 3 specialties per appraiser as many of us are generalist and don't want to be limited to three, which is the current limit.

b. M. Thurston: Admissions/Member Development & Retention, Marketing, Hospitality, Programs, Special Event
Mark, absent from the meeting, provided a written report as follows:

• Regarding the Member Admissions, Development and Retention Committee, two designations will be awarded tonight (MAI for Joe Creech and SRA for Don Hall). Steve Stoll agreed to be the local reviewer for Keith Thurman's experience submission. Keith is a chapter member with an office in Westport.

• Regarding the Marketing Task Force Committee, Justin Slack will be meeting with Brian Vickers within the next week or so for a strategy session. Justin has received emails about the upcoming Residential Associates meeting on the new FNMA form; this type of meeting may be a good avenue to get more residential appraisers in the door.

• Regarding the Programs Committee, both Mark and Mel Morgan met with Chuck Munson (the program chair) to review upcoming program speakers.

• Regarding the Special Events Committee, Mark indicated that if the chapter proceeds with the Emerald Downs venue and timing discussed last week, the event would be held on the first or second Thursday after Labor Day (September 10 or September 17).

The board was in favor of the Emerald Downs event. Mel Morgan will communicate this interest back to Mark Thurston.

c. R. Schaefer: Newsletter, Public Relations, External Relations

• Renee indicated she had not yet communicated with her committee chairs

d. M. Campos: Government Affairs, Roster, L.D.A.C.

• John Gordon is working on the roster and will provide an update next month

• Stan Sidor will address governmental affairs later in the board meeting (essentially ACOW) under new business. Stan also discussed his potential participation in LDAC (Leadership Development and Advisory Council). It was agreed that Stan would be responsible for the cost if he decided to attend, as the chapter is already sponsoring two other attendees. Stan offered to provide input and guidance to the two chapter LDAC representatives, which is appreciated by the chapter.

VIII. North Sound Branch Chapter (NSBC) report **D. Hewitt**

• USPAP class is coming up and will include a lunch meeting. Having a branch chapter board lunch meeting at an earlier date is being discussed. Some concern has been expressed by members about the HVCC and appraisal management companies, along with the potential impact on the quality of appraisals and fees. The board discussed potential involvement in communicating these concerns, but declined after noting that this topic is of broad concern that is being closely monitored by AI National. Any future activity by the chapter likely would involve our government affairs committee. No action was taken at this time by the chapter on this issue.

IX. South Sound Branch Chapter (SSBC) report **G. Wessels**

• Branch chapter lunch meeting is scheduled for February 11. The SSBC will select an ACOW representative.

X. Associate Member report **Selena Woods/Matt Bacon**

• Moving the Associate Member social event (bowling) to March is likely to improve attendance; last year's was in June. A social function for associates prior to chapter meetings is also being considered. The board encouraged these types of events.

XI. Old Business

a. 2009 org chart

M. Morgan

• The organization chart will be complete with the selection of the SSBC ACOW representative.

XII. New Business

a. Evaluate success of 2008

C. Berger

• Mel Morgan, reporting for absent Past President Chris Berger, commented on the great performance of chapter education. Also noted was

Board Meeting Minutes

the operating profit achieved in 2008. Chris felt a couple of things could be improved upon: 1) relationships between directors and committee chairs, and 2) better flow in lining up sponsors for the Fall Conference.

- b. 2009 chapter goals M. Morgan
- Mel cited three items to focus on:
 - o Fiscal performance
 - o Increasing the number of designated members
 - o Helping to make ACOW a financially viable organization
- c. Board member responsibilities M. Morgan
- This topic was previously discussed.
- d. Board member binders M. Morgan
- Board member binders were distributed. Directors were encouraged to use as a tool as needed; and let Mel Morgan know if anything should be added to the binders.
- e. Committee Chair goals for 2009 M. Morgan
- This topic was previously discussed.
- f. ACOW leadership/finances/coordination M. Morgan/S. Sidor
- Stan Sidor was introduced as the new ACOW President, replacing Jim Irish. Jim's accomplishments were recognized by the board. Stan provided an historical perspective on ACOW and discussed ACOW finances. ACOW is the only formal organization nationally that lobbies on behalf of appraisers. An approximate \$9,000 loss occurred in 2008, requiring ACOW to dip into reserves. With little remaining reserves, the organization is working on raising revenue through increased membership dues and greater education income. The Seattle chapter has budgeted \$5,000 for ACOW in 2009, which will be immediately distributed. Additional contributions from the chapter were discussed and could be considered later in the year.
- g. Dinner meeting ribbons/greetings M. Morgan
- The new ribbons identifying officers and committee members, along with guest badges, were displayed by Elly Snow. Mel Morgan encouraged board members to take an active role interacting with guests and new members at chapter functions.
- h. Conflict of Interest form E. Snow
- This form was distributed with the meeting packet. Elly Snow subsequently received a slightly different version from National, but the board agreed to use the original one from the packet (which had also been received from National). A signed copy is required from all officers and board members.
- i. Electronic Transmission Consent form E. Snow
- This form was also distributed in the packet. A signed copy is required from all officers and board members.

The meeting was adjourned.

Chapter Membership Meeting, January 21, 2009

Mel Morgan presided over the chapter meeting. The following business items were addressed.

- New members and guests were welcome
- Members were encouraged to sign up for prepaid meals
- Roster photographs from members not yet submitted were requested
- Jim Irish was awarded a plaque honoring his many years of service to the chapter on government affairs
- Stan Sidor was introduced by Allen Safer as the new President of ACOW
- The Education Chair, under the direction of Diane Hayes, was recognized
- Norm Strickland and Jim Price were selected by unanimous vote as the chapter's two representatives on the 2009 Nominating Committee

Other New Business

An additional new business item was addressed subsequently by email on January 22—Allen Safer's request that the chapter endorse David Lennhoff as the Vice Presidential candidate for AI National in 2010. A motion endorsing David Lennhoff was submitted by Chris Monger and seconded by Gretchen Young. The motion passed unanimously.

Minutes for: January 21, Board Meeting
Submitted by: Chris Monger, MAI
2009 Chapter Secretary

2009 Seattle Chapter Board & Committee Chairs

PRESIDENT

Mel Morgan, Jr., MAI

PAST PRESIDENT

Chris Berger, MAI

VICE PRESIDENT

Gretchen Young, MAI

TREASURER

R. Scott Adams, MAI

SECRETARY

Chris Monger, MAI

2009 DIRECTORS

Mary Campos, SRA

Renee Schaefer, MAI

Darin Shedd, MAI

Mark Thurston, MAI

NORTH SOUND BRANCH CHAIR

Dan Hewitt, SRA

SOUTH SOUND BRANCH CHAIR

Gary Wessels, MAI

2009 COMMITTEE CHAIRS

Member Admissions, Development and Retention

Robert Taylor, MAI

Associate Member Liaisons

Selena Woods

Matt Bacon

Nominations

Chris Berger, MAI

Endowment

Allen Safer, MAI

Newsletter

Rhoda van Engelen

Education

Diane Hayes, SRA

Education Vice-Chair

Position Open

Finance

Gretchen Young, MAI

Associate Member Guidance

Greg Goodman, MAI

Justin Slack, SRA

Hospitality

Ericka Love

Krista Shirley

Government Affairs

Selena Woods

Dave Hunnicutt, MAI

Roster

John Gordon, MAI

Public Relations

Marc Therrien, MAI

Programs

Chuck Munson, MAI

External Relations

David Grosten

Long Range Planning

Chuck Munson, MAI

Technology

Marc Campos, MAI, SRA

Executive Secretary

Elly Snow

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PURSUING YOUR DESIGNATION, BUT THINK IT'D GO BETTER IF YOU HAD A MENTOR?

Have your designation and feel like "giving back" by serving as a mentor?

LET US KNOW!

Email the chapter office at aisea@qwestoffice.net and express your interest.

The Associate Guidance Chairs will match up those needing and those willing to be mentors.

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