



President's Message

by Allen Safer, MAI
Seattle Chapter President

Exercise Your Right to Vote!

Ballots will be going in the mail by May 1, 2007 for the coming year's officers. Make sure you fill one out with your choices! The deadline for votes is Monday, May 21, 2007. If you do not receive a ballot in the mail, or have questions, please direct them to Jessica Larson at (206) 622-8425.

Appraiser Trainee Licensing

Will Summer Interns be Required to Have an Appraisal Trainee License?

In the past, our office has typically hired a summer intern as a way of introducing college students to career opportunities in real estate appraisal. We would be willing to pay the application fee to register the intern as a trainee, but most applicants do not have the three prerequisite courses: 1) Principals, 2) Procedures, and 3) the two day 15-hour USPAP course. Since our firm has begun receiving emails from college students seeking summer positions, I called Ralph Birkedahl, Program Manager for the Washington State Real Estate Appraiser Program to seek clarification on the rule. Ralph sent me the new language which will be added to the rules to further interpret the trainee registration requirement.

(1) "Anyone who is not a licensed or certified appraiser or a registered appraiser trainee cannot provide assistance that includes analytical work and exercising discernment or discretion that leads to an appraisal conclusion."

Finding Qualifying Education On-Line

I also spoke with a member of the Foundation's AQB regarding the availability of the three prerequisite courses required prior to application for a trainee license. The list of approved on-line courses is found on the Appraisal Foundation website at: www.appraisalfoundation.org. Use the Education/Qualifications link just below the Foundation logo, and then click on the orange colored link for AQB Course Approval Program. Now, scroll all the way down to the purple colored "Documents" and click on AQB Approved Real Property Courses link.

The Seattle Chapter put on all three qualifying courses for trainee registration between January and March this year, and it is unlikely there will be sufficient demand to put on another series before 2008. The AI does not offer any of these three prelicense courses online, but I found two approved real estate schools offering the entire 75-hour series for about \$600. I'm not endorsing any courses other than those offered by the Appraisal Institute, but these are

the online courses the AQB envisioned as satisfying the prelicense entry level trainee requirement.

If you have an associate that is working on jobs without a trainee license, any hours submitted for qualifying experience after July 2006 will not be accepted toward their license. Issuance of a trainee license at a later date will not retroactively validate work experience logged before obtaining the trainee license.

Education Update

There is still time to sign up for education offerings in May. **Advanced Income Capitalization** is being offered May 7-12, and **Real Estate Finance, Statistics, and Valuation Modeling** on May 14-15. This two-day course provides an introduction to statistics, real estate finance, and modeling with applications to residential and commercial real estate appraisal. It is approved for 15-hours as an elective for state licensing, AI designations, or simply for CE.

Finally, the **Yellow Book Seminar** (Uniform Appraisal Standards for Federal Land Acquisitions) is set for May 22-23, and is being taught by David Lennhoff, MAI, SRA. Dave is a very popular and entertaining instructor, and I am personally looking forward to attending this offering. This course qualifies for 15-hours for state licensing or CE, and is a prerequisite to bidding on federal appraisal work.

Fall Conference Update

For purposes of planning and oversight, the Seattle AI Board required firm commitments from a pool of sponsors by the end of April. The BOD has formally accepted the level of sponsorships as having satisfied the Board conditions for approval during the conceptual planning phase for this event last fall. We now have three appraisal firms committed to Platinum level and one appraisal firm as a Silver level sponsor. The law firm of Stokes Lawrence will participate as a sponsor, and we are in discussions with a number of other appraisal firms, law firms, and banks. There are still sponsorship opportunities for those wanting to be recognized. Keep in mind that 1/3 of the seminars are targeted at the legal community and will be approved for CLE credits. Please contact Jim Walker for additional details at the Chapter office.

Allen N. Safer, MAI
Seattle Chapter President

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Submission date for September Newsreal: Friday, August 17, 2007

Upcoming Courses

Advanced Income Capitalization

May 7 - 12, 2007

In this course advanced applications of the income capitalization approach are investigated and explored. Discounted cash flow (DCF) analysis provides the framework for much of the discussion of investment analysis concepts, emphasizing an understanding of the relationships among the various components of DCF. Financial leverage, risk analysis and ways to support a discount rate are highlighted.

Location: Hawthorn Suites, Kent
Instructors: James D. Vernor, MAI, Atlanta, GA
 Allen Safer, MAI, Seattle, WA
CE Credit: 40 Hours

Real Estate Finance, Statistics, and Valuation Modeling

May 14 - 15, 2007

2008 AQB Requirement for Certified Residential & Certified General Appraiser. On the first day, you will develop an understanding of basic statistics and statistical analysis and learn how those skills can be used in valuation and evaluation practice. On day two, you will gain an understanding of real estate finance markets, learn about credit conditions and their impact values on appraisal, and calculate and interpret fundamental numbers on loan payments and balances.

Location: Hawthorn Suites, Kent
Instructor: James D. Vernor, MAI, Atlanta, GA
CE Credit: 15 Hours (includes exam)

Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications for Fee Appraisers "Yellow Book Seminar"

May 22-23, 2007

Government agencies are enforcing the requirement of this seminar in order for appraisers to perform work for the government. Federal land acquisition programs have unique appraisal needs. This two-day seminar will acquaint participants with these needs and provide practical procedures and solutions to ensure appraisal reports fulfill them.

Location: Hawthorn Suites, Kent
Instructor: David C. Lennhoff, MAI, SRA, Rockville, MD
CE Credit: 16 Hours

North Sound USPAP Update

June 7, 2007

This one-day update is an approved equivalent of the Appraisal Foundation's 7-Hour National USPAP Update Course.

CE Credit: 7 Hours CE

Business Practices and Ethics

June 8, 2007

This course reviews the ethics rules applicable to members and affiliates of the Appraisal Institute.

CE Credit: 8 Hours

For both courses:

Location: Hawthorn Inn, Arlington
Instructor: Mike Mason, MAI, SRA, Pasadena, CA

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@qwest.net

Chapter Calendar

DATE	EVENT	LOCATION/TIME	CE HOURS
May 7-12	Advance Income Capitalization	Hawthorne Suites 6329 S 212th St, Kent	40 hr CE
May 8	Finance Committee	9:30 AM teleconference	
May 21	Board Meeting *	2:00 PM, Cushman & Wakefield 1420 5th Ave. Ste. 2900	
May 14-15	Real Estate Finance, Statistics, and Valuation Modeling	Hawthorne Suites 6329 S 212th St, Kent	15 hr CE
May 16	Chapter Dinner Meeting & Golf Tournament	Willows Run 1:5-3:30PM Tourn., 5:30-6:30PM Social, 6:30-8:30 Dinner	
May 22-23	Yellow Book Seminar	Hawthorne Suites 6329 S 212th St, Kent	16 hr CE
June 7-8	North Sound Branch: USPAP Update & Business Practices & Ethics	Hawthorn Inn 16710 Smokey Point Blvd., Arlington	7/8 hr CE

* 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@qwest.net. Information can also be located at the Seattle Chapter website at www.ai-seattle.org.

May Chapter Dinner Meeting & Golf Tournament

PRESENTED BY THE SEATTLE CHAPTER OF THE APPRAISAL INSTITUTE

Date: Wednesday, May 16, 2007
Location: Willows Run Golf Course
10402 Willows Road NE
Redmond, Washington 98052
Please see other side for directions.

Schedule:
1:00 - 5:30 PM Golf Tournament
5:30 - 6:30 PM Chapter Social
6:30 - 8:30 PM Chapter Dinner Meeting

Featuring: Golf Tournament

Where: Willows Run Golf Course has two 18 hole courses. Both courses will be used for the tournament. Using both courses will reduce the waiting time after the rounds are completed. Foursomes playing the Eagle's Talon Course will play from the white tees. Those playing the Coyote Creek Course will play from the black tees.

Format: Team scramble competition, pick best shot, and everyone hits from there. Everyone has fun!

Who: All members and friends of the Appraisal Institute (all chapters). All members are encouraged to host guests or clients. Non-golfers are invited to dinner too!

Info: Marty van Engelen, SRPA (206) 282-3570 or martyvan@seanet.com, Kathleen Greenleaf (425) 427-0973, or contact the Chapter office at (206) 622-8425 or aisea@qwest.net.

Prizes: There will be a number of awards and prizes for participants. Our local AI chapter has donated \$500 for this year's tournament. Additional sponsors are needed. Call the Chapter Office to sponsor a hole or add prizes to the festivities. Prizes for 1st Place, 2nd Place, Putting Contest, Closest to the Pin, Longest Drive (man & woman), and Straight Drive

Entry fee includes power carts and range balls. Prizes will be awarded at the dinner.



Dinner Speaker: James L. Bowles, Senior Managing Director, CB Richard Ellis

Downtown Bellevue/Seattle office markets, recent transactions/trends, and the impact on office property values.

Jim Bowles joined CB Richard Ellis in 2001 as Senior Managing Director for the Puget Sound Region. He is responsible for managing the Seattle, Bellevue and Seattle South offices which are staffed by over 65 real estate professionals.

Mr. Bowles began his real estate career in the Seattle area in 1978 as a successful office building sales and leasing specialist with Cushman & Wakefield.

In 1988, Mr. Bowles joined Colliers International where he is credited with building Colliers' Seattle area organization. Later as Senior Vice President of Operations, he was instrumental in building Colliers' presence in the United States.



May 16, 2007 | Seattle Chapter Dinner Meeting & Golf Tournament

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@qwest.net.

Name _____

Firm _____

Address _____

City/State/Zip _____

Phone _____

Email _____

Menu

Traditional BBQ Buffet

Fees

Dinner Only

No Cost Prepaid Seattle Chapter Members

Substitutes for prepaid members, please provide member name

\$25.00 Appraisal Institute Member Rate

\$30.00 Non-Member Rate

Dinner & Golf

\$60.00 Appraisal Institute Prepaid Member Rate

\$85.00 Appraisal Institute Member Rate

\$90.00 Non-Member Rate

To pay by credit card online, visit: http://ai-seattle.org/Appraisal_institute_meetings.htm

INFLATED APPRAISALS SWELLING MORTGAGE-FRAUD SCHEMES

Reprint from April 22, 2007 Seattle Times with permission from Kenneth R. Harney, Syndicated Columnist.

Article By Kenneth R. Harney

Nation's Housing

WASHINGTON — Have **inflated appraisals** helped fuel the current surge in foreclosures by credit-strapped borrowers? Are they at the core of many mortgage-fraud schemes?

The four largest trade groups representing appraisers say yes — and they are asking federal financial regulators to crack down on lenders and loan officers who pressure appraisers to raise valuations to allow overpriced deals to go through.

Led by the 22,000-member Appraisal Institute, the groups told regulators recently that subprime lenders experiencing high rates of foreclosures often have been guilty of “systematic inattention” to the accuracy and the sources of the valuations backing the mortgages they funded.

Such lenders:

- Bought loans with zero or minimal down payments without taking hard looks at the qualifications and track records of the appraisers supplying the numbers. Yet in softening housing markets, accuracy on property valuations is essential whenever down payments are tiny and borrowers' credit histories are shaky.

A zero-down mortgage made to unqualified buyers on a house worth thousands less than the appraisal in a depreciating market is a financial cluster bomb waiting to explode.

- Failed to require “firewalls” separating loan officers working on commission from the appraisers hired to value the properties to be financed.

National studies have shown commissioned loan officers often demand appraisers cooperate to hit whatever number is needed to push the transaction to closing — or lose all future business.

Ninety percent of the appraisers in a 2006 national survey by October Research said they had experienced threats, nonpayment of fees and other forms of coercion. Many said they had lost business by refusing to play the game.

Lender complacency about **appraisals** also has enabled con artists to bilk banks and investors in home-mortgage fraud schemes.

The four appraiser groups cited FBI estimates that mortgage-fraud losses are approaching \$3 billion a year — and many of those schemes start with intentionally **inflated** property valuations that lenders fail to identify.

A senior member of the Appraisal Institute provided an inside look at one type of scam. It's called “cash out at closing” and uses overstated property valuations as the starting point.

Gary Crabtree, president of Affiliated Appraisers in Bakersfield, Calif., documented the practice recently for the FBI and state financial and real-estate regulators. The basic scenario, said Crabtree, involves real-estate agents who've listed houses that aren't selling.

To move the properties, they entice buyers — or friends — to “submit an offer that is \$30,000 to \$100,000 above the current list price,” with the promise they'll get substantial cash at closing.

The real-estate agents then amend the Multiple Listing Service asking price upward to the artificially **inflated** offer price. A house that had been sitting for months at \$450,000, for example, might be relisted by the agent at \$525,000.

Then, working with a cooperative appraiser who has promised to “hit the number,” and an unscrupulous mortgage broker who simply wants the commission, they “change the [loan] documentation to reflect the [artificially **inflated**] sales price.”

The loans typically are for 100 percent of the price of the house. The seller nets the price he or she had originally listed — \$450,000 in this example — and the buyer gets a portion or all of the \$75,000 **inflated** differential as cash at closing.

The wholesale lender buying the loan from the broker doesn't scrutinize the appraisal and funds the high amount none the wiser. Public records don't reflect the \$75,000 slush in the transaction.

The real-estate agents and loan brokers pocket their commissions; the buyer pockets the cash from the closing proceeds, makes loan payments for a while then stops. Within months, the property is headed to foreclosure.

“It's total fraud, of course,” said Crabtree, who is documenting 32 cases of alleged appraisal hanky-panky for state regulators and the FBI. “You can throw a dart at just about any large subprime lender, and something like this [scheme] is going to stick.”

Yet some lenders are in denial that they've accepted grossly **inflated appraisals**. Crabtree said he contacted one major East Coast lender with the documented details of a “cash back at closing” scam that he submitted to state regulators. So far, the lender has not even returned phone calls, Crabtree said.

To compound the problem beyond individual foreclosures themselves, the **inflated** selling prices of the homes remain “in the system” for use as “comparables” for valuations in the coming months.

That \$525,000 recorded closing price on the house that wasn't selling at \$450,000, in other words, might now be available on the public records as a “comp” for overvaluing upcoming sales.

Permission to reprint obtained by:
Michael B. Lamb, MAI, SRA
Chair, Member Admissions Development and Retention Committee

CONGRATULATIONS GRAHAM ALBERTINI, SRA

Ode to Appraisal Destiny

When your dad's an appraiser (a great MAI),
Your training begins, when you're in jr. high.

Saturday mornings, while your dog plays & romps-
You're riding shotgun, reading maps, finding comps.

During summers in college, you want to sleep late,
But Dad pays by the hour, to learn real estate.

College completed, you want to deejay,
You get lots of airtime, but there's not enough pay.

Job prospects not good, outlook is gloom.
Move back with your parents, into your room.

Get a cubicle job, at night you drink beer.
Your MAI Dad says "go get a career".

Nine months of the blues, no day was sunny.
Then came the bank job, that paid lots of money.

All that youthful experience, even when you were tired,
It made you look qualified, and so you were hired.

Appraising's been good, it might lead to riches,
It's totally better, than digging in ditches.

After twenty good years, WAMU sent me away,
They set me free, to be a fee... – SRA.

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Graham Albertini, SRA

Haiku, April 18, 2007

Comp is on an arterial.
No street parking, can't stop for photo.
Work fast, camera and brain.

AUGUST COMP EXAM

Aug. 27-28, 2007

The Comp Exam is coming up soon! Please contact Carrie Vann, CVann@appraisalinstitute.org, and the Chapter Office aisea@qwest.net if you are interested in taking the Comp Exam in Seattle. We need at least seven examinees to qualify Seattle as a Comp Exam location.

ASSOCIATE MEMBER LIAISON REPORT

The "Treat Your Associates" Chapter Dinner in April was a huge success!! Thank you to all of the Associate Members who attended. We appreciate all of you who stopped by the new Associate Member Information Table to introduce yourselves. Watch for the table at our next Chapter Meeting, May 16, at Willows Run Golf Course.

Here are a few additional notes:

*We are organizing an associate bowling social on Friday, June 15. All members and guests are invited. The event will be held at **The Garage**, on Seattle's Capitol Hill; 1130 Broadway Ave. We have a reservation starting at 6:00PM. Please contact us for more details and to RSVP. We'll have an award for the most gutter balls!

*In an effort to expand our professional connections, Patrick Lamb has helped to build an alliance between the associates of the Appraisal Institute and the Risk Management Association of Seattle. The RMA targets professionals who are interested in building their professional lives within the insurance, banking, and real estate industries. They meet for a post-work social on the third Wednesday of the month. Any interested AI associates are welcome to attend this networking group. You can get more information (such as an approaching golf tournament) at www.rmahq.org, or by contacting Patrick at plamb@lambhansonlamb.com.

Our goal is to be your voice at the Board Meetings and help provide you with additional benefits for being a member of the Seattle Chapter. Please don't hesitate to contact us if you have questions regarding the chapter – including events, classes and designations.

Michael L. Lamb, Residential Associate Member Liaison
Integra Realty Resources
206-436-1171
mllamb@irr.com

Chris Gibeault, General Associate Member Liaison
Strickland, Heischman & Hoss, Inc.
253-564-3230
chrisg@shhapp.com

CAROL PEISLEY, SRA JOINS LAMB HANSON LAMB

We are pleased to announce that Carol Peisley, SRA has joined the firm of Lamb Hanson Lamb Appraisal Associates, Inc.

She has served on many appraisal committees and was the Seattle Chapter President in 2006. She is currently working toward her General Certified Appraisal license. We are confident that her residential experience and commitment to the profession and to the Appraisal Institute will be a compliment to our company.

She can be reached at 206-838-1217, 206-903-1500 x217, or by email at cpeisley@lambhansonlamb.com.

SEATTLE CHAPTER SPEAKER'S BUREAU

Professional organizations need good speakers, but there are no local resources to fill that need. The only local web site with a list of "real estate speakers" includes Colin Powell and Alan Greenspan at fees exceeding \$100k, providing little help for the Seattle Bar Association's monthly dinner. Architects, attorneys, bankers, RE managers, and realtor groups rely on personal rolodexes to fill their meeting calendar. Educators resort to the same proven presenters quarter after quarter.

The Seattle Chapter plans to cure this education blight. Goaded by Allen Safer, we are building a speaker panel and promoting it to professional groups. The initial panel is a mix of single-family and commercial members armed with presentations previously prepared for clients or local groups. Speakers will briefly mention chapter affiliation in a way that enhances their credibility while increasing awareness of the Appraisal Institute and its designations. Future resources will include best practices and guidance for improving presentation skills.

We want more speakers. Are you interested in expanding your public exposure? If you don't want to prepare a speech, how about participating on a discussion panel? Expressing interest indicates a desire to be informed when opportunities arrive, but creates no obligation. You can remove your name at any time. If you want to participate, send an email to Rick Hawkins (rick.hawkins@wamu.net) and you will be contacted to clarify your interest.

SEATTLE MORTGAGE BANKERS ASSOCIATION DINNER MEETING

Tuesday, May 15, 2007

Speaker:

Jonathan Kempner, President and CEO of the MBA

Schedule:

Social Hour 5:30 to 6:30 PM
Dinner 6:30 PM

Cost:

\$45 Members
\$50 Non-members

Location:

Broadmoor Golf Club
2340 Broadmoor Drive East
Seattle, WA 98112

For more info:
www.seattlemba.org

RSVP online at:

<https://seattlemortgage.securesites.com/smba/register.html>

FALL CONFERENCE

Scott Biethan, MAI
Fall Conference Chair

The Seattle Chapter of the Appraisal Institute is looking forward to putting on a Fall Educational Conference. The event is scheduled for November 2, 2007. Our chapter has a good history of success in educational events, and we are excited to be doing something new this year. Planned to be an annual event, the fall conference features three educational tracks (you can attend one of three educational sessions at a given time), two key note speakers (John Mitchell with US BANK, and Gene Duvernoy with the Cascade Land Conservancy), and we will have vendors as well. We will be targeting three general educational tracks that will be of interest for residential, commercial and legal applications. We are well underway with the planning, and have several potential topics already selected. Below are some of the topics currently being planned.

Conservation Easements

Due to abuses of the preservation donation process, the Internal Revenue Service has recently tightened up its regulation and scrutiny of preservation donations of all types. This increased scrutiny and recently enacted legislation have placed a net set of strict standards on the valuation of such donations. The seminar will cover the new legislative standards and what the IRS considers a "qualified appraisal"

Eminent Domain

Current trends and issue in takings and easements including Kelso Issues, Yellow Book issues and their impact on upcoming projects

Estates, Partial Interests and Business Value

Current issues on the valuation of estates and partial interests including the AICPA's proposed Statement on Valuation Services regarding the reliance on or use of third-party experts (real estate appraisers) in business valuation assignments.

Valuation of LULUs

(Locally Undesirable Land Uses)
Current issues in the valuation of LULUs

Residential Market Trends

A local and national perspective

The Appraisal Process in Dissolution Cases

How to apply the appraisal process in divorce cases

Meet Your Clients

What are residential clients looking for in a residential appraisal?

Technology Issues and Appraisal

New internet sites, data sources, tech tools, and online ordering.

Office Market Update

What You Need to Know About Supply and Demand

Industrial Market Update

How Far South Can It Go?

Retail Market Update

If We Buy, They Will Build

Multi-Family Market Update

What's New in Apartments and Condos?

If you want to be involved in the event, feel free to contact the Conference Chair, Scott Biethan, scott.biethan@cbre.com or the Chapter Office aisea@qwest.net.

NORTH SOUND BRANCH CHAPTER

By Dave Towne, Chair,
North Sound Branch Chapter

Our second 'official' function was held on May 1 at the Hawthorn Inn at Smokey Point (Arlington). This was the 'Subdivision Symposium Seminar' hosted by Tom Hollowed, MAI, plus our luncheon and chapter meeting.

Judging by the 50 or so attendees at the Seminar, this proved to be a good location when we feel attendees from the Seattle/Bellevue area will join the appraisers based in our geographic area from Arlington/Stanwood/Coupeville north to the border.

Featured speaker for the luncheon was Ralph Birkedahl, Program Manager of the Appraiser Section of DOL. Ralph provided the latest info on statewide appraiser populations, licensing requirements and recent disciplinary actions. A good Q&A session was incorporated. Jim Irish, President of ACOW also made a presentation about the relationship of appraisers and ACOW, and their legislative activities on behalf of appraisers in Washington state.

The NSBC will be the host for a USPAP Update class on June 7, and the AI Business Practices & Ethics class on June 8. These will also be held at the Hawthorn Inn at Smokey Point.

Our Board of Advisors has determined that we should proceed with evaluating plans for a Bellingham area Puget Sound social event cruise to be held later this year. Watch for info in the Newsreal and via e-mail.

LEADERSHIP DEVELOPMENT & ADVISORY COUNCIL (LDAC)

April 23-25, 2007 Chapter Members Stan Sidor, David Parsons, and Randy Gilliam attended LDAC.

A full article regarding LDAC will be included in the September Newsreal.



Stan Sidor, David Parsons, SRA, and Randy Gilliam, MAI

LDAC (CONTINUED)



David Parsons, SRA and Randy Gilliam, MAI



David Parsons, SRA and Randy Gilliam, MAI with Rep. Rick Larsen

75TH ANNIVERSARY CONFERENCE— LAS VEGAS, NV

Registration is now open for the Appraisal Institute's 75th Anniversary Conference to be held July 15–22, 2007, at Caesars Palace in Las Vegas, Nev. Caesars Palace, which is one of the most prestigious resorts in Las Vegas, is offering attendees a special discounted room rate of \$139 per night. Because of the popularity of this event, rooms are expected to fill quickly. Attendees are encouraged to make reservations early to guarantee a room at this exceptional rate. Registration for the conference is available online at www.appraisalinstitute.org/conf/ai75.asp. Information available on this page include:

- A complete schedule of events
- A copy of the conference brochure
- Hotel room reservation information

PRE-2005 SRA PATH DEADLINE

The Appraisal Institute Board of Directors passed an amended motion to extend the Pre-2005 SRA Path deadline to 12/31/2008. The deadline was extended in an effort to provide associate members on this path with more time to complete their requirements, which will hopefully result in more designations and fewer lost members. It is our understanding there will be no extensions after this date. The updated Pre-2005 SRA Path outline is provided below.

1. College Degree Requirement

- Submit a student issued or official transcript from your university (4 year or more degree) to:
The Appraisal Institute
Attn: Transcripts
550 West Van Buren Street
Suite 1000
Chicago, IL 60607
- Or, achieve a 400 on the GMAT and submit your pass/score sheet for college degree alternative credit <http://www.mba.com/mba/TaketheGMAT> OR;
- Submit 4500 experience hours to meet the college degree

2. Level I Exams

- Pass Exam Basic Appraisal Principles
 - Pass Exam Basic Appraisal Procedures
 - Pass Exam Residential Case Study
- NOTE: Level I Exams are waived by meeting AQB criteria/state general or residential certification. Please fax certification to 312.335.4146

3. Education Requirement

Your education requirement path is determined by your choice in completing the Demonstration Report requirement.

If you decide to do the DEMO ALTERNATIVE 45-Hour Package, you may complete your education requirement by passing the examination for;

- Real Estate Finance, Statistics, Valuation Modeling This course is also offered online (with an OFFLINE proctor exam that is required): http://www.appraisalinstitute.org/education/more_info.aspx?id=2628 or classroom courses available: http://www.appraisalinstitute.org/education/course_descrb/default.asp?prgrm_nbr=300GR This examination is also challengeable (see challenge

application link):

<http://www.appraisalinstitute.org/education/downloads/Challenge.pdf>

OR by passing the examination for:

- Residential Report Writing and Case Studies examination (15 hours) Classroom course: http://www.appraisalinstitute.org/education/course_descrb/default.asp?prgrm_nbr=203R This examination is also challengeable (see challenge application link): <http://www.appraisalinstitute.org/education/downloads/Challenge.pdf>

If you decide to WRITE a general or residential demonstration appraisal report, you may complete your education requirement by completing the following courses/and or exams.

- **Residential Report Writing and Case Studies** examination (15 hours) Classroom course: http://www.appraisalinstitute.org/education/course_descrb/default.asp?prgrm_nbr=203R This examination is also challengeable (see challenge application link): <http://www.appraisalinstitute.org/education/downloads/Challenge.pdf>

AND by:

- Taking course and passing examination for **Residential Applications and Case Studies/Part 1** (15 hours) Classroom course http://www.appraisalinstitute.org/education/course_descrb/default.asp?prgrm_nbr=301R NOTE: If you are writing a Demonstration Appraisal Report, you may also complete the MAI Report Writing Course Report Writing and Valuation Analysis (40 hrs) to complete the education requirement for your path, instead of the Residential course options above.
- 4. Demo Requirement or Alternative
 - You may write a Residential or General Demo Report or complete an alternative. Residential Demo Report Alternative 45-Hour Package includes:

Advanced Residential Applications & Case Studies/Part 1 offerings

http://www.appraisalinstitute.org/education/offering.aspx?vie=B&state=AO&title=Adv_Residential_Applications_Case_Studies_Pt_I&sort=D

Advanced Residential Report Writing /Part 2

http://www.appraisalinstitute.org/education/offering.aspx?vie=B&state=AO&title=Advanced_Residential_Report_Writing_Pt_II&sort=D

5. Experience requirements

- Initial list of work. If you have experience questions please call 312.335.4111. You must fill out the application (no fee). Many associates use their certification hours for this level. If you no longer have your log hours for this you may submit a copy of your initial state certification. Once received and processed you will receive credit for the initial list of work submission. Application link: http://www.appraisalinstitute.org/membership/members_downloads/ApplnitalExp.pdf
- Final level. This is your most recent 2000 hours and this work must be reviewed. See application link below: http://www.appraisalinstitute.org/membership/members_downloads/sra_experience_form_2000hrs.pdf

OPTIONAL Advisory Review Link:

http://www.appraisalinstitute.org/membership/members_downloads/AppAdvisoryRev.pdf

FYI: Commons Experience errors link, helpful information for experience submissions: http://www.appraisalinstitute.org/membership/downloads/AssociateGuidance_Com_6802B.pdf

6. Standards of Professional Practice (SPP), includes USPAP and AI Ethics

- Must complete **AI Business Practices and Ethics** (available online). http://www.appraisalinstitute.org/education/more_info.aspx?id=1098
- Must fax in a copy of your 15-Hour USPAP completion certificate to at 312.335.4146 OR complete 15-hour USPAP. If you already have 15-Hour USPAP submitted to the AI, please submit you most current 7-Hour USPAP completion certificate.

On your current path all of these requirements must be complete by 12.31.2008.

Please contact Anna Ylijoki, aylijoki@appraisalinstitute.org, for further information.

ISSUE OF EDUCATION AND ENFORCEMENT

This letter was favorably received by the DOL on April 13, 2007. They are already addressing some of these issues on the next REAC's meeting agenda. ACOW welcomes your comments via email to info@acow-wa.org or via Jim Irish at bff777@msn.com.

Jim Irish, SRA
Appraisers' Coalition of Washington President

Dear Commissioners:

There are problems of education and enforcement within our state. We at the Appraisers' Coalition of Washington (ACOW) are looking to you for assistance in implementing solutions. Despite the requirements of licensing and education, real estate appraisers are violating state and federal regulations on a regular basis. The Appraisers' Coalition of Washington formed an advisory group to analyze this problem. This group has come to the following conclusions:

- Many poorly trained individuals have obtained Licensing/Certification status.
- Many Licensed Appraisers, either unknowingly or knowingly, overstep the legal limits of the property types they are permitted to appraise. Rather than introduce new legislation requiring auditing of appraiser files to assure compliance with current regulations, the Appraisers' Coalition of Washington believes that better enforcement of existing laws and regulations should be the first approach in curbing this serious problem.
- Real estate appraisers are not fully versed in these laws and regulations, and as a result may not be aware of things they do on a daily basis that may be in violation of them, and that some are considered criminal acts. Specific education focusing on these laws and regulations should be developed and required as is the biennial USPAP update class.

- There is a belief that the Department of Licensing (DOL) will not initiate administrative or criminal actions against an appraiser that violates the Uniform Standards of Professional Appraisal Practice (USPAP) or criminal statutes.
- Appraisers have a high frustration level with the DOL due to its perceived inability to process complaints against appraisers in a timely manner.
- Appraisers have given up on filing complaints against other appraisers due to the DOL's unwillingness or inability to issue sanctions for criminal actions.
- Once the DOL decides on taking an action against an appraiser, the Attorney General's office requires the DOL to send the file to the Attorney General for additional legal review prior to the DOL issuing the action or correction, even when DOL has reached an agreed settlement with the appraiser.
- \$400,000 of funds held within the DOL for use in administration has been spent by the Attorney General's office by this dual review system. This appears to us to be a wasteful use of enforcement funds and time without a legislative mandate. Obviously, the fewer funds available to DOL, the less effective its role. DOL should be able to choose the cases which would benefit from additional help by the Attorney General's office. DOL should not have to send all cases to the Attorney General because of an outdated memorandum of understanding.

The Appraisers' Coalition of Washington understands that the disciplinary process is slow and arduous, designed to protect the legal rights of an accused appraiser. However, the system has slowed down to a point where very few appraisers are being disciplined. This results in the body of appraisers losing respect for the department, as well as a massive negative impact on consumers. Additionally, those appraisers whose work has been called into question have a right to speedy review of the complaint against them and should not have the issue lingering over them unresolved for a lengthy period of time.

We believe one of the reasons the system is slow is the redundancy within the administrative/legal system and the relationship between the DOL and the Attorney General's office. Because of the problem, we were looking at ways to change laws, but decided that more fully using and improving the existing system would result in faster change, greater impact, lower cost, and greater aid to consumers.

Recommended Solutions

- Encourage the Appraisers' Coalition of Washington and other interested appraisal organizations to work with DOL and the Real Estate Appraiser Commission to ensure enforcement of licensing laws and regulations for swift, fair disciplinary action.
- Stop the unnecessary legal review by the Attorney General's office and the draining of cash from the DOL to the Attorney General who provides little or no detail in its billing.
- With the funds retained within the DOL, hire additional investigators. We are aware the Appraiser Program is in the process of hiring a second investigator, but also recognize the existing substantial backlog and the

potential for extensive new complaints were the appraisal profession to become convinced that complaints would receive swift and positive attention.

- DOL should seek fuller appropriation by the Legislature of the dedicated funds in the Real Estate Appraiser Account, and the Real Estate Appraiser Commission should take an active role in appraisal program fiscal management, with only minimal biennial accrual after full communication, education and enforcement responsibilities are fulfilled.
- Implement a triage system where a panel of appraisers can assist the DOL and rate incoming complaints and violations based on urgency or difficulty (high, medium, low) according to their negative impact on the consumer first, and then on points of procedure.
- Improve the web site and report monthly a list of disciplinary actions.
- Improve publicity in the public media of the actions taken. The Appraisers' Coalition of Washington is willing to help by posting disciplinary actions on its website as well as their being posted on the Appraiser Program website.
- The current efforts of the Commission to develop proactive regulation of educational providers and course content through its former Education Work Group will be helpful. Supporting the continuation of the Education Work Group in a new format will be important.
- The Commission should further encourage the DOL Appraiser Program to develop a means within the Appraiser Program to assure that real estate appraisal practitioners are fully educated about how to avoid fraudulent acts.
- Ensuring that certified and licensed appraisers, and registered trainees are signed up for ListServ as a condition of registration and renewal would be one easy way of keeping people informed by email at least at the point of registration/renewal every two years. Email addresses do change, of course, and it would be up to the recipient to notify ListServ of the change. A significant number of additional appraisers would be reached through this simple extension of existing address change reporting.

Although there may be some weaknesses in our state's oversight of appraisers, we have a far better program than most states. In sending this communication, we want only to improve on the effectiveness of the enforcement program and the good relations between our appraisers and the DOL. We recognize that communication, education and enforcement to prevent fraud are of paramount importance to the Commission and the Appraiser Program, as well as to the Attorney General, the Governor and the Legislature. We at the Appraisers' Coalition of Washington wish to assist your efforts to provide progress and accountability.

Sincerely,

James Irish
President
Appraisers' Coalition of Washington

ACOW thanks the members of The Chapter that contributed at the April 18 Dinner Meeting. \$284 was raised.

REAC MEETING

The next Real Estate Appraiser Commission is scheduled for:
May 18, 2007 Starting at 9 AM

Department of Transportation
Wenatchee Maintenance Site
Building B
2830 Euclid Ave
Wenatchee, WA

All attendees will receive 2 hours of CE credit.

Directions:

FROM Seattle:

Take I-90 East toward Spokane, take Exit #85 toward Wenatchee, turn left on WA 970, continue on US 97, take ramp onto US 2 East toward Spokane/Okanogan, take ramp toward Euclid Avenue, turn right on Euclid Avenue, 2830 Euclid Avenue will be on your right.

FROM Spokane:

Take I-90 West toward Seattle, take Exit 151/WA 281 North toward Wenatchee/Quincy, turn right on State Route 281A, continue on WA 281 Spur, turn right on WA 281, turn left on "F" street SW (WA 28), turn left on US 2 West, take ramp toward US 97 Alt N, turn left on Euclid Avenue, 2830 Euclid Avenue will be on your right.

Event link: <http://www.dol.wa.gov/business/appraisers/appmeetings.html>

JOIN THE DOL LISTSERV

So far, the new Real Estate Appraiser Program LISTSERV® has distributed numerous "Talking Point" Bulletins, occasional "Request For Proposal", Job openings from various Washington State jurisdictions, and other useful information. Every certified and licensed appraiser and all trainees should sign up to receive these important broadcast messages. The Real Estate Appraiser Program's goal is to enhance communication with licensees with available new technology. The messages will be sent as needed to distribute law and rule changes, real estate appraiser licensing updates, and other new information. If you want to be in the know, you can register at LISTSERV® today. There is no cost to subscribe, and you may delete your address at any time. Congratulations to the some 30% of appraisers who are already signed up. All others, PLEASE DO SO TO KNOW THE NEWS.

To sign up, go to:

- 1) <http://www.dol.wa.gov/business/appraisers/>
- 2) Under "Resources and information," click on "What's new"
- 3) You will then see the section called "Join the mailing list"

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APPRAISER TRAINEE AVAILABLE

Graduating WSU Real Estate student interested in an Appraiser Trainee Position with a Puget Sound area appraisal firm. Experience includes a Technical Assistant position with Glenn Crellin at the Washington Center for Real Estate Research, as well as multiple real estate and finance courses. Currently working on satisfying state trainee requirements. Please contact Dan Tibeau for resume or interview, dantibeau@yahoo.com or 509-432-3471. Thank you.

COMMERCIAL APPRAISER

INTEGRA REALTY RESOURCES-SEATTLE

We have an opening for a seasoned commercial appraiser in our Seattle office. The ideal candidate will have a Certified General license and be familiar with the Metro Seattle and Washington State markets. Working knowledge of ARGUS is a plus. Generous fee splits, good benefits package, retirement plan, paid education, paid licensing fees and paid annual Appraisal Institute dues. Family atmosphere and a team-oriented office. If this sounds like you or someone you know, please email resumé to Allen N. Safer, MAI at asafer@irr.com.