



NEWSREAL

The Seattle Chapter of the Appraisal Institute Newsletter

May 2008



President's Message

by Chris Berger, MAI
Seattle Chapter President

Our annual "Treat Your Associates Night" chapter dinner meeting held April 16 was another success. We had seven companies with table reservations and over 100 attendees. The evening started out with a very well attended Associates Meeting that featured three experienced review appraisers providing insight on "how to be a better appraiser". The social hour and dinner were followed by a presentation of the SRA designation to Don Jury and a few words on behalf of our three 2009 Seattle Chapter Secretarial nominees. The evening progressed with Graham Albertini, SRA introducing the Washington State Attorney General, Rob McKenna, who spoke to our membership on a number of timely topics regarding residential mortgage lending issues, fraud and the very recent Cuomo-Fannie Agreement which will have an impact on the role of appraisers in the future. The Attorney General concluded with a short question and answer session.

Home Value Protection Program & Cooperation Agreement (Cuomo-Fannie Agreement) - It's here. Effective January 1, 2009, the Home Value Protection Program & Cooperation Agreement set forth by the Attorney General of New York, Fannie Mae, Freddie Mac and the Office of Federal Housing Enterprise Oversight will be implemented. I have read over the agreement and discussed it with several of our members and it will no doubt have a profound affect on the appraisal profession and valuation of residential real estate. One of the more significant components will be the new Code of Conduct which has yet to be finalized.

The Appraisal Institute has been involved with this from the beginning and is currently shaping an official comment letter. Information regarding concerns and comments from members to date can be found on the national website. I would also encourage all members to look over the Cuomo-Fannie Agreement which can be found at the following link: www.appraisalinstitute.org Once the language has become final, the Seattle Chapter intends to create a chapter developed CE seminar to

discuss and communicate the terms of the Agreement and Code of Conduct we will need to abide for Fannie Mae and Freddie Mac related assignments.

Importance of Professional Designations - There is no time better than the present to obtain the MAI or SRA designation. With the dramatic shift in the capital markets and the subprime mortgage fallout, the volume of traditional mortgage related appraisal work has fluctuated dramatically and in many cases the once steady volume of financing related appraisal orders has dried up. In times such as the present, the diversification of one's practice is critical to maintaining a healthy and longstanding business model. Both the MAI and SRA designations open new doors to such opportunities. Furthermore, recent changes have made the designation process more streamlined in certain areas. My advice to Associates is to push through the process. I have never heard a designated member regret being proactive on obtaining their designation, but I know plenty that wish they had not procrastinated.

Educational Offerings & Programs - One of the reasons Appraisal Institute members have the edge over non-members is the quality of our educational offerings. The Seattle Chapter is particularly focused on offering a top notch mixture of timely national courses and chapter developed seminars that provide excellent local insight into current valuation issues and areas of interest from our members. There is still time to sign up for our May educational offerings and programs. These include the General Appraiser Income Approach - Part I, offered May 7-10 in Kent. The instructors are Jim Vernor, MAI and Randy Gilliam, MAI. The Yellow Book Seminar (Uniform Appraisal Standards for Federal Land Acquisitions) is set for May 14-15, and is being taught by David Lenhoff, MAI, SRA. Dave is a very popular and entertaining instructor and we already have a healthy amount of attendees registered for this seminar which has limited seating. So register soon.

Our next chapter meeting is on May 21, the Lunch Meeting will be held at the Seattle Yacht Club. It will feature "Foreclosure and Short Sales" taught by Richard Hagar, SRA, that is good for 2-hrs CE. Finally, I would like to remind everyone that our Second Annual Fall Conference is set for November 5 at the Washington State Trade & Convention Center. Please save this date. Speakers, sponsors and break-out session topics will be announced shortly. To volunteer for this year's event, please contact Seattle Operating Support or myself.

In this Newsreal...

Chapter Calendar	Page 2
Chapter Meeting	Page 4
Chapter News	Page 5
National News	Page 9
Government Affairs	Page 10

Submission date for Newsreal: August 22, 2008

Upcoming Courses

Uniform Appraisal Standards for Federal Land Acquisitions (Yellow Book Seminar)

May 14-15, 2008

Ensure that your work for the federal acquisition agencies meets the highest standards. 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. Any experienced residential or general appraiser interested in expanding client base to include federal acquisition agencies will learn to apply the Uniform Appraisal Standards for Federal Land Acquisitions, including the use of the four special valuation rules related to federal land acquisition appraisals.

Instructor: David C. Lennhoff, MAI, SRA

Credit: 16 hrs CE

Location: Hawthorn Suites, 6329 S 212th Street, Kent

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

May Chapter Calendar

DATE	EVENT	LOCATION/TIME	HOURS
May 1-2	Standards of Professional Practice	Hawthorn Suites 6329 S 212th Street, Kent	15 hr QE
May 7-10	General Appraiser Income Approach- Part 1	Hawthorn Suites 6329 S 212th Street, Kent	30 hr QE/CE
May 13	Finance Committee Meeting	9:30 AM by phone	
May 14-15	Uniform Appraisal Standards for Federal Land Acquisitions: Practical Applications for Fee Appraisers (Yellow Book Seminar)	Hawthorn Suites 6329 S 212th Street, Kent	16 hr CE
May 21	Board Meeting *	Seattle Yacht Club 1807 E. Hamlin Street, Seattle 9:30 AM	
May 21	Chapter Lunch Meeting & Foreclosure and Short Sales Seminar	Seattle Yacht Club 1807 E. Hamlin Street, Seattle	2 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.

Upcoming Courses

South Sound Branch Subdivision Seminar and Lunch Meeting

June 6, 2008

The Subdivision Seminar will begin by giving an extensive outlook into the housing market trends in the Puget Sound. Three developers will be on the panel giving students examples on the process of development and trends in new home construction in the Puget Sound Area. The fundamentals of financing, the land entitlement process, and acquisitions will also be covered in this seminar.

Registration coming soon!

Panel of Presenters

Credit: 4 hrs CE

Location: Tacoma Club, 1201 Pacific Avenue, Tacoma

North Sound Branch Residential Site Valuation and Cost Approach & Dinner Meeting

June 6-7, 2008 – Residential Site Valuation & Cost Approach

June 6, 2008 – Dinner Meeting

This new course is designed for participants with introductory experience and understanding of fundamental concepts of appraising, it focuses on the valuation of vacant land parcels and the development of the cost approach. Develop your skills by creating a current cost estimate using market extraction, interview techniques, and information provided by professional cost data sources.

Registration coming soon!

Instructors: Marc Campos, MAI, SRA and Randy Gilliam, MAI

Credit: 15 hrs CE

Location: Hawthorn Inn and Suites, Arlington

Report Writing & Valuation Analysis

June 12-14, 2008 & June 16-18, 2008

This course provides instruction and practice in communicating a narrative appraisal. Lectures focus on relevant questions in each step of the valuation process and on the integration of the various parts of an appraisal report. Participants work through a case study, deriving conclusions and organizing them into a consistent, well-reasoned narrative. The examination consists of various parts of a Self-Contained Appraisal Report, which are prepared as homework assignments and submitted at the end of the course. By focusing on effective organization, style, grammar, and the elimination of wordiness and ambiguity, participants learn to develop good writing habits and communicate effectively in appraisal reports.

Instructor: Dan Swango, PhD, MAI, SRA

Credit: 40 hrs CE

Location: Hawthorn Suites, 6329 S 212th, Kent

2009 Elections will be held at both the North and South Branch Chapter Meetings on June 6, so be sure to attend!

June Chapter Calendar

DATE	EVENT	LOCATION/TIME	HOURS
June 6	SSB: Subdivision Seminar and Lunch Meeting	Tacoma Club 1201 Pacific Avenue, Tacoma	4 hr CE
June 6	Associates' Bowling Night Out	Garage 1130 Broadway, Seattle	
June 6	NSB: Dinner Meeting	Hawthorn Inn and Suites 16710 Smokey Point Blvd, Arlington	
June 6-7	NSB: Residential Site Valuation and Cost Approach	Hawthorn Inn and Suites 16710 Smokey Point Blvd, Arlington	15 hr CE
June 12-14 & 16-18	Report Writing and Valuation Analysis	Hawthorn Suites 6329 S 212th Street, Kent	40 hrs CE
June 13-14	Spring Region I Meeting		

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.



**Appraisal
Institute®**

*Professionals Providing
Real Estate Solutions*

Meeting Information

Date:
May 21, 2008

Schedule:
11:00-11:30AM Lunch
Meeting Registration

11:30-1:00PM
Lunch Meeting

1:00-3:00PM
2hr CE Seminar

Location:
Seattle Yacht Club
1807 E. Hamlin Street
Seattle, WA 98112

**“Residential Appraisers Re-routed” and
“Issues with Foreclosure ‘Rescue’ &
Short-Sales” Seminar**

**Lunch Meeting Presentation
Back to FIRREA - “Residential Appraisers Re-routed”**

The Seattle Chapter will provide interested residential appraisers with an opportunity to learn what is happening and what is then expected. A panel consisting of Graham Albertini, SRA; Penny Crowe, SRA; Richard Hagar, SRA; and Alan Pope, SRA will discuss past problems, pending regulation, and changes in the way residential appraisal business will be done. They will then discuss residential report weaknesses that could kill business.

Residential appraisers are encouraged to attend this panel presentation at the May 21st Appraisal Institute luncheon at the Seattle Yacht Club. This panel presentation will be in lieu of a guest speaker.

**Issues with Foreclosure ‘Rescue’ and Short-Sales Seminar (2 hrs CE pending)
by Richard Hagar, SRA**

What late night TV didn’t say about making money with foreclosures and short-sales. Overview of the legal issues and new laws involving foreclosures and short-sales.

Meal Options:
Option 1 - Grilled Lemon Herb Chicken
Option 2 - Chef’s Choice Vegetarian

**For more information or to register online go to
www.ai-seattle.org/blast/ai_email.htm**

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 _____
 MAI SRA SRPA Associate Affiliate

Firm _____

Address _____

City/State/Zip _____


Phone _____

Email _____

Fees
 \$50.00 Appraisal Institute Designated Member Rate
 \$60.00 Non-Member Rate
 No Cost Prepaid Seattle Chapter Members

Substitutes for prepaid members,
please provide member name

NOVEMBER 2008

S	M	T	W	T	F	S
						1
2	3	4	 5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Seattle Chapter of the Appraisal Institute

2008 FALL CONFERENCE

November 5, 2008

Featuring 12 Informative Breakout Sessions to choose from

On November 5, 2008, the Seattle Chapter of the Appraisal Institute will present its 2nd Annual Fall Conference being held at the Washington State Convention & Trade Center. We had 200 Conference participants in 2007 and plan to double that number this year! This one-day event will appeal to appraisers, bankers, attorneys specializing in real estate transactions, and real estate brokers and sales persons. Education will be offered in all three areas of expertise, and provide 7 hours of continuing education.

Sponsorships are available! This is a great opportunity to feature your firm and your expertise to real estate professionals and attorneys!

Please contact Jim Walker for sponsorship details.
206.605.3405 seaop1@qwest.net

Breakfast 7:00am

Conference 8:00am – 5:00pm

Reception 5:00pm - 6:30pm

More 2008 Fall Conference details coming soon!

APRIL DINNER MEETING AT THE BROADMOOR

April's Dinner meeting was a great success. We had an excellent turn out with over 100 people in attendance. Special thanks to Washington State Attorney General, Rob McKenna, who gave an excellent speech on a variety of topics regarding residential mortgage lending.



Don Jury, SRA being awarded his designation certificate from Justin Slack, SRA



Washington State Attorney General, Rob McKenna

BYE-BYE BADGES

Ah, those memories.....
It's time to say Goodbye to the old AI name badges. If you can't live without yours email us at aisea@qwest.net by May 9 and we'll mail it to you.

After that they're just a memory.....

ASSOCIATE MEMBER LIAISON REPORT

Thanks to all associates in attendance at the "Treat Your Associates" Chapter Dinner last month. Forty-five associates turned out for a great Associates and Chapter Meeting. Though we did not get to meet all of you, do not hesitate to contact us with any questions or comments regarding Seattle Chapter events or designation/licensing issues.

The 2nd Annual "Associates Bowling Night Out" has been scheduled for Friday, June 6 at The Garage (1130 Broadway Avenue, Seattle). We have reserved lanes for bowling to start at 6 pm. The high score last year was 221, so let's see if we can top that mark this year! Please contact us for further details and to RSVP.

For those of you tracking your designation path, the Appraisal Institute website (recently redesigned) offers an Associate Status Report that provides your remaining requirements to receive your designation. Simply logon (or create a new account) at www.appraisalinstitute.org and click on the Associate Status Report on the right. It is an easy way to track the exact steps remaining to achieve your designation.

We hope to see you at the May lunch meeting at the Seattle Yacht Club on May 21, as well as the Associates Bowling Night Out on June 6th.

Ian Lamb - Residential Associate Member Liaison
206-903-1500
ilamb@lambhansonlamb.com

Matt Bacon - General Associate Member Liaison
206-436-1179
mbacon@irr.com



2007 Associate Bowling Night Out

LEADERSHIP DEVELOPMENT & ADVISORY COUNCIL 2008 (LDAC)

Each year, the Appraisal Institute presents the LEADERSHIP DEVELOPMENT & ADVISORY COUNCIL (LDAC). Members from each of the 50 states, along with WA D.C. and Puerto Rico may attend, representing various AI Chapters, with a limit of 100 attendees. Attendance at LDAC provides opportunities to discuss and strategize on important issues affecting the appraisal industry and the Appraisal Institute, open opportunities for future involvement in AI committees, and potentially identify future leaders of the Appraisal Institute. In recent years, LDAC has also provided members with the opportunity to directly lobby their congressional representatives on key issues impacting the profession.

From April 22 to April 25, 2008, Stan Sidor of GVA Kidder Mathews (Tacoma) and David Parsons, SRA, of David Parsons & Associates, Inc. (Mount Vernon) attended LDAC. This year the conference was again held in Washington D.C. This was Stan's third year in a row attending LDAC, and his first to be sponsored by the Seattle Chapter, and Dave Parson's second year to attend LDAC sponsored by the chapter.

LDAC started on Wednesday April 22nd from 3:00-6:00 PM. This session included a group welcome and review of the "Ground Rules" by Craig Benton, MAI and Chair of the conference. Bill Garber, Director of Government Affairs and External Relations coached the attendees on the protocol for Capitol Hill lobbying of the members of Congress and Senators from each state that the members represented. This year the political objective was Appraisal Reforms and Foreclosure Prevention. All members were supplied with information and technical data on how to discuss and provide information to members of Congress and Senators. Attachments are available by contacting the chapter office (aisea@qwest.net) that will give you some idea of the systemic problem that exists within the mortgage industry nationwide.

In lobbying Congress, our basic approach was to support HR3915. This bill dealt with Mortgage Reform, and had already passed the House of Representatives. The Senate was considering somewhat similar legislation, but we were opposed to Senate Bills S1299 and S2452, which would require residential appraisers to carry a "Surety Bond" and to give consumers a private right of action against appraisers. The Institute estimated the cost of a Surety Bond alone for each individual appraiser could be as high as \$40,000 per year, in addition to the Errors and Omissions Insurance we already carry. We regarded this as unnecessary overkill. Additionally, we were urged to stress that Bills S1299 and S2452 did not contain the appraisal regulatory reforms contained in HR3915, which we supported. We urged the Senate to ensure that appraisals be required in connection with the proposed legislation and that

the appraisals be performed by qualified appraisers who have demonstrated a high level of valuation competency, especially in a declining market, and to reject the surety bond issue as it could cripple the industry and was not needed as appraisers already typically carry Errors & Omissions insurance.

The second day of LDAC started with two discussion groups, followed by lobbying of Congress. The third day of LDAC included two more discussion groups, along with and a wrap-up luncheon and a Q&A session with the National AI leadership.

Discussion groups including the following topics, leading to a variety of suggested policies or recommendations to AI leadership.

1. "What is your Designation Worth?" *Brent Christerson, Forum Leader*

The following were the key points that the group identified:

1. There are many compelling reasons for designations. Designated appraisers tend to make more money and can handle more complex assignments and have a higher profile in the industry.
2. There should be a marketing campaign to highlight the SRA designation.
3. Chapters need to reach out to state licensed appraisers to join our organization (AI) and then we need to encourage them on the path to become designated appraisers.
4. Mentoring programs are needed to identify associates and help them to get through the steps to designations; this is not happening now.
5. Each chapter should have a guidance chair to identify candidates and then help them through the program, as time is the largest barrier to the Demo being completed.
6. Education packaging with back-to-back courses advertised well in advance.
7. Provided payment plans, scholarships or financing of education by the Institute.
8. Change to MAI processing with shortened demo similar to the SRA, new program for Demo.
9. Promote personal goals to reach out and bring fellow members along to designation.

2. "Innovation in Education – Let's take Appraisal Institute to the Next Level" *Bonnie Longo, MAI, Forum Leader*

Short Term:

1. Members would like to get results from exams with correct answers for wrong questions, the same as the institute does for online course exams.
2. Home Page Path – Where do we need to go/what course is next, and more mailings for education offerings to our members.
3. Regional Education should be coordinated so there are not as many conflicting offerings.

Chapter News

Long Term:

1. National should pay chapters some amount (20% to 30%?) of fees for online courses so that chapters would embrace and promote offerings.
2. Training Programs – Short seminars to be developed and chapter members trained in presentation and development.
3. Certificate programs with more specialties and minors. Peer review and program log.
4. Online classes – create a combination of online plus a classroom component (a hybrid model).
5. Universal appraisal program with AI Instructions (e.g. University of Phoenix model).

3. “Capitalizing on Leadership Development and Advisory Council”

Sauna Elmer, Forum Leader

1. LDAC produces more and better qualified people and each and everyone should promote LDAC.
2. Create an LDAC Newsletter and BLOG.
3. Create and make available a video and pamphlet on LDAC/talking points; more responsibilities to LDAC Chair for outreach to chapters.
4. The Capitol Hill lobbying requires more and earlier information to participants.
5. Fact list for members plus hand outs with organized talking points, and alumni members to help out.
6. Identify ranking members of Senate and House, especially bill sponsors. Don't bite off too much. Our leadership training lacking in LDAC.
7. Next year our first session should start earlier than 3:00PM (perhaps begin at 9:00 AM in the morning) – first day is not used as effectively as it could.
8. LDAC Chair should be invited to board meetings to communicate ideas from our meeting and report back to membership on implications of recommendations. A blog should be set up for member information.
9. LDAC Chair should be a member of the Strategic Planning Committee.
10. Discussion leaders should report back to LDAC groups on the final key points and advise on the strategic plan to implement.

4. “Government Enforcement of Existing Standards and Appraisal Guidelines”

Ami Milne-Allen, SRA, Forum Leader

1. We must be more active regarding laws and form coalitions with government chairs.
2. Offer to help local/state boards (e.g., perhaps offer to do reviews on complaints submitted to state regulators).
3. Stress the best practice is to have Designation with more qualified people doing work.
4. Require exams with continuing education.
5. Prepare a list of prime classes that appraisers must take for CE credit, so that easy classes are not repeated over and over.

6. Look into reciprocity or possible national license so that standards are equal nationally.
7. Supervision of training for new appraisers– AQB looking into it because it is not working at present.
8. Appraisal Institute accredited supervisor training certificate plans – we can't look to SRA as there are not that many of them.

All in all, this was a very successful conference. Both Stan and Dave would be happy to chat with any members about our experience. We recommend that all members should consider attending LDAC at some point in their career. This experience of lobbying as well as participating in roundtable discussions on pertinent appraisal and institute topics is invaluable.

Submitted by Stan Sidor

SEATTLE MORTGAGE BANKERS ASSOCIATION GOLF CLASSIC
Tuesday, June 17, 2008

Schedule:

11:30am Registration	12:00pm Lunch
1:30pm SMBA Golf Classic	6:00pm Dinner & Championship Presentation

Location:
Washington National Golf Club
14330 SE Husky Way, Auburn, WA

For more info:
www.seattlemba.org

Cost:
\$150 Per Player
Includes Golf, Cart w/GPS, Practice Range, Box Lunch, and Dinner.

RSVP Online at:
https://www.seattlemba.org/reg_files/golf.php5

ELECTION BALLOTS

Reminder! Your ballot submissions are due to the Chapter Office by Friday, May 23, 2008. If you did not receive a ballot in the mail, or have questions, please direct them to the Chapter Office at (206) 622-8425. The “Voters Guide” can be found in the April Newreal.

2008 COMPREHENSIVE EXAM SCHEDULE AND REGISTRATION UPDATE

The Appraisal Institute is now accepting applications for the two remaining 2008 offerings of the General Comprehensive Exam, which will be held on July 21–22 and September 15–16. The General Comprehensive Exam is now offered at the Pearson VUE Testing Centers, which offer over 200 locations across the country.

To be eligible to take the General Comprehensive Exam, the examinee must be a general associate member in good standing, have met the MAI college degree requirement, and have passed all MAI educational requirements. Associate members can view their remaining designation requirements by logging into “My Appraisal Institute” on our home page. All of the exam requirements referenced above must be met by the associate member prior to submitting an application.

To learn more about the General Comprehensive Exam, please refer to the General Comprehensive Exam Guidebook. The guide provides information about the exam and access to the application form. Once an applicant is confirmed as eligible, the Appraisal Institute will e-mail the member a confirmation number and instructions on how to schedule the exam through Pearson VUE Testing Centers. The deadlines to apply for the 2008 offerings are as follows (because of the structure of the testing centers, late applications will not be accepted):

- July 21–22, 2008 (application must be received by headquarters on or before May 21)
- September 15–16, 2008 (application must be received by headquarters on or before July 15)

Although the testing centers offer more exam locations for associate members to choose from, be advised that space is limited. Associate members are encouraged to apply for the exam as soon as they become eligible for the offering they are interesting in taking. Applications for the 2009 offerings of the General Comprehensive Exam will be available on our Web site by the end of September 2008. The 2009 General Comprehensive Exam dates are:

- January 29–30, 2009
- April 22–23, 2009
- July 28–29, 2009
- October 28–29, 2009

If you have questions about the General Comprehensive Exam or other designation requirements, e-mail the Associate Member Service Center or call 312-335-4111.

DEDICATED EXPERIENCE E-MAIL AND FAX LINE ESTABLISHED

National has created a dedicated e-mail address (experience@appraisalinstitute.org) and fax line (312-335-4153) for them to use when submitting experience forms, applications, or other correspondence. Please note that the newly created e-mail address and fax line are intended for experience submissions and inquiries only.

OVER 100 APPRAISAL INSTITUTE MEMBERS LOBBY CAPITOL HILL

More than one hundred participants in the Appraisal Institute’s 2008 Leadership Development and Advisory Council lobbied Capitol Hill on April 24 to alert their Congressional representatives of two key issues impacting real estate appraisers and the real estate appraisal profession: improving the existing appraisal regulatory structure and foreclosure prevention.

Several bills have been introduced in the 110th Congress to address both issues, the most prominent being H.R. 3915, which passed the House last year, and foreclosure prevention legislation scheduled to be voted on in the House and Senate in late April. Results of those votes were not available at press time.

“Congress is poised to act on several bills that will have an impact on real estate appraisers and the real estate market, so this is an opportune time for appraisers themselves to meet and discuss these proposals with their elected officials,” explained Bill Garber, Appraisal Institute director of government and external relations. “Just as the expertise of real estate appraisers is important in real estate financial transactions, professional appraisers can give insight to policymakers on key valuation questions relating to the current housing crisis.”

The group, which is composed of industry leaders, gathered April 23-25 at the Washington Court Hotel in Washington, D.C. LDAC has served as a source of leadership and an inspiration for new programming ideas for the Appraisal Institute for more than 30 years. Through a series of roundtable discussions, LDAC provides a forum for the exchange of ideas and opinions on targeted topics of concern to the appraisal profession. For more information about the advocacy efforts of the Appraisal Institute, visit www.appraisalinstitute.org/newsadvocacy.

USPAP Q & A

Vol. 10, No. 4 April 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.

Does USPAP Require Identifying Appraisal Credentials?

Question:

I am a state certified real estate appraiser and typically list my state license number directly below my signature on appraisal reports. I spoke with an appraiser in another state who said USPAP has certain requirements pertaining to identification of credentials in an appraisal report. Is this correct, does USPAP address how appraiser credentials must appear in an appraisal report?

Response:

No. There are no requirements in USPAP specifying how an appraiser must identify his or her credentials in an appraisal report. That is a matter of individual state laws for state licensed or certified appraisers. There may also be specific requirements from professional appraiser organizations for appraisers who possess designations from those organizations.

Which USPAP Standards Apply to Personal Property Appraisal Consulting?

Question:

I'm aware that STANDARDS 4 and 5 in USPAP apply to real property appraisal consulting, but which Standards apply to personal property appraisal consulting?

Response:

USPAP does not contain any specific standards for personal property appraisal consulting. Therefore, the portions of USPAP applicable generally to appraisal practice would apply. These portions include the DEFINITIONS, PREAMBLE, the Conduct, Management, and Confidentiality sections of the ETHICS RULE, the COMPETENCY RULE, and the JURISDICTIONAL EXCEPTION RULE.

Providing Sample Appraisal Reports

Question:

Recently I've heard that some appraisers are using a questionable technique to provide sample appraisal reports for prospective clients. These appraisers will redact all confidential information from the report (as required to comply with the Confidentiality section of the ETHICS RULE in USPAP) and send it to a prospective client, but then will follow-up with an additional e-mail that provides the client with all of the information that had been redacted from the sample report. Is this practice acceptable?

Response:

No. Although the confidential information and assignment results are not being communicated simultaneously with the initial submission of the sample report, they are nonetheless being communicated in the subsequent e-mail transmission. The Confidentiality section of the ETHICS RULE does not permit communicating confidential information and assignment results without the client's consent, even if that information is provided in a separate communication.

The USPAP Q&A is posted each month on The Appraisal Foundation website (www.appraisalfoundation.org). The ASB compiles the monthly USPAP Q&A into the USPAP Frequently Asked Questions (USPAP FAQ) for publication with each edition of USPAP. In addition to incorporating the most recent questions and responses issued by the ASB, the USPAP FAQ is reviewed and updated to ensure that it represents the most recent guidance from the ASB. The USPAP Frequently Asked Questions can be purchased (along with USPAP and USPAP Advisory Opinions) by visiting the "Foundation Store" page on The Appraisal Foundation website (<https://commerce.appraisalfoundation.org>).

For further information regarding USPAP Q&A, please contact:
John S. Brennan, Director of Research and Technical Issues
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005
(202) 624-3044
(202) 347-7727 fax
john@appraisalfoundation.org

MAY REAC MEETING

DATE: May 16, 2008

TIME: 900AM to 12:00 PM

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

APPRAISER STATE GOVERNMENT RELATIONS

Jim Irish, SRA

CALENDAR THROUGH LABOR DAY, and Beyond

Appraisers' Coalition of Washington (ACOW)

ACOW at the SUMMIT X will begin on Thursday, August 14, 2008, at 1:00 p.m. at the Summit Inn, 603 SR 906, Summit Room I, Snoqualmie Pass, WA 98068. Monthly Directors meetings are held on the Thursday following the First Monday of each month. Go to < www.ACOW-WA.org > for driving and teleconferencing instructions, and to JOIN or to DONATE to ACOW NOW.

Attorney General's Eminent Domain Task Force

The meeting previously scheduled for April 29, 2008, was cancelled due to the unavailability of the Chief Sealth conference room.

The tentative meeting schedule for the remainder of 2008 is as follows:

Thursday, June 12, from 2:00 p.m.-5:00 p.m.

Friday, July 11, from 9:00 a.m.-12:00 p.m.

Friday, August 15, from 9:00 a.m.-12:00 p.m.

Friday, September 19, from 1:00 p.m.-4:00 p.m.

Friday, October 24, from 9:00 a.m.-12:00 p.m.

Friday, November 7, from 9:00 a.m.-12:00 p.m.

All of these meetings will be held in the Chief Sealth Conference Room at the Attorney General's Seattle Office in the Bank of America Fifth Avenue Plaza, 800 Fifth Avenue, Suite 2000. (Parking is pricey. Bus may be best bet.) For latest information, go to < <http://www.atg.wa.gov/page.aspx?id=17070> >, or to the home page at to < <http://www.atg.wa.gov> > and go to the left side bar under Office Initiatives / Government Accountability / Eminent Domain // Meeting Agendas and/or Task Force Reference. Alternatively, contact Danielle French, Legal Assistant to Tim Ford, Assistant Attorney General, Open Government Ombudsman; Office of the Attorney General, Administration Division, Olympia, 360-753-6207, DanielleF@atg.wa.gov.

Mortgage Brokers Commission (MBC) of DFI

New Location for next MBC meeting! It will be on Tuesday, May 13, 2008, at 9:00 to 11:00 a.m., at the Bellevue City Hall Council Chamber (Driving Directions), Bellevue City Hall, 450 - 110th Avenue NE, Bellevue, WA 98009 (TB: 566-E5). The subsequent 2008 quarterly meetings of the MBC should be on or about Tuesdays, August 12 and November 11, 2008.

Real Estate Appraisal Commission (REAC) of DOL

The Next REAC meeting will be on Friday, May 16, 2008, from 9:00 a.m. to 12:00 p.m., at the Department of Labor and Industries Building, 7273 Linderson Way SW, Tumwater, WA 98501. Driving directions, Agenda and minutes will be posted at when available at the DOL web site. The third quarter meeting will be on August 14, 2008, at 9:00 a.m. to 12:00 p.m., at the Summit Inn, 603 SR 906, Summit Room I, Snoqualmie Pass, WA 98068. The final 2008 meeting is scheduled for November 21, 2008, in Yakima, WA.

NEWS NOTES

Appraisers' Coalition of Washington (ACOW)

Now is a great time to become involved with your Appraisers' Coalition of Washington. It needs you to protect your need, and only you can do it. It takes a lot of people power, time and money to stay on top of all that is happening here in Washington State. You can see that just from the meetings listed on Calendar above, and Federal actions in the Other Washington also.

Appraisers are needed to participate in the implementation and rule-making process for the laws passed by the 2008 Legislature and to plan the ACOW Legislative Agenda for the 2009 Legislature. We need to let our elected federal representatives and the various federal regulators know what is happening out here in the real world beyond the Beltway.

We need to plan for the best ACOW at the Summit ever. Come play the game, your business well being depends on it. You are the government. Please support your ACOW with your Time, Talent and Treasure. Yes, ACOW needs lots of dollars to get the job done well for you.

Real Estate Appraisal Commission (REAC) and DOL Program

As of Tuesday, April 22, 2008, at 3:19 p.m. the Appraisal Program Office at DOL reported a total Appraiser Population of 4,163 practitioners. This consists of 813 Registered Trainees, 443 Licensed, 1,860 Certified Residential, and 1,047 Certified General.

BUT, only 1,298 persons are signed up on the LISTSERV! And, some of these are duplicates and some are not appraisal practitioners!! This means that, at the very best, only 31% of Washington State Appraisers know what is going on!!! **HUH? Some 69% or more live in the dark!!!!**

SO, for your own good **GET OUT OF THE DARK!** Not knowing what is going on does not relieve you of responsibility.

Join mailing list: Appraisers

Sign up for the DOL Real Estate Appraisers Program LISTSERV® to get the latest information by email. There is no cost to subscribe, and you may update or delete your address at any time.

DOL has not released any new rule change proposals or news items recently. However, some may be forthcoming around the time of the May and/or August REAC meetings. **Good reason to be attending, because YOU will be able to shape OUR future with YOUR input.** Watch for release of the Agenda for May soon on the Listserv and the DOL website.

Presently, the REAC is at full strength with seven members. Filing an application for appointment with DOL for a future appointment is wise idea as some terms will expire at the end of this year, and an occasional vacancy may occur anytime on short notice. This REAC needs a few good appraisers.

Mortgage Brokers Commission (MBC) of DFI

Senate Bill 6471 (now Chapter 78 of the Laws of 2008) passed the Legislature handily without amendment, and was signed by Governor Gregoire on March 19 to be effective on June 12, 2008. It does not repeal the Mortgage Broker Practice Act (MBPA; Chapter 19.146 RCW). Section 3 of SB 6471 does remove the ability of a licensed Mortgage Broker (MB) to fund a loan and to hold the loan for even a brief period of time by amending RCW 19.146.010(12) to delete that service from the definition of a "Mortgage Broker".

However, a MB may still "Table Fund" a loan with simultaneous assignment to a source of funds having appropriate federal or state authority, according to Deborah Bortner, the Director of Consumer Services at DFI. Any MB now will need to become licensed also under the Consumer Loan Act (CLA; Chapter 31.04 RCW) to fund/make a loan to be held (warehoused) for later resale in order to take personal advantage of anticipated changes in market conditions.

Consumer Services at DFI currently is using expedited rulemaking authority to amend certain rules in the MBPA that were inconsistent with SB 6471. These may be found at its link < Mortgage Broker Practices Act - WAC 208-660 >. On March 18, 2008, DFI filed a CR-105 (PDF)* notice of expedited rulemaking to amend certain rules in the MBPA that were inconsistent with SB 6471.

The rule amendments (PDF)* were published in the Washington State Register on April 2, 2008, and if no objection is made, will become effective May 20, 2008. Please note that the rule amendments sought under this rulemaking under WAC 208-660-008 (5) – (8) amend sections amended by the rulemaking linked on the recently adopted rules page under "Adopted Amendatory Language."

All other provisions of the MBPA (Chapter 19.146 RCW) and the companion MPA Rules (WAC 208-660) remain in full force and effect. They have not disappeared. The MBPA continues to contain RCW 19.146.0201 (Loan originator, mortgage broker – Prohibitions – Requirements.) wherein lie the "Prohibitions": "(9) Make any payment, directly or indirectly, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property;" and "(12) Fail to pay third-party providers no later than thirty days after the recording of the loan closing documents or ninety days after completion of the third-party service, whichever comes first, unless otherwise agreed or unless the third-party service provider has been notified in writing that a bona fide dispute exists regarding the performance or quality of the third-party service;".

Likewise, RCW 19.146.220 (Director – Powers and duties – Violations as separate violations – Rules.) and RCW 19.146.240 (Violations – Claims against bond or alternative) are not affected by SB 6471. There is a feeling in the appraisal community that these several statutory sections and/or their companion rules (and possibly others) may need to be rewritten for clarification.

Certainly, the current or improved (preferably identical) language needs to become a part of both the MBPA and the CLA (Chapter 31.04 RCW) along with its companion rule (WAC 208-620). Neither Chapter 31.04 RCW nor WAC 208-620 contain language similar to RCW 19.146.0201(12) concerning payment to third-party service providers. This may require amendatory language in the RCW to include it in the RCW itself or to authorize its inclusion in the WAC. This certainly should go into the ACOW 2009 Legislative Agenda.

Influencing of appraiser language is in both the CLA RCW and its companion WAC. RCW 31.04.027 (Violations of chapter.) states that "It is a violation of this chapter for a licensee, its officers, directors, employees, or independent contractors, or any other person subject to this chapter to: . . . (9) Make any payment, directly or indirectly, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property; or . . . "

Both the CLA and the MBPA Rules are written in the combined "Plain Language" and "Question and Answer" formats alternative. For example, WAC 208-620-550 asks "What business practices are prohibited?" and answers that "Under RCW 31.04.027, the following constitute an "unfair or deceptive" act or practice: . . . (6) Influencing appraisers. Making any payment, directly or indirectly, or withholding or threatening to withhold any payment, to any appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property; . . . "

Appraisers will need to be involved to keep from going backwards. Pressure on appraisers by lenders will be reduced because Loan

Officers for both Consumer Loan Companies and Mortgage Brokers will have to be licensed by DFI, and become subject to the same rules as their employing firm.

As of May 1, 2008, all of the DFI license application for real estate lending activities will be applied for and issued through the new on-line Nationwide Licensing System (NMLS). DFI will no longer accept applications via paper after May 1, 2008. All applications will have to be completed through the Nationwide Licensing System (NMLS). Learn more about DFI joining the NMLS (PDF). Also see: <http://www.dfi.wa.gov/cs/mortgage.htm>

Attorney General's Eminent Domain Task Force

The Eminent Domain Reimbursement Allowance (EDRA) remains unchanged. 2ESHB 2016 surfaced somewhat surprisingly in the 2008 Session. It reportedly was the counties' attempt to scuttle much of the bill, including the EDRA. It died in the Senate Transportation Committee as adjournment approached. Appraisers must continue to remain involved with the Attorney General's Eminent Domain Task Force, which will resume in June per in the Calendar above.

Real Estate License Law Reform

SHB 2778 to amend 18.85 RCW has been signed by the Governor and is now Chapter 23 of the Laws of 2008 (View Session Law) to be Effective on July 1, 2010. Effort launched in the Legislative Hearings to put a rein on real estate broker tactics to pressure real estate appraisers to inflate values was firmly and successfully resisted by the Washington Association of Realtors (WAR). That is an effort to resume in the 2009 Legislature.

ACOW was more successful in beginning to rein in the masquerade of Broker's Price Opinions (BPO's) as appearing to be appraisals, but more work is to be done. BPO's will be defined in the Real Estate Broker Law as a Professional Service in the same way that they are defined in the Real Estate Appraisal Law. This will open the door to improved education of real estate brokers and future administrative clarity.

This is essentially a total rewrite of the existing law. It provides for increased education requirements for licensees, and deletes the word "salesman" by reclassifying the entry level as also being a broker of the lowest level. Real estate brokerage firms will have a special brokerage license as such. DOL is expected to begin the rule-making process soon to implement the new law.

Home Inspector License Law

Home Inspectors will have to be licensed under ESHB 6606, now Chapter 119 of the Laws of 2008, (View Session Law) after being signed by the Governor to be effective on June 12, 2008. Certified Real Estate Appraisers will be exempt when doing appraisal work.

This was 2008's last minute achievement. It came about through the successful effort by ACOW Lobbyist T.K. Bentler to secure a floor amendment by Rep. Takko, D-19, at the behest. The wording in the rush may create a gray area insofar as Licensed Appraisers are concerned. If so, it will need to be cleared up next year. ACOW hopes that the wording can be construed as being sufficiently inclusive. The rule-making process by DOL to implement the new law is expected to begin shortly.

Other 2008 Session Laws of Interest

The Home Ownership Task Force (HOTF) is established in the Governor's office, along with a Financial Literacy Fund (FLF). Appraisers must now secure a place on the HOTF to create a greater awareness of the pressure placed on them and the devastating impact that it has on homeowners and the danger which it brings to the capital market. Appraisers must also secure a roll with the FLF program staff to help educate consumers about what we do and why, and how we can help to protect the consumers' financial welfare.

The Other Washington

Please read the first half of **Appraiser News Online**, Vol. 9, No. 7, April 15, 2008, for a comprehensive update about appraisal matters along the Potomac.

2008 Seattle Chapter Board & Committee Chairs

PRESIDENT

Chris Berger, MAI

PAST PRESIDENT

Allen Safer, MAI

VICE PRESIDENT

Mel Morgan Jr., MAI

TREASURER

Gretchen Young, MAI

SECRETARY

R. Scott Adams, MAI

2008 DIRECTORS

Mike McMahan, MAI

David Parsons, SRA

Darin Shedd, MAI

Mark Thurston, MAI

NORTH SOUND BRANCH CHAIR

Dave Parsons, SRA

SOUTH SOUND BRANCH CHAIR

Doyle Dean, MAI

2008 COMMITTEE CHAIRS

Member Admissions, Development and Retention

Linda Glover

Associate Member Liaisons

Ian Lamb

Matt Bacon

Nominations

Allen Safer, MAI

Endowment

Carol Peisley, SRA

Newsletter

Rhonda van Engelen

Education

Randy Gilliam, MAI

Education Vice-Chair

Diane Hayes, SRA

Finance

Mel Morgan, MAI

Associate Member Guidance

Chris Gibeault

Justin Slack, SRA

Hospitality

Ericka Love

Selena Woods

Government Affairs

Selena Woods

Roster

Diane Hayes, SRA

Public Relations

Marc Therrien, MAI

Programs

Chuck Munson, MAI

External Relations

Chris Monger, MAI

Long Range Planning

Chuck Munson, MAI

Technology

Jim Greenleaf, MAI

Legislative Action

Dave Hunnicutt, MAI

Executive Secretary

Elly Snow

6351 Seaview Avenue NW
Seattle, Washington 98107-2664
(206) 622-8425/Fax (206) 623-4474
e-mail: aisea@qwest.net

Classified Ads

COMMERCIAL APPRAISER OR TRAINEE

PGP has a regional presence and national expansion plan due to the recent partnership with Colliers International. We now have the ability to serve national clients and seek the right person to grow with our company.

We currently have over 150 appraisers in 11 US markets, and an additional 70 appraisers in 5 Canadian markets. We provide a variety of valuation services to corporations, financial institutions, government agencies and the public sector. We are now accepting large assignments including portfolio work. There are opportunities locally, nationally and globally if you have that desire. We currently seek a local candidate, however, if you have aspirations to travel, there may be that opportunity for you.

We are seeking the best candidates. Are you a high level residential appraiser who seeks expanded opportunities and wish to move into the commercial field?

Perhaps you are a commercial trainee looking for advanced opportunities. Do you already have your general license, yet would like to join a company with a future? You bring your appraisal expertise and skills, and we have a review team and office staff to support you.

Qualified individuals will have earned a college degree. Experience in real estate or real estate appraisal is highly desired. Proficiency in Word and Excel is a must. If you have taken classes toward your general license, this is considered a plus.

We seek an individual with a high degree of integrity and a desire to grow in an atmosphere of support. You will be provided with state of the art technology, data and support staff. We offer an excellent benefit package that includes a 401k plan and a production oriented compensation plan.

PGP has a reputation for excellence and could be a good fit for you if you strive to be the best as well. Please call Suzanne Coleman at 206-965-1111 or email your resume' to suzanne.coleman@pgpinc.com.

COMMERCIAL APPRAISER TRAINEE

CJM Investment Property Advisors, a Bellevue-based firm providing commercial real estate appraisal services throughout Washington, Oregon and northern Idaho, is seeking to hire a full-time appraiser trainee. Learn to appraise all types of commercial properties and write professional reports, and work toward achieving industry recognition as an MAI-designated appraiser.

Qualified candidates have a Bachelor's degree, strong communication and mathematical skills, advanced skills with Microsoft Word and Excel, and prior research and report writing experience. Initial appraisal coursework and registration with the state as an appraiser trainee must be completed prior to or immediately upon hire.

CJM offers competitive compensation, tied to productivity, education, experience, certifications and designations. Benefits include medical, dental and vision insurance, a 401(k) plan with employer contribution, and the option to telecommute.

Please view the full advertisement on our website, www.cjmadvisors.com, or call (425) 454-6789.

COMMERCIAL APPRAISER POSITIONS

Integra Realty Resources is hiring experienced commercial real estate appraisers and we currently have one opening for a licensed Washington State Real Estate Appraisal Trainee. Candidates need to be proficient in MS Word and Excel software and have good time management skills.

Integra Realty Resources, Inc. offers the most comprehensive property valuation and counseling coverage in the United States with 56 independently owned and operated offices in 33 states. Integra was created for the purpose of combining the intimate knowledge of well-established local firms with the powerful resources and capabilities of a national company. Integra offers integrated technology, national data and information systems, as well as standardized valuation models and report formats for ease of client review and analysis.

IRR-Seattle offers generous fee splits, retirement package with employer contribution, medical and dental insurance, paid education benefits, and paid membership in the Appraisal Institute.

If you are interested in an appraisal position with a national company with upward mobility and career growth, contact Allen N. Safer, MAI at (206) 436.1190.

Allen N. Safer, MAI - Managing Director
Integra Realty Resources - Seattle
600 University Street, Suite 310
One Union Square, Seattle, WA 98101
O 206.436.1190
F 206.770.7247
asafer@irr.com
www.irr.com