

Real Estate Appraisers Association

Real Estate Appraisers Association mission – promoting professionalism in the appraisal industry by providing services, education and models of professional practice.

Special Interest Articles:

- Appraisal adaptation
- Continuing Education Opportunities
- HVCC update
- Lifetime Membership award – Vicki Keeler

Individual Highlights:

Meet the REAA Board Members

Appraisal adaptation

As we decompress from the day’s news of bailouts, stimulus and another round of crushing housing numbers – some of us take out time for entertainment and inspiration. Sacramento members attended motivational seminars recently to get themselves up. I could not attend with them but did take time to watch a film we all have heard so much about. Standing on the sidewalk after watching “Slumdog Millionaire” drew me into discussions of our reactions to what we were all sensing but had difficulty in articulating. Reflecting on those

discussions with my fellow viewers made me consider the protagonist’s terrible set of circumstances that made him uniquely qualified to progress along a short but highly lucrative path. He made it to the big prize because he adapted along the way.

In many ways I see the opportunities for appraisers with their geographic competency combined with historical market knowledge to be able to walk down the same path. We have endured ugliness in the industry but we have a lot

of experience to draw from. That path that I refer to is each appraisal assignment.

When we are faced with the collective challenge of erratic business volume, fee erosion, unrealistic turn times, chaotic data, and burgeoning reporting requirements via the 1004MC and trade restrictions of the HVCC – we have to adapt! We can adapt as I remember poor Jamal adapted to the worst humanity had to offer.

But survival takes not only skill but an attitude of mental toughness along with a willingness to adapt.

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REAA Continuing Education

March 2009 Class offerings

The following courses are scheduled for March. Check on line for details

www.reaaca.org

Contract Analysis –Sacramento

Fraud Issues – North Bay

Graphing and Analysis – East Bay

Planned topics/speakers for later this year

- Graphing and Statistics
- HVCC update
- FHA appraisals
- Trainer Trainee Class presented by the OREA
- Appraising Country Properties
- More coming for the last half of the year.



Curt Thor, President, North Bay

REAA North Bay Board Members

- President – Curt Thor
- Vice President – Mark Lindsay
- Secretary – Dana Adams-Blake
- Treasurer – Diane Coyne

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- Debbie Riggs, Facilities and Reservations
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REAA Sacramento Board Members



- President – Ken Hunsinger
- Vice President – Tinna Morlatt
- Secretary – Bob Lay
- Treasurer – Dave Smith

Board Members/ Chairpersons

- Bob Campbell, Membership
- Bob Lay, Programs
- Bill McKnight
Political Liaison

- Steven Bowman
Speakers
- Jennifer Hegji
Facilities

The Sacramento chapter elected a new President at its January meeting. Ken Hunsinger, long-time REAA member and Board member, is 2009's President. Mr Hunsinger is a certified general appraiser, appraisal educator, real estate broker and USPAP instructor and served as vice-president last year. Tinna Morlatt is this year's vice president. Bob Lay was re-elected as Secretary and Dave Smith is Treasurer again this year. Future speakers for the Sacramento Chapter include Appraiser Chris Kim on Review Appraising, February 10, and Sacramento Real Estate Attorney Craig Isley on "Contracts," March 10. The Sacramento Chapter meets at the Hilton Hotel, 2200 Harvard Way., Sacramento.

REAA East Bay Board Members



- President – Daisy Singh
- Vice President – Anthony Young , not pictured
- Secretary – Penny Woods
- Treasurer – Tom Allen

The East Bay Chapter has worked through the holidays to establish their Chapter. They presented their first CE class on Jan 29th at the Sheraton in Pleasanton. Bob Clark and Greg Harding of the OREA addressed fraud issues in the morning session followed by a class on the 1004 MC form by Ross Acheson. As a bonus – Don Machholtz presented his spread sheet solution to help with the stats on the 1004MC. The East Bay officers and members are commended for their hard work and recognition of the REAA mission to provide education.

The New HVCC agreement highlights

.New and Improved? HVCC

On January 7, FNMA, along with Freddie Mac, FHFA (formerly OFHEO) and the New York Attorney General, announced the final version of the Home Value Code of Conduct.

The purpose of the HVCC was to reinforce the independence of the appraiser.

Although the changes in the final version are few, they appear to weaken the original Intent of the HVCC.

Here are the changes which will affect appraisers:

1. Transfer of Appraisals.

Appraisals are now "portable." A lender may use an appraisal ordered by another lender, with the first lender's name on it, and without notifying the appraiser. This is consistent with FNMA's previous guidelines (Certification #23) but makes it more important to identify the intended user of an appraisal

2. In-House Appraisers.

Lenders may now use in-house appraisers for loan production--the first version of HVCC did not allow this. In-house appraisers must still comply with all other requirements of the HVCC.

3. Appraisal Management

Companies. Lenders can now own all or part of an AMC.

They must still maintain a firewall between commissioned loan people and the appraisers, but this change gives lenders more control over appraisers and the valuation process than the original HVCC allowed.

The new HVCC will take effect May1, 2009. The entire, final version of the HVCC, and HVCC FAQ's can be viewed at efanniemae.com. Go to "Single Family," then "Reference Materials, " then Announcement Letter 9-01.

Or paste the link below in your browser.

<https://www.efanniemae.com/sf/guides/ssg/2009annlenltr.jsp?referrer=frpromo>

Vicki Keeler – Recognized for service to REAA

Vicki Keeler, founding member of REAA and past President, was honored at the January meeting of the Sacramento Chapter with Lifetime Membership. Ms Keeler has been a member since 2000. She was REAA's first Secretary and signed the articles of incorporation, along with President Jim Trussas. She has served as Secretary (2000-2005), Vice-President (2006) and President (2007-2008.) During her tenure, REAA has grown from a local collection of a few dedicated appraisers to a professional multi-chapter organization and, according to Greg Harding, of OREA, "the premier appraisal group" in California.

REAA's success requires the efforts and talents of many people. Ms Keeler has always been one of the most dedicated: The first to volunteer and the last to tire. She was honored for her optimism, her enthusiasm and her continuing determination to make REAA great. And it is due, in no small part to her vision and her efforts that it is. Ms Keeler is still currently serving on REAA's Board of Directors.



Tinna Morlatt presents Vicki Keeler with the Lifetime Membership in recognition of Vicki's service to the REAA.

We thank you!

The willingness to adapt to the current appraisal environment maybe the greatest challenge any of us have faced in our careers. And I thought reconsideration disputes and rebuttals were tough.

Looking back to my hero in the film, he was well served by his ability to select friends and make alliances in order to survive. That skill was finely honed in Jamal as he met the challenges that I will leave to you to discover in this gem of a film that chronicles his journey from Slumdog to Millionaire. The corollary for us appraisers would be nearly the same – what should we do in the process of adaptation?

The one positive point of control for us is that we control our attitude. Does your day begin with drudgery of looming deadlines or is it driven by a positive reward? The end point discussion I hear with disgruntled appraisers frequently descends to “how can I make any money with fees so low?” I will propose to you, your work is not just about the fee. Instead – ask yourself and your business plan – how do we do we get the assignments we enjoy and derive the most reward from? When your clients see your superior work product, your understanding of the market and the strength of your analysis that is driven by your interest in the project, they will want you as their appraiser.

1. Define your business goal. Too many of us do not write it down. Take time to explore the concept of reward, is it more time for education, better report quality, learning new processes that reduce report writing time, new technology or simply an investment in the time to carefully look at other valuation opportunities?
2. Plan your work and work your plan. What are the steps required to get to your reward? I use to blow up on this point because I wanted a beautifully documented decision tree with all sorts of detail in my plan. Almost all my first efforts failed because I was packing too much detail into the front of the plan and not the process of refinement. Now I just scribble in the margins of my MLS print outs. Somehow putting my valuation strategy down on the raw data sheet inspires me to find new ways to answer questions. The time spent making small corrections after trying a concept is nothing compared to the value of a lost idea. Try this, it illuminated my path “do not get right, get it written”.
3. Do it! This is the basis of adaptation and survival, you simply can not be in a static state. This is also about customer service. You can do a lot of improving of yourself, your attitude and making your product the best it can be but remember your client! Are you meeting their reporting and communications needs? Do they seek your opinion? Does your website, voicemail and overall demeanor say “I am easy to work with”. Last but not least – is your business card saying “who, what, why and where” you should be contacted when someone needs professional valuation services.

Can we overcome the adversity in the industry and adapt, yes! REAA supports the advancement of the appraisal industry by supporting appraisers with education, information and multiple platforms over which we can share ideas and information. The mission is created by and for appraisers:

To promote professionalism in real estate appraising by providing to our members and the users of our services, education and models of professional practice with participation in appraisal industry and regulatory changes.

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www.reaa.org

Closing thoughts

There is a significant change in the financial services industry that seems to deliver a steady stream of news, opinions and great ideas for bail outs, support and increased potential for nationalization of what used to be an innovative finance system. But it fell apart because of an unwillingness to have a more disciplined approach to making, saving and spending money.

Be proud of as an appraiser. A concept that has always served the appraisal industry and its clients is:

Compensation is not contingent upon valuation.

I hold this value up because it really does mean appraisers focus on the assignment and not the compensation. Going forward in the new financial world, this focus will have its reward way beyond your fee. We are entering a time of tremendous change in how financial services will be delivered and appraisers will be in the best position to support the concepts of independence and authority with respect to valuation. Distinguish yourself and your profession – do your best.

Mark Lindsay, editor

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