



VT Chapter Newsletter

If you have comments or questions email gsas@aol.com

Fall 2009
Volume 11 issue iii

November Education

Required Courses for Designated Members

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*These courses are required
for every designated
member once every five
year recertification cycle!*

The Vermont Chapter of AI is offering required courses for our designated members. They are Appraisal Curriculum Overview for SRA's and Appraisal Curriculum Overview for MAI's. These all day classes will be held in South Burlington at the Sheraton Burlington Inn at 870 Williston Road November 2nd and 3rd. Day one is the course for SRA's and day one and two is for MAI's. Every designated member must take these courses once each five year cycle to renew their designation. The class is 8:00 AM to 4:30 PM each day. Reduced price of \$100/day including lunch to all Vermont members!! The instructor is Mark Rattermann, MAI, SRA from Indiana.

Appraisal Curriculum Overview (1-day Residential)

(Practicing SRA, RM Designated members must take this course.)

In addition to familiarizing you with the rigorous content and recent developments of residential applications covered in the new qualifying education courses required by the AQB, you will apply market analysis and highest and best use concepts and procedures to residential examples and problems. A self-assessment at the end of the day evaluates your appraisal strengths as well as determines skill areas in which to seek further knowledge.
• 8 hours; general and residential appraisers; required SRA, RM, MAI, SRPA, and SREA designation course.

Appraisal Curriculum Overview (2-day General)

(Practicing MAI, SRPA, SREA Designated members must take this course. SRA, RM members welcome to attend.)

In addition to familiarizing you with the rigorous content and recent developments of residential and general applications covered in the new qualifying education courses required by the AQB, you will apply market analysis and highest and best use concepts and procedures to residential and general examples and problems. Also, cash flow tools, statistical analysis applications, and the breakdown method are applied. A self-assessment at the end of the day evaluates your appraisal strengths as well as determined skill areas in which to seek further knowledge.

15 hours for both days; general appraisers; required MAI, SRPA, and SREA designation course; CE.

If you hold the SRA or RM designation this is a perfect time to take the classes in your own back yard at the reduced rate of \$100/day *including* materials and lunch. If you hold the SRA or RM designation and do some commercial work, you should be signed up for both days!! Go to www.appraisalinstitute.org and click on Education, then VT to sign up for the classes and reserve you place.

The Appraisal Workfile: Best Defense in a Lawsuit!

Appraisers Liability Insurance Trust has issued a Claim Alert to help appraisers in a lawsuit. Remember, most E & O claims are made 1 to 3 years after the appraisal was completed. You may not remember the assignment, but a well prepared work file will remind you of the assignment and result.

Learn to protect yourself from a lawsuit by maintaining a detailed, professional workfile!

LIA recommends that the appraisal workfile contain enough information to support and justify the work performed along with the conclusion. The file must contain information to refresh the appraiser's memory of the assignment, especially if you have trainees or staff that are no longer around. The appearance of the file is also important. In most cases a copy of the file must be turned over to the party that is making the claim as part of the "discovery" process. A good, well organized file with the order, notes, data sheet, client instructions, etc. shows you are organized, neat and detail oriented. A poor work file, missing many elements of the research, data and notes taken of the property, shows a sloppy, disorganized and unprofessional appraiser.

Many appraisal offices have moved toward a "paperless" system. This is fine as long as you take the time to scan all documents into the file including orders, data sheets, phone notes and call slips. Make sure this is saved in a format that can be retrieved later. An email order should also be retained in the file. Any discussion with the client can then be added to this email order page. Notes on the date and time of the conversations with the client should be recorded and saved.

Other things to include in the workfile: photographs of the subject and comparables, the final report, any research data or written notes, MLS sheets, and the drawing or sketch showing where you got the information on the size of the building. Be sure to check all income and expense figures supplied by others. Do not assume this data is accurate if it can be checked in the normal course of business. Remember to take interior photos, especially of areas that are cluttered and cannot be inspected. It may be hiding deficiencies in the structure. Keep every slip of paper; you don't know what will be important later!

HVCC on hold by HUD and will be scrutinized by congress!!

HVCC on Hold at HUD!!!

There has been dissatisfaction with the new HVCC law adopted by FNMA and FHMLC by lenders and appraisers. The National Association of Mortgage Brokers estimates the HVCC is costing consumers over 2.8 billion dollars a year in extra fees, creating long delays extended lock in rates and higher appraisal costs. The Appraisal Institute and other appraisal organizations formerly requested HUD to rescind a policy relating to the use of appraisal management companies that caps appraiser fees and adds new fees for AMC's that must be borne by the client. HUD has now suspended the implementation of HVCC indefinitely. When congress gets back to work on September 8th they will take up legislation known as H.R. 3044. To date 54 members of congress have signed this bill to place HVCC on hold for 18 months. Stay tuned!

Appraisers Must Meet Geographic Competency Requirements

In the wake of reports that some real estate appraisers are performing appraisals despite lacking sufficient knowledge of the local market, the Appraisal Institute chided those who violate the profession's ethical or professional standards.

"The Appraisal Institute is very proud of the well-deserved reputation for excellence its members have achieved," said Appraisal Institute President Jim Amorin, MAI, SRA. "We won't allow that reputation to be tarnished by appraisers – whether they're our members or not – who breach ethical or professional standards."

Since the May 1, 2009 implementation of the Home Valuation Code of Conduct, some appraisal management companies have hired appraisers for assignments outside their geographic regions, where they sometimes lack (and fail to obtain) the knowledge required to perform an accurate appraisal. Some of the resulting appraisal reports have led to complaints by realtors, builders, lenders, brokers, home sellers and buyers.

Appraisers must conform to The Appraisal Foundation's Uniform Standards of Professional Appraisal Practice (USPAP).

USPAP's Competency Rule states: "**Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently**".

USPAP further states: "In an assignment where geographic competency is necessary, an appraiser preparing an appraisal in an unfamiliar location must spend sufficient time to understand the nuances of the local market and the supply and demand factors relating to the specific property type and the location involved. Such understanding will not be imparted solely from a consideration of specific data such as demographics, costs, sales, and rentals. The necessary understanding of local market conditions provides the bridge between a sale and a comparable sale or a rental and a comparable rental. If an appraiser is not in a position to spend the necessary amount of time in a market area to obtain this understanding, affiliation with a qualified local appraiser may be the appropriate response to ensure development of credible assignment results."

"As the nation's largest and premier real estate appraiser association, the Appraisal Institute takes seriously any instances, no matter how rare, of appraisers violating ethical or professional standards," Amorin said. "We have reminded our members that violations will not be tolerated. I encourage non-members to join us in speaking out against any appraiser who violates the standards of our profession."

In addition to USPAP, Appraisal Institute members are required to abide by the organization's Code of Professional Ethics, which states: "It is unethical to fail to properly identify the issue to be addressed and [to fail to] have the knowledge and experience to complete the service competently prior to agreeing to perform any service

*Be sure to meet
Geographic Competency
Requirements for all
appraisals*

2009/2010 Educational Offerings

We are working hard on 2010 and 2011 educational offerings for the next 18 months. We offered 133 hours of education over the past two years, (74 in courses required to upgrade your license!) and are earning our reputation as the "Education Chapter." In addition to the 15 hours scheduled for November 2nd & 3rd we have the new USPAP 2010 update course (7 hours) already set up for January 2010. If you need a particular course, please contact Sean Sargeant, SRA our new Vice President and Education Chairman at sean@sargeantappraisal.com.

Chapter News and Notes

The VT chapter **Board of Directors** meets at least four times a year; usually on the same day as our educational programs. The BOD meetings are open to any chapter member who can just observe or ask questions. We welcome any member to get involved. We have had several new members join this year!

Amy Milne Allen, SRA just attended the incoming president's workshop in Chicago in August. She will also attend the Region IV conference in November in Cancun, Mexico as part of her orientation as our new chapter president. She will be installed in November and will take over on January 1, 2010. New officers for 2010:

President	Amy Milne-Allen, SRA
Vice President	Sean Sargeant, SRA
Treasurer	John Waldo
Secretary	Karen Moore

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VT Chapter of the Appraisal Institute
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Meeting Notice Enclosed

ADDRESS SERVICE REQUESTED