

Philadelphia Metropolitan Chapter

Volume 3 Issue 2

A Message from the President

Louise M. Jeffers, SRA



Happy summer to all! While we appraise our way through the very hot weather, many remain busy on the legislative and regulatory fronts, working on issues whose resolutions will affect us through many seasons to come.

Recently, The Pennsylvania State Board of Real Estate Appraisers was charged with the responsibility of writing the regulations for the new AMC legislation signed into law by Governor Corbett. You can read the entire list of proposed regulations as of 07/11/2012 by going to the chapter's website: www.aiphilametro.org (All links seen in this article can be found on our chapter website.)

The board regulations as drafted will be sent to the governor for approval. Once the final regulations are approved, I will distribute copies to all chapter members.

In other news, the Appraisal Standards Board (ASB) completed the comment period for its First Exposure Draft for the 2014-2015 USPAP, on July 6. If you haven't read the draft, please go to The Appraisal Foundation's website at:

<https://appraisalfoundation.sharefile.com/d/s06679aef2d40dab>

Fair warning, the document is 50 pages long and pretty intense! From this page you can also go to the comments section to read what others have had to say about the First Exposure Draft. There will be other exposure drafts for us to read and comment on later, so keep your antennae up for further developments.

On 06/28/2012 testimony was given by various representatives of appraisal groups, banks and AMCs before the House Committee on Financial Services' Subcommittee on Insurance, Housing and Community Opportunity. Included in that group, was Appraisal Institute President Sara Stephens, MAI. The hearing was entitled "Appraisal Oversight – The Regulatory Impact on Consumers and Businesses" and can be found at:

<http://financialservices.house.gov/Calendar/EventSingle.aspx?EventID=300543>

If you are only interested in how the Appraisal Institute was represented, I've included the link to Sara Stephens's testimony and to an article posted on the Appraisal Institute's website relating to her testimony. The Appraisal Institute is very concerned about the state of the regulatory environment affecting appraisers, and a good part of the

testimony addresses this and suggests quite strongly, that some changes be made. The link to the article is as follows:

<http://www.appraisalinstitute.org/newsadvocacy/news/2012/new-form-of-regulation-is-dangerous-2012.aspx>

The link to Sara Stephens's written testimony is:

<http://financialservices.house.gov/UploadedFiles/HHRG-112-BA04-WState-SStephens-20120628.pdf>

I realize none of this is what most would consider a good beach read; it's more like "Jaws" without the water. However, like those summer book assignments that plagued us all through school, it is mandatory reading for appraisers who want to prepare themselves, and perhaps do something about, the changes that keep coming our way via the political arena.

Before I sign off, here is a reminder of where we've been. As appraisers we've lived through 2 decades of wave after wave of scrutiny, oversight, legislation and regulation. It's been a long ride and we have a lot of work to do to improve how we work and how others view us as professionals. I am asking you to make a commitment to yourself, your peers and to our profession – if you are not happy with the way things are going, get involved. Complaining and griping to your peers is easy, but it's the same thing as doing nothing. None of us can afford to do nothing!

Stay safe and enjoy the summer!

Government Relations Committee Update

Contributed by Louise Jeffers, SRA
Chapter President

The Government Relations Committee met on June 5, 2012 in downtown Philadelphia, to discuss some of the many current political events affecting appraisers, and to plan strategies to meet the group's goals in 2012 and 2013.

Our primary goal is to inform the legislators that we, as members of the Appraisal Institute, are the 'go to' people



when there are questions or concerns with anything having to do with appraisals, appraisers or real estate valuation issues of any kind. This will be an ongoing process during which committee members will visit legislators in their

offices, attend meetings and events hosted or sponsored by

the legislators, call, write, and otherwise be available if the legislators or their staffs have a need for assistance relating to valuation issues. The key to our success will be the consistency of our efforts.

The committee has 23 members and they are lobbying to their elected officials as concerned constituents living and voting within the officials' legislative areas. Some are also working within the political boundaries of their offices as politicians are concerned about the well-being of small businesses within their jurisdictions. Our plans involve every certified and apprentice appraiser, from the standpoint that each of us is affected by legislation and regulations relating to valuation. As a group, appraisers need to present a united front, despite the fact that many of us work alone.

From time to time, you will hear from me or other members of the committee, asking for your help with speaking out on an issue. For example, you might be asked to write to a member of congress or a senator, or make a statement on Appraisal Standards Board issues. In most cases, we will tell you the message you will need to convey, so it should not take more than a few minutes of your time. I hope when we reach out to you, you will understand the urgency of the matter at hand, and respond quickly. If you would like to be a member of this committee, please call me, or send an [email](#) and I'll sign you up!

General Membership Meeting and Chapter Elections



Leadership in attendance at June Chapter Picnic (L to R): Russel Sterling, MAI, Region VI Chair; Louise Jeffers, SRA, Chapter President; Eileen H. Lynn, MAI, Region VI Past Chair; Tom Reynolds, SRPA, Region VI Vice Chair

The Annual Chapter Picnic was held on June 21, 2012 at Manufacturers' Golf and Country club. Approximately 50 members were in attendance.

The first order of business on the agenda was the chapter elections. The nominating committee presented a slate with 3 new Board of Directors members and a new chapter secretary. The following were unanimously voted in by those in attendance. They will be installed at the Holiday Dinner on December 4, 2012 at the Radnor Hotel.

New Board Members:

Susanne M. Curran, MAI
Erin Hannan
Craig W. Gleason, MAI

2013 Chapter Secretary:

Paul D. Quinn, MAI

Once the elections were completed, our special guest speaker, Russell K. Sterling, MAI, Region VI Director spoke to members. Topics included our relationship with The Appraisal Foundation, the new Candidate Program, and involvement in the Appraisal Institute on the local, regional and national levels.

Meet the Newly Elected Chapter Leaders

Susanne M. Curran, MAI (Director) appreciates the opportunity to step up as a Chapter Director this year. She has worked with different chapters on education issues since becoming an AI instructor of general courses and seminars six years ago.

She looks forward to supporting the Philadelphia Chapter's continued success and growth in membership over the next three years.

Erin Hannan (Director) is an Associate Director within Cushman and Wakefield's Valuation and Advisory Group located in Philadelphia, PA. An eight-year company veteran, Erin is experienced in many property types, specializing in the valuation of multi-family properties. She holds a B.A. in Sociology from Franklin and Marshall College, as well as a Master's in Liberal Arts from the University of Pennsylvania. Erin has been an active member of the chapter and has coordinated the Young Appraiser Happy Hours for the past few years.

Craig Gleason, MAI (Director) has been a member of the Philadelphia Metropolitan chapter since 1985 and obtained his MAI designation in 2001. He is eager to serve the chapter as a Director in 2013 and looks forward to meeting more of our members, associates and affiliates.

Paul Quinn, MAI (2013 Secretary) is excited about his new role with the Philadelphia Chapter of the Appraisal Institute as incoming Secretary. Having served as a regional representative and acted as education chair for several years, he hopes his experience on the local and regional levels can help him serve the Chapter well. He looks forward to the challenges ahead and hopes that members do not hesitate to contact him with any comments or suggestions on the direction of the Philadelphia Chapter of AI in the years to come.

LDAC 2012

Contributed by Michael Mignogna, MAI
Chapter Vice President

From May 22-24, John Ciminera, Jim Klementisz and I attended the Appraisal Institute's 2012 Leadership Development and Advisory Council (LDAC) in Washington. LDAC serves as sort of a think-tank, providing a forum for AI members across the country to discuss topics important to the organization's future. It is held in the nation's capital so that LDAC participants can establish an appraiser presence in Congress every year by lobbying lawmakers on important issues related to our profession.



The conference opened with remarks and a presentation by Lance Coyle, MAI, SRA, who is the 2013 nominee for AI Vice President. He gave an historical overview of the organization, discussed trends in the industry and among our members, and presented a list of both the strengths of, and challenges for, the Appraisal Institute. The strengths included AI's education and body of knowledge, our ethical standards and performance, brand recognition, and an international demand for designations. Challenges include the aging of our membership and the low replacement rate of members, the current regulatory environment, and the competitive business environment for the existing products/services we provide. Insuring a successful future for the organization, according to Coyle's presentation, would involve continually creating new demand for appraisal services, diversifying and creating new valuation products, diversifying our membership, elevating the reputation of our designations, continuing to expand internationally, improving the quality of members' work product, and getting younger overall as an organization.

The opening presentation was followed by a panel discussion that included past AI Presidents Jim Amarin and Leslie Sellers and dealt with ways and reasons to get involved with the organization at the chapter, regional and national levels.

The participants then broke up into groups, to attend four different group discussions. Following Coyle's "future success" themes, the discussion topics dealt with 1) attracting younger members to AI, 2) using technology to improve productivity and work product, 3) diversifying the products and services of SRAs, and 4) distinguishing the work product and services of AI members from nonmembers. A detailed outline of these discussion outlines can be found if you sign up for "Communities of Practice" on the AI website, and then select LDAC 2012, but a general summary of what was discussed follows below.

Attracting younger members was the discussion topic led by Justin Slack, an SRA from Seattle. Participants generally wanted to see the Institute work to increase awareness of it at the college and even high school levels. More positive marketing of appraisers' quality of life and income potential was recommended. Giving hands-on experience to college students in real-life case studies was discussed as something to explore further.

Melissa Calloway, an SRA from Alabama, led the discussions on making better use of technology. Too many specific websites, software packages, GPS devices, etc. were discussed to go into great detail, but participants generally wanted more help from the AI so they could find out what works, what doesn't, and what technological advances are worth the investment. Video libraries and webinars were often mentioned as potential vehicles for the AI to do this.

The third discussion group, focusing on how SRAs could diversify their products and services, was led by Brian Tinjum, an MAI from Minnesota. Much of this discussion revolved around public relations: promoting an SRA's qualifications as being above basic state certification, relating SRA success stories to other members to help

them diversify and expand their practices, promoting the designation at the chapter level, and similar topics.

Eric Garfield, an MAI from Los Angeles, led the discussion on how AI members need to distinguish their work product from nonmembers, a continuation from last year's LDAC sessions. The process by which the AI maintains its member standards and responds to criticism was discussed. Participants overwhelmingly agreed that keeping the bar higher for AI members is key. Some type of ongoing peer review was thought necessary, possibly with additional certification requirements attesting to the "passing" of periodic peer reviews. The recent creation of Appraisal Review designations was talked about as a way to bring our critics "into the fold" by improving their understanding of the appraisal process and thus appreciating the differences between AI members and nonmembers.

On the afternoon of the 23rd, we went to Capitol Hill and met with staffers in the offices of Senator Bob Casey and Representatives Jim Gerlach, Pat Meehan and Charlie Dent. Michelle Glower, SRA of the Northeastern PA Chapter, accompanied us.

We were briefed beforehand by Bill Garber, AI's Director of Governmental and External Relations, on the two issues selected by AI to address with our lawmakers. The first issue was pushing to amend HR 3461, the Financial Institutions Examination



Fairness and Reform Act. We stressed that we support the overall goals of HR 3461 and its companion legislation in the Senate, S 2160, insofar as they seek to promote consistency of bank examinations and due process. However, one portion of the legislation would unnecessarily tie the hands of bank examiners by expressly prohibiting reappraisals of properties whose loans are performing, even when there is a material change in the property or market conditions that might identify safety/soundness issues with the loan. In our meetings with Congressional staff, we emphasized the importance of the appraisal process in the lending/collateral decision, and expressed our hope that this provision, which is wholly inconsistent with existing, longstanding bank policy and regulations, would be eliminated from any final versions of the legislation.

The other issue dealt with Responsible Home Refinancing. In his State of the Union address, President Obama proposed that loans not made through government-sponsored enterprises (GSEs) could be refinanced through the FHA even though they would represent "new risk." One Senate bill was introduced to implement parts of this proposed program, but the bill retains the FHA appraisal requirement. We urged members of Congress to support retention of the existing appraisal requirements for any program that involves new risk to the FHA. Another Senate bill was introduced which would statutorily waive appraisals for GSE refinancing, encourage the use of internal AVMs, and prohibit any costs from being passed onto borrowers. We urged the retention of the ability of GSEs to order appraisals where there is little confidence in the AVM process or the agencies know little about the property.

The congressional staffers we met seemed genuinely interested in what we had to offer on these bills. Hopefully, our concerns registered with them and any laws that are enacted reflect our input and that of our LDAC colleagues.

On behalf of John and Jim, I'd like to thank our Chapter for giving us the opportunity to participate in LDAC 2012 and discuss issues that are important to the Appraisal Institute's future.

2012 Seminars

Evaluating Commercial Construction
October 3-4
(Held at SpringHill Suites, Plymouth Meeting)

Business Practices and Ethics
November 7



2012 Courses

All courses will be capped at 25 students. Register early to guarantee your spot!

General Appraiser Report Writing and Case Studies
October 3-6

Real Estate Finance, Statistics and Valuation Modeling
November 14-15

REGISTER NOW!

<http://www.appraisalinstitute.org/education/PhiladelphiaMetro/>

Check our website <http://aiphilametro.org/education/> for updates and a complete list of courses and seminars.



Online Education: Learn at your own pace anytime, anywhere. Top-notch Appraisal Institute courses and seminars come straight to your desktop with online education!

Learn from any computer whenever you have time. It's easy, convenient and a great way to get the education you want. Check out the current course listing now!

HELP WANTED

Career Opportunities

Cushman & Wakefield is looking for an MAI or senior level appraiser to perform commercial and industrial appraisals. Proficiency in Word, Excel and Argus is required. Competitive compensation package with full benefits offered. Please e-mail your resume to jerry.mcnamara@cushwake.com.

Appraiser Wanted: Well established firm seeking to hire an appraiser for commercial investment grade real estate. Located in the Philadelphia Metropolitan area. Please send resume to Timetocreateachange@gmail.com. All applicants will be dealt with confidentially. Our staff is aware of this position opening.

Situation Wanted: NJ licensed general appraiser trainee looking for a position with a commercial appraisal company in the tri-state area. On track to obtain commercial license by the end of the year.

Have worked as a trainee for both residential and commercial appraisers in the Philadelphia metropolitan area over the past one and one half years. Background in real estate development and construction with a specialty in affordable housing. Appraisal experience to date includes tax appeal work, market studies and general valuation of apartments, small to large retail, shopping centers, industrial and office properties. Resume and educational transcript available upon request. E-mail djarfinkel@gmail.com.

For more information, refer to our Employment Opportunities website at <http://aiphilametro.org/jobs-listings/>.

Post your career opportunities in the next edition of the Philadelphia Metropolitan Chapter e-newsletter and / or on the Chapter website. Contact Tiffany Lewis (Email: contact@aiphilametro.org) with posting information.

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