

Philadelphia Metropolitan Chapter

Volume 3 Issue 3

A Message from the President

Louise M. Jeffers, SRA



As we head into the fall of 2012, we continue to prepare for the changes in the Appraisal Institute beginning in January of 2013. In our efforts to become a Professional Organization, as compared to a "Trade Organization," the "Candidates for Designation Program" will begin on January 1, 2013. Those of you who have not yet signed up for the program, and are currently "Associate Members", must now

decide whether to sign up as a "Candidate for Designation", or become a "Practicing Affiliate."

Practicing Affiliates will still receive discounts for qualifying and continuing education, however only Candidates will be eligible to take the Comprehensive Exam and to complete the Demonstration of Knowledge and Experience Requirements. Those who do not elect to become a Candidate for Designation by 1/1/2013 may be subject to different designation requirements if and when they later elect into Candidacy. For more specific information relating to your particular circumstances, please contact admissions@appraisalinstitute.org.

For those members who are already designated, and are seeking a second designation, only dues for the designation currently held, must be paid. This bears repeating: There is no requirement for payment of the Candidate Program fee for those pursuing a second designation.

An advisor will assist any members who opt into the "Candidate for Designation Program". The Appraisal Institute is currently recruiting among designated members, seeking those who would like to become advisors to Candidates seeking designation.

Designated appraisers who want information on the program, how it works, and what the commitment to a candidate would be if one decides to become an advisor, should:

Go to the Appraisal Institute website
(<http://www.appraisalinstitute.org/>)

Sign in:
Go to 'my AI account' which is a small bar found on the upper right corner of the site;
Go to the list under "In this Section" on the left hand side of the page;
Choose 'Candidate for Designation Program' at the bottom of the "In this Section" list;

Once inside, go to the horizontal red band about ¼ down the page, and select 'Advisor Information'.

Candidates or those interested in becoming a candidate can follow the same instructions; in addition to information about advisors, you'll find a Q & A section that will be helpful to you.

Those appraisers becoming advisors are strongly encouraged to join the Chapter's Candidate Guidance Committee. According to the information on the Appraisal Institute website, "The role of these Committees is to facilitate networking among Advisors in the Chapter and to arrange Chapter programs and events for Candidates to encourage and help them in their efforts to become Appraisal Institute designated members." Please contact incoming Philadelphia Metropolitan Chapter President Michael Mignogna at mmignogna@mvginc.com if you would like to be included as a member of this committee during 2013.

As your 2012 President, I've been an SRA member of the Institute since 1992. And, though I've perfected the 'art of foot dragging' over the years in relation to earning my second designation, I am and have always been, a strong proponent of continued educational opportunities for everyone regardless of a person's stage or place in life. Often, a chance to advance on a career path or simply to gain more knowledge presents itself, but people respond with excuses: "It's too hard!"; "It will take too long and I'm too old!" or "I don't have time!" When confronted with any of these responses, whether it is that of another person, or within my own very efficient internal excuse-making process, I instantly think of this old, thought-provoking question: "Where will you (I) be in X number of years if you (I) DON'T take this educational path, or at least give it a try?" This very logical question trumps all my other excuses, no matter how creative and I've signed up as a Candidate for Designation in 2013. I am happy to make the commitment, and hope to see many of you on the path, road, plane, train, or whatever it takes, to earn that designation!



Notice to chapter members who are also REALTORS:

Prior to the end of 2012, there is a 3.5 hour class required of all REALTORS who are members of a local association such as Suburban West REALTORS Association. It is also required by the National Association of REALTORS. The following is notice of a course offering through the Suburban West REALTORS Association (Via TREND MLS):

"Electronic communication is the wave of the future. The speed at which one can interact or react may leave a REALTOR vulnerable to unintended violations of ethics and license law not to mention professional courtesies. The FREE 3.5 hour class, Responsible Real Estate in an Electronic World, will delve into these topics and more. Throughout the fall, Suburban West will be offering this course at flexible times (including mornings, afternoons, evenings and Saturdays) and at convenient locations (Havertown, Kennett Square, Haverford, Concordville)". Registration is available through TREND MLS on-line or through the association's website.

"Note: Fulfills both the Suburban West REALTORS Association 2011-2012 Membership Renewal Training Requirement and National Association of REALTORS 2009-2012 Quadrennial Code of Ethics Requirement". (If you are a member of a local Realtor's Association, most likely you are also a member of the National Association of Realtors, and would therefore be subject to this requirement. Please check with your local REALTOR Association.)

General Membership Meeting September 19, 2012

On Wednesday, September 19, chapter members gathered at Manufacturers' Golf and Country club for the 3rd Quarter General Membership Meeting and Panel Discussion entitled, "The State Called About Your Report...Now What?" The panel, consisting of Robert W. Moore, Jr., MAI, Valentino H. Pasquarella, Jr, SRA and J. Brian O'Donnell, MAI informed the audience about the complaint, screening and referral processes that the State uses and how to respond throughout each stage. An enlightening question and answer session was also included.



L to R: Bob Moore, Brian O'Donnell, Louise Jeffers, Val Pasquarella

Chapter President, Louise Jeffers also presented the Associate Guidance Award to the chapter, having been recognized by the National Appraisal Institute for having the highest number of designations in a chapter in 2011!

Government Relations Update

Contributed by Louise Jeffers, SRA
Chapter President

Some of the members of the Government Relations Committee have visited with legislators over the summer and all will do so through the coming months. Our mission is to become the "go to" people for all matters having to do with valuation, appraisals and other real estate issues. At the current time, there is no shortage of issues. In fact, there are several items coming up and ongoing that require the attention of every appraiser!!

First, on the "Know Before You Owe" website (Consumer Finance Protection Bureau), comments are needed from us and from all consumers regarding the disclosure of fees paid to an Appraisal Management Company (AMC) on the HUD1 sheet. When an AMC is involved in a transaction, they might collect \$525 from a consumer and disclose to them that it is the "Appraisal Fee". This infers the fee is going to the appraiser who comes out to the property. The truth in this situation is that the appraiser doing the work gets only a portion of the fee; the remainder is held by the AMC to cover its own overhead.



Currently, it is not required that a fee paid for an appraisal that involves an AMC be disclosed as such. After years of back and forth on the issue, the resolution proposed, is that the entire matter be left up to the transaction's title clerk at closing. The fact that our government has not taken an uncompromised stand on disclosing the destination of appraisal fees paid by consumers is incredibly unusual as "disclosure" of every nuance of a transaction is the norm.

Please go to <http://www.consumerfinance.gov/knowbeforeyouowe/#disclosure> and post your comments. Our message is basically that "consumers have a right to know where the money they pay for an appraisal is going. If it's being divided between an Appraisal Management Company and an appraiser, rather than going only to the appraiser, as the term "Appraisal Fee" implies, a consumer has a right to know. It should be mandatory to disclose this information and should not be left to the discretion of a title clerk." Time is running out, so please do this as soon as possible.

The next issue requiring your attention is the Appraisal Standards Board's second exposure draft of the 2014-15 USPAP now available for comment, as put forth by The Appraisal Foundation (TAF). Please go to the website to read it: <http://www.appraisalfoundation.org/> and select Appraisal Standards Boards (ASB) then, Exposure Drafts. The second draft is the first on the list. We must comment by October 5, 2012. The meeting of the ASB is in

Washington DC on October 12, 2012 if any of you want to attend. The Appraisal Institute has a comment letter available if you want to review it for help in understanding our position on the exposure draft. It will be posted on our chapter website at: <http://aiphilametro.org/>

Last, but surely not least, is the upcoming proposal by PAR (Pennsylvania Association of Realtors) to open the law in Pennsylvania that currently prohibits the use of a BPO in the state. A BPO, or Broker Price Opinion, is a service provided by a real estate agent or broker, for a minimal sum. Many lenders in other states use them to determine collateral position on portfolios; they are also used for short sales and REO properties, again, to assess collateral position prior to selling or, to help make a decision about the disposition of a loan. They are used for both commercial and residential properties. Broker Price Opinions are not permitted in the State of Pennsylvania: The state does not recognize Real Estate Agents or Brokers as experts in the field of real estate valuation! PAR may want the law to allow the use of BPOs for the following uses: Collateral Assessment, REOs, Short Sales; Divorces, Estates, litigation of all kinds, Prenuptial Agreements; Appraisal Review; Quality Checks; Appraisal Validation and Assessment; PMI removal. There are entities right now who are training residential real estate agents and brokers, to do Broker Price Opinions on commercial properties.

It is still early in the process, the Realtors have not yet made this official, but this should happen at their upcoming meetings in Harrisburg. The concern I have is well beyond any impact this might make in our profession – the important thing to understand is it is NOT in the interest of any citizens to have people doing valuations who are not trained to do so, in accordance with the regulations for valuation professionals put forth by the State of Pennsylvania. Stay tuned for further information as this develops.



2012 Education

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

Business Practices and Ethics
November 7
(Held at Manufacturers' Golf and Country Club)

Real Estate Finance, Statistics and Valuation Modeling
November 14-15
(Held at SpringHill Suites, Plymouth Meeting)

REGISTER NOW!

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



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 listings now!

2013 Courses

2013 courses have been announced and will be open for registration soon! All courses will be capped at 25 students. Register early to guarantee your spot!

March 13-16: Basic Appraisal Principles

April 15-19: Advanced Market Analysis, Highest and Best Use

May 8-11: Basic Appraisal Procedures

June 11-15: Advanced Income

September 18-21: General Appraiser Income 1

October 23-26: General Appraiser Income 2

November 11-16: Advanced Concepts and Case Studies

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

HELP WANTED

Career Opportunities

Don't forget to check out the website for lots of job postings. They are being posted quite frequently!
<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.

2012 Officers and Directors

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