

Philadelphia Metropolitan Chapter

Volume 4 Issue 1

A Message from the President

Michael J. Acquaro-Mignogna, MAI



To Our Members,

Well, 2013 is certainly off to a roller-coaster start.

If it's not Philadelphia angering its citizens and getting bad publicity over its new assessments, it's realtors trying to make the politicians in Harrisburg think they can do what we as appraisers are trained to do.

Read below to catch up on what's going on. As always, feel free to contact me with any questions, thoughts, or observations on how we can better support you, the appraisal profession, or our Chapter.

Mike

1st Quarter Board of Directors Meeting

The first Board of Directors meeting of the year was held on January 24 at Manufacturer's Golf and Country Club in Fort Washington. Secretary and Treasurer reports were given, as were Public Relations and Government Relations committee reports. Various committee positions were filled, Chapter participation in LDAC was approved, and the upcoming educational offerings for the year were outlined.

1st Quarter General Membership Meeting

On March 21, our Chapter's first general membership meeting of the year was held, also at Manufacturer's. Members in attendance were updated on Chapter happenings, and future meeting dates and educational offerings were discussed.

The general membership selected two members to fill the remaining spots in the 5-member nominating committee, which is charged with identifying three interested and qualified members who would serve on the Board of Directors for next year and another person who would serve as next year's Secretary. Cathy Donley and Bob Lagreca were selected to join Louise Jeffers (ex officio), John Doyle (President's appointment) and Sue Curran (Board's appointment) on this year's nominating committee.



Before and after the meeting, Peter Christensen, General Counsel for LIA Administrators, presented informative seminars on loss prevention and liability issues for

appraisers engaged in both lender and non-lender assignments. Those in attendance heard good advice on how to reduce their exposure to lawsuits, and seven hours of continuing education were earned by attending both seminars.

Public Relations Update

Our reinvigorated public relations effort kicked off the year by contacting numerous media outlets about Philadelphia's new "Actual Value Initiative" (see below). Since then, local Chapter members Trip Lukens, Louise Jeffers, Phil DiFlumeri and Mike Mignogna have been quoted in the *Philadelphia Inquirer* on at least three occasions so far, spotlighting the Chapter and its members as authorities on valuation issues. Additional media outreach is planned as the appeals process in the City unfolds.

Also, the Chapter has sponsored Villanova University's upcoming Real Estate Challenge, which is a real estate development case competition for students from top undergraduate real estate programs in the United States. The event exposes sponsoring organizations to the next generation of real estate leaders, and now with the Chapter's involvement and participation in the judging process, exposes these students to real estate appraisal as a potential profession.



Philadelphia's "Actual Value Initiative"

Our Chapter website now has a separate page that addresses Philadelphia's "Actual Value Initiative," the long awaited overhaul of its tax assessments. The page has an interactive feature that enables property owners to compare their new assessments with their old ones. By entering both a property's old and new assessments, property owners can see the relationship between their old assessment and the "implied market values" it represented, and what their 2014 tax bill might be depending on different rates that City Council might set.

Having this page directs more traffic to the Chapter website when relevant terms are entered into internet searches than in the past. Even more important, there's a listing of the names and contact information of members who have specifically identified themselves as being available for tax appeal work in the City. Check it out at <http://aiphilametro.org/actual-value-initiative/>.

Government Relations Committee

Submitted by Louise Jeffers, SRA, Chair

Spring is a little slow in coming to Philadelphia this year and the chilly political winds headed our way from the west do not appear to be helping.

To recap recent events, The Pennsylvania Association of Realtors (PAR) voted last fall to introduce legislation in 2013 that will permit salespersons and brokers to complete valuation work for all purposes except first and second mortgages. If passed, there will be a flood of agents and brokers newly permitted to complete valuation work for intended uses such as estates, divorces, tax appeals, portfolios, litigation, REO and pre-foreclosure work, eminent domain, etc. This affects both the commercial and residential arenas of the appraisal profession.

A similar effort is currently ongoing in the New Jersey legislature initiated by that state's Realtors' association. The hiring at the last minute of a highly respected lobbyist slowed the process to the point where both sides are now talking. In anticipation of the NJ law's passage as originally proposed, it is reported that several of the large brokerage houses counseled their appraiser employees 'not to get involved.' Well, Mike Mignogna and I got involved by heading out to Trenton to see what we might be up against in Harrisburg later on.

In Pennsylvania we've noted many examples of PAR members acting as if the passing of this legislation is a foregone conclusion. One agent's website advertises that when the new legislation passes (not if), he will offer valuation work, while some real estate agents are bragging to appraisers that the legislation is a 'done deal before it's even introduced.' These attitudes alone should give our legislators pause, but they must also make appraisers understand this is not a lame issue - it's not something you can ignore and it's definitely not a 'let the other guy fix it' situation. Make no mistake, if this legislation is introduced and passes as PAR has written it, appraisers, consumers and the entire financial industry will be negatively impacted.



In preparation for what may become a protracted battle, the leadership of the five chapters of AI agreed to come together to form the "Coalition of Pennsylvania Real Estate Appraisers," or CPREA. The main purpose of the group is to rectify a fact

that has plagued Pennsylvania appraisers for decades - and that is, as a statewide group, WE HAVE NO MEANINGFUL AND CONSISTENT POLITICAL VOICE!!

A considerable amount of time and effort has already been spent by AI leadership on weekly conference calls, lobbyist visits to Harrisburg, website design, issue briefs, etc. Also, the five Pennsylvania AI chapters donated towards funding the initial costs of the Coalition to some extent, and we also received donations from local appraisers, appraisal companies, and from some of the other organized appraisal groups such as NAIFA (National Association of Independent Fee Appraisers). This is a promising start, but additional funding is absolutely necessary to achieve our current goals of defeating the proposed PAR legislation and creating a strong Coalition to represent Pennsylvania's appraisers now and in the future.

In order to reach the many appraisers and broker-appraisers in PA who are unaware of PAR's plans or the

new Coalition, an appeal will soon be made on an individual basis throughout the state, for both fundraising and informational purposes. Please consider making a donation prior to the appeal, by sending a check payable to CPREA, c/o 489 Devon Park Drive, Suite 309, Wayne, PA 19087.

The CPREA website will be up and running in a few more weeks and will include background and factual information, what's been done so far, and where we are headed with this drafted law and with the Coalition. Via the website you will have access to a fact sheet for appraisers, a Consumer Brief that describes the notable impact this legislation will have on consumers, and the eye-opening "Comparison of Minimum Requirements in Pennsylvania Chart." This shows the vast differences in requirements between PA's State Certified Appraisers and its salespeople/brokers, as currently dictated by PA law. It is our hope that the website will effectively 'spread the word' and keep all interested parties informed.



As an individual, it may not be possible or reasonable to do anything about something like the proposed PAR legislation, but with the Coalition in place, every appraiser living and working in the State of Pennsylvania can be a part of something that finally speaks for all appraisers. Please consider getting involved, so that the voices of Pennsylvania's appraisers can be recognized when and where it counts!

AI Certification Changes

With the advent of the Appraisal Institute's Candidate for Designation program, the required certifications in our appraisal and consulting reports have changed. The change was effective January 1, 2013, and if you haven't already done so, an update to your standard boilerplate would be a good idea.

For Designated Members, the following must be included in your certification: *As of the date of this report, I (or Designated Member(s) name(s)) have/have not/has/has not completed the continuing education program for Designated Members of the Appraisal Institute.* Previously, only designated members had a continuing education program to complete, so *for Designated Members* has now been inserted into the required statement.

Candidates and Practicing Affiliates should be well aware by now that they are no longer associate members; even so, here is a reminder of the statement your certification must now include: *As of the date of this report, I (or name(s)) have/have not/has/has not completed the Standards and Ethics Education Requirements for (Candidates or Practicing Affiliates) of the Appraisal Institute.*

The other certifications specifically required by the Institute - addressing conformance to the Code of Professional Ethics and Standards of Professional Appraisal Practice and duly authorized review - have not changed.

2013 LDAC



At the first Board of Directors meeting, the Board authorized Bob Lagreca, Jim Klementisz and Sue Curran to attend LDAC on behalf of the Chapter, in May. The Leadership Development and Advisory Council 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.

Candidate for Designation Program

The Appraisal Institute's "Candidate for Designation" program officially began January 1, 2013. As Past President Louise Jeffers noted in her last newsletter, our chapter has many new Candidates, and we still need experienced appraisers to serve as 'advisors' to these candidates to make this program work. Visit AI's website at <http://www.appraisalinstitute.org/> and click on the blue "Become an Advisor" button to sign up!!

New Designees

In addition to the one SRA and four MAI recipients recognized at our December Holiday dinner, two new MAIs in our Chapter were designated so far in 2013: Joseph Sisson and Richard Hideck. Congratulations!

Upcoming Educational Offerings

Sure, sometimes you just want to roll out of bed, throw on your robe and slippers and sit in front of your computer for hours and hours of on-line continuing education (yeah, right). Instead, why not attend the Chapter's course or seminar offerings and enjoy the camaraderie of friends and make new acquaintances? Don't forget that 2013 is a renewal year for Pennsylvania, New Jersey and Delaware. You have until the end of June to get your CE hours for PA recertification, the end of October for Delaware, and the end of December for New Jersey, so check out these seminars:

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| April 25: | 7-hr USPAP (day)
2-hr PA Rules & Regs (evening) |
| May 15-16: | Advanced Spreadsheet Modeling
for Valuation Applications |
| June 20: | Lending World in Crisis |

The May 15-16 offering is specifically designed to satisfy the 5-year Advanced Continuing Education requirement for designated members, and is being taught by past AI president Jim Amorin. The June 20 seminar is being taught by past AI president Leslie Sellers and is followed by our 2nd Quarter general membership meeting/picnic at Manufacturer's. Get away from that computer screen and take the opportunity to meet these instructors, who have served AI at the national level in recent years.

Two great courses are also being offered by the Chapter in the next few months for those pursuing their designations:

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| April 15-19: | Advanced Market Analysis and
Highest and Best Use |
| June 11-15: | Advanced Income Capitalization |

Don't wait until the last minute: find out more and sign up for these seminars and courses by visiting <http://aiphilametro.org/education/>.



If you still prefer the robe and slippers scenario, online education offerings can be found here: http://www.appraisalinstitute.org/education/online-education-view_programs.aspx

Career Opportunities

Those looking for positions in the appraisal field should always remember to check our website for postings at <http://aiphilametro.org/jobs-listings/>. To post opportunities on the website, contact Tiffany Lewis with information about the position you have available (contact@aiphilametro.org).

2013 Officers and Directors

The following is a list of Chapter officers and Directors for this year. Let us know if you have any comments or suggestions on how we can better serve you, our fellow Chapter members.

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| President | Michael J. Acquaro-Mignogna, MAI
mmignogna@mvginc.com |
| Vice President | John B. Ciminera, SRA
ibciminera@aol.com |
| Treasurer | James Klementisz, SRA
jklementisz@comcast.net |
| Secretary | Paul Quinn, MAI
pquinn@lqres.com |

Directors

- H. Michael McDevitt, MAI
- Meghan E. Payne
- Joseph G. Vizza, MAI
- Curtis B. Silva, MAI
- Mark T. Kenney, MAI
- Reaves C. "Trip" Lukens, MAI
- Erin E. Hannan
- Susanne M. Curran, MAI
- Craig W. Gleason, MAI