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Connections

Official Publication of the
Association of Texas Appraisers, Inc.



Ian Martinez, ATA-R
ATA President

“Give me six hours to chop down a tree, and I will spend the first six hours sharpening the axe.”

That quote is attributed to Abraham Lincoln. The point was that he would spend twice as much time working on the tools of the job as he

would on the task itself. So, what is the relevance of that statement in relation to this article? Let’s see if we can make a connection.

What do most people do when there’s a tree in their way? They grab an axe, dull or not, and start whacking away at it. And if they aren’t making a major dent in the tree pretty soon, they quit, probably muttering something about how it’s the tree’s fault.

How you swing the axe, how hard, in what arc, with what rhythm and onto exactly what spot on the tree are all tactics that can be measured, weighed and improved. But it all starts with the axe itself. And the axe is you and me.

The only constant about the appraisal profession is change. And there’s a lot of it to keep up with, but the truth is, if you and I don’t keep up with it we’re actively contributing toward our own obsolescence.

**Times change,
people change,
situations change,
relationships change.
The only thing
constant is change.**

It’s essential that we keep our axe sharp. That requires attentiveness to our own personal development. Are we learning new skills and sharpening old ones? Are we becoming more capable appraisers? Are we finding or creating ways to remain relevant in our industry? There are two kinds of learning: learning by study and learning by doing. Both go hand in hand.

Learning by study, or book smarts, is vitally necessary for us to understand clearly the how-to. That list is a long one that is constantly in flux. So investing a considerable amount of time and effort in accumulating the right knowledge and the right tools to do our job well is very important.

Equally as important is learning by doing, or street smarts. All the accumulation of knowledge and tools in the world won’t help us unless we learn to use them well, then put them to good use.

But there is a third aspect of knowledge that we need to be truly successful. We can accelerate our learning by tapping into a support system of colleagues and mentors, modeling the good ideas that have brought them success and contributing our own.

So, if we continue to learn what to apply in our job and we continue to apply what we learn, then tap into a good support system, we can maintain ourselves as useful tools in our profession.

Those are distinct benefits of membership in the ATA. The Board of Directors and the Program Committee are working hard to continue providing relevant and practical education for membership. And there are

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Upcoming Industry Meetings:

- Jan. 31—South Central Texas Appraiser Social—San Antonio, TX
- Feb. 1—TAFAC Meeting, Washington, DC
- Feb. 8—ASB Public Meeting, Scottsdale, AZ
- Feb. 15-16—ATA 13th Mid-Year Meeting, New Braunfels, TX
- May 3—AQB Public Meeting, Denver, CO
- May 3-5—AARO, Denver, CO
- Aug. 9-10—ATA 14th Annual Meeting and Education Conference, Georgetown, TX

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From the President (con't)

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more opportunities to network with fellow members, colleagues and mentors with the initiative of regional socials that are beginning this month. Take advantage of as many of those opportunities as you can.

As 2018 winds down and the holiday season is upon us, I hope that a well-deserved break from the daily grind is

in order. Enjoy your special time with family and friends.

The Board of Directors and I look forward to serving you in 2019. We'll see you soon at the ATA Mid-Year Meeting in New Braunfels.

Jan Martinez

Some of the concepts presented in this article were influenced by points in: *The Slight Edge*, by Jeff Olson, SUCCESS Plano, TX (2005-2013)



New and Designated Members

The ATA President and Board of Directors would like to welcome our newest members:

Denise Benys, Corpus Christi
Patrick Delaney, Prosper
Frank Ferraro, Jr., Friendswood
Vincent Leal, Rowlett
Mamie Johnson, Lufkin
Patrick Livingstone, The Colony

William May, Leander
Dan Morgan, Lubbock
Bryan Smith, Canyon

Welcome!

Congratulations to those who were recently awarded designations:

Olivo Castillo, Jr., ATA-R

If you are interested in applying for a designation with ATA, please go to our website, www.txappraisers.org, and click on the Join Us link and download the Designation Application.

ATA Mid-Year Meeting

ATA's 13th Mid-Year meeting will be held February 15-16 at the Courtyard New Braunfels River Village, 750 IH 35 North, New Braunfels, TX 78130.

The following events will be held at this meeting:

- Friday morning - 8:00 a.m. - Noon - *TREC Legal I*** (Separate Registration Fee) The instructor is Dawn Lavka.
- Friday afternoon - 12:30 p.m. - 1:00 p.m. - *Welcome and TALCB Update*
- Friday afternoon - 1:00 p.m. - 5:00 p.m. - *Rural Property Appraising* (Diana T. Jacob, ATA-G)
- Friday evening - 5:00 p.m. - 6:30 p.m. - *Networking Reception*
- Saturday - 8:00 a.m. - 5:00 p.m. - *Size Matters: ANSI Standard for Measuring Residential Properties** (Bryan Reynolds)

The ATA Board of Directors will meet Friday morning from 9:00 a.m. to 11:00 a.m.

Attendees will have the opportunity to network with fellow appraisal professionals at the continental breakfast, breaks, lunch, and at the networking reception Friday evening.

A block of rooms have been reserved for meeting attendees at the Courtyard by Marriott River Village. Sleeping rooms are \$113 (plus tax) per night for single/double rooms. Reservations must be received by **January 21, 2019**. After this date, reservations will be accepted on a space and rate availability basis. Call (800) 321-2211 and mention ATA to receive this discounted rate.

ACE/MCE Hours

The meeting is approved for 12 Hours of ACE.

ATA will submit this meeting for 12 MCE Hours.

Registration Fees

The fee to attend this meeting is \$130



for ATA members and \$260 for non-members. (Fees increase \$20 14 days before the meeting.)

To register for this meeting, go to <https://www.txappraisers.org/event-3043920> or call (210) 837-7123, M-F, 9:00 a.m.-4:00 p.m.

If you have time, you can also check out the [San Antonio Stock Show and Rodeo](#).

Also, don't forget to nominate a fellow appraiser or industry leader for the Outstanding Service Award for South Central Texas. See page 5 for details.

*Take this class and [Public Records, Square Footage & the Real Estate Information Crisis](#) and qualify for the [Home Measurement Specialist Certification](#). See Meeting details on the ATA website.)

Uberrimae Fidei (what?)



David Brauner
OREP

Why is this obscure term- Uber- rimae Fidei - important to you? Allow me.

An uberri- mae fidei contract is a legal agree- ment requir- ing the high- est standard of good faith. Uberri- mae fidei is

Latin for utmost good faith. Insurance contracts are the most common type of a uberrimae fidei contract.

The concept of uberrimea fidei is a double-edged sword for you, the policyholder. The friendly side of the blade guarantees you a high standard of protection. You might have heard the term "duty to defend." An insurer has a duty to defend if the face of the complaint alleges something covered and does not allege exclusion to coverage.

Now here's the sharp end of the blade: because the insurance company agrees to share the risk of loss with the policyholder, it is imperative that the policyholder (you) act in good faith by fully disclosing all information that affects the insurance company's level of risk.

I have written many times over the years why it is so important to report claims and complaints when they happen. It is especially important to report claims and complaints on an insurance application- new or renewal. That is a legal document you are signing that saddles the insurer with a duty to defend, and you with duty to disclose. As noted in previous stories, failing to provide full disclosure can be cause for cancellation of your policy and worse: if an unreported claim surfaces later, there may be no coverage.

For your own protection, please don't withhold information and carefully consider the following: while reporting

a claim mailed to you on a law firm's letterhead is pretty clear cut, what about a frivolous complaint to your state board? I have seen numerous complaints which appear frivolous- a homeowner unhappy with a value for instance. Many times complaints like this do "go away." State boards are doing a much fairer job reviewing complaints and expunging those that are baseless without any permanent record. But that is not always the case.

If there has been what you consider to be a "frivolous" complaint filed against you, you may be tempted to not disclose it on your application because you're sure it will go away. If the complaint is dismissed, there should be no issue. If some merit is found in the complaint, however, and you need defending, the insurance company is going to ask you why you did not report it. Saying you did not believe it would turn into anything is an understandable but potentially im- potent defense.

Furthermore, there are times your appraisal will be re- viewed by state board examiners where they find an unrelated issue- this is common. Some- times the complain- ant has a point you didn't see at first.

Here's the irony, in most cases, your premium will not be surcharged for a pending complaint until there is a finding. If there is a finding and it's minor, any surcharge probably will be small. Now this is case by case but a 15% surcharge on a \$750-\$1,000 policy will not break the bank or put you out of business. As un- fair as a frivolous complaint is, it's probably best to

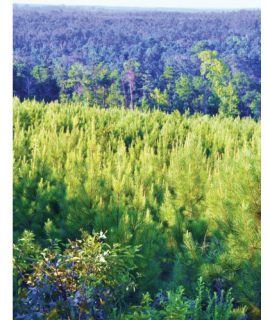
accept up-front that it will cost you time, and maybe some money, to defend.

Most policies, including those sold by OREP, will reimburse expenses for your defense against up to a sublimit for an action brought by your state board. No policy will reimburse you for any part of any fine or the cost to take education. OREP insureds enjoy further risk management protection with free state board consulting by Bob Keith and (his webinar...<http://www.workingre.com/fighting-appraisal-board-complaints-experts-advice/>). Keith's services are open to all appraisers nationwide. OREP insureds who are facing a state board complaint, please email isaac@orep.org for your free consultation.

About the Author

David Brauner is Senior Broker of OREP and Publisher of Working RE Magazine. David has been helping appraisers with insurance for over 20 years. David Brauner Insurance Ser- vices, Calif. Insurance Lic: 0C89873.

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Building Better Appraiser Technology Together with ATA Members



Keith Ellis
ANOW

ANOW is partnering with appraisers in Texas through NAA and ATA to give them a greater voice in the development of ANOW

products and software features. "Appraiser Communities coming together with common purpose and on a common software platform make a powerful force of change. We can power that community, help members better work together, and enable members to offer superior services to clients," Keith Ellis, Chief Operating Officer of Anow describes.

How do we help that independent appraiser in West Texas work together with their peers? We think it's about giving appraisers technology that is both dead easy to use AND technology that brings real improvement in doing the job. But, it's also about giving appraisers a voice in the direction of that technology. Let's say 5 or 10 appraisal companies came together in West Texas in a coalition to improve turn times and service for local lenders – yet they need software to power their vision. Who is listening?

Now it's the ATA.

"The ATA has always fostered appraiser communities in Texas, and with ANOW, we can be a voice for appraisers that want to work together for change," says Teresa Walker.

What Can ATA and NAA do to help Appraisers?

ANOW is the leading platform for appraisers to run their offices. Appraisal companies and individuals in Texas who are part of ATA or NAA can now: Submit new feature requests to ANOW through the ATA. ANOW will track Texas and

NAA feature requests and work with the ATA to see if, how and where these features could be implemented. There are 5,000 appraisers in the State of Texas, give voice to what we need. For example, last month, Mark's office down in Houston wanted us to be able to slice a fee split in a unique way (see our blog at www.anow.com).

As groups of appraisal companies want to work together, ANOW will work through the ATA and NAA to help power these coalitions with specialized lender services. In this, ATA and NAA have direct access to ANOW executives to support Texas appraisers

ANOW is launching NEXUS in the coming months – probably the most important technology upgrade to completing appraisal reports since forms technology first launched. Through your ATA and NAA, you can participate in the closed beta on these products and further set direction.

"We at Anow spend a lot of time traveling around the country meeting with appraisers and listening. We want to hear about how appraisers are run-

ning their office, we need to talk with the independent appraiser who is tired of being their own IT manager, and we power both the largest appraisal offices across North America and the smallest semi-retired boutique appraiser with equal pride," said Marty Haldane, Chief Executive Officer of ANOW. "It's because we're about building and supporting communities of appraisers with technology that we want to do this with ATA and NAA."

Texas does have a voice in Anow, and we're hoping it gets loud.

What's the Process for Submitting Ideas or Asking About Forming a Coalition in Texas?

Email your ideas and requests to Teresa Walker at ATA and look forward to hearing more about what Texas appraisers got built here in Connections!

The graphic features the Anow logo at the top left, social media icons for Facebook, Twitter, and LinkedIn at the top right, and a green hand icon next to the text "Hi there". Below this, it states "We are always available to chat & help. Anow is all about community." A central white box contains the text "LAST QUARTER, ANOW SAW 844 UPDATES pushed to production. Most of those were feature requests from our customers!". At the bottom, there is a list of feature request items with IDs like AA-4774, AA-4773, AA-4791, AA-4770, AA-4769, and AA-4794. A large white banner at the bottom reads "BE PART OF THE COMMUNITY! AT ANOW.COM".

How to Finally Declutter Your Life...Downsizing Tips for Seniors

Downsizing is a [wonderful way](#) to simplify your life at any age. For seniors, decluttering your possessions and moving into a smaller space can make the tasks of daily living easier. Plus, it can help you focus on more important things than dusting the spare bedroom or mowing the oversized lawn. Bear in mind that the process can be challenging, so take advantage of these tips to reduce stress and ease into the big move.

Make a List of Requirements for Your New Home

Before you start [looking at houses](#), think about what features you want your new home to have. Consider the activities you like to do in your house, whether it's working in the garden or reading on a sunny patio. Then, note down what features your current home lacks that you would like to have in your new place. This could mean closer access to shops, greater availability of public transportation, or no staircases to climb. Many seniors prefer a one-floor home to help accommodate mobility issues. Additionally, condos are highly desired by seniors for their low maintenance requirements and the variety of available amenities including pools and entertainment spaces.

Start Getting Rid of Things Early

Chances are, you've been accumulating an overwhelming number of pos-

sessions over your lifetime. Start getting rid of stuff a long time before you plan to move so you can dedicate your careful attention to it. Start small and [declutter your things](#) in sections. For example, you might get your bedroom closet done one day and your office desk the next. As you sort through your things, think about which items you can give away, sell or go straight to the landfill. Be ready to face tough decisions by asking yourself [yes or no questions](#) about whether you really like the item and if you'll really use it in the future. Try to avoid creating a 'maybe' pile that you will just have to sort through later.



Plan Out Your New Home

As you declutter your things, have a plan for each item you decide to bring with you to your new home. When you have a place for everything, you're much less likely to end up with clutter everywhere. Economical [recommendations](#) mapping out a floor plan of your new space so you know which pieces of your furniture will fit. Don't forget that you'll also have to plan for less storage space than you're used to. This will be important when you sort through your seasonal clothing, decorations and rarely used items such as luggage or sports equipment.

Prepare for Moving Day

Start with an organized and detailed [moving calendar](#) so you can keep track of the necessary things you need to accomplish as moving day draws closer. These tasks involve booking a moving company, packing boxes, switching over utilities and updating your address with various organizations. Importantly, pack a box of moving day essentials that you will need during the first day in your new place, including cleaning supplies, toilet paper and a change of clothes.

Protect Your Pet from Moving Day Anxiety

Moving day isn't just overwhelming for you, but for your dog as well. Pets can become anxious when they experience the upheaval of a move and may act in ways that are out of their nature. You don't want [your pet](#) to get hurt or run away in all the commotion! So, keep them in a separate room for the duration of the move. Another option is to invest in a quality dog crate so your pup can be safe and comfortable for the day.

Most importantly, try to approach [downsizing](#) as a positive experience. Think about how much closer you will be to family or the amount of extra time you'll have when you no longer have a large home to maintain. Sure, you're moving out of your beloved home, but you're also making way for a refreshing new lifestyle!

Michael Longsdon is the creator of ElderFreedom.net, which advocates for the rights and support of seniors

Appraiser Awards/Scholarship

Don't forget ATA's **Regional Outstanding Service Awards**. If you feel someone is deserving of one of the Awards, you can nominate them for an Outstanding Service Award. The **South Central Texas Outstanding Service Award** nomination is due by **February 1st**. You can also self-nominate.

Also, don't forget about the **Pospisil Scholarship Award**. You can nominate (or self-nominate) to receive \$100 toward your education.

[Click here](#) for links to the Outstanding Service Award Nomination and Pospisil Scholarship Award forms.

Kübler-Ross and the Certified Letter



Hal Humphries
Appraiser eLearning

It can't be good...the certified letter in your inbox. Lurking there in the basket, it's wrapped in that return-receipt green. You sign for it. You look at it. Your

heart skips a beat.

Denial

You run the letter opener along the fold. It is several pages. The reference line says "Case No. XXXXXXXX." Your heart stops. I would suggest that you take a minute to breathe. Calm yourself. But I know that's nearly impossible. You read the letter. It's passive in construct and official in language. Your mind is racing. You turn to the complaint and you remember the client. You remember the house. You remember the day. You want to throw up.

I would suggest again that you take a minute to breathe and calm yourself. But I'm pretty certain that's not going to happen. You feel dread. You can't believe this person has turned you into the state. You think—in rapid fire—of ways to make this go away. "How can I avoid this?"

You can't. It's a process.

Anger

You take the complaint and read it again. You want to call the person and give them a piece of your mind. You want to respond immediately with a rage-induced denial of every point. You want to point out that the complaint is baseless and in bad faith. You want to yell at someone. Don't. Take a minute to breathe. Calm yourself.

Bargaining

You call a friend, a trusted colleague. You run the letter and the complaint by them. You ask if they know a guy at the board. You ask if they know the

lender. Can you call the lender and make this go away? You check your email thread with the client. You look for things they said that you can use in retaliation. You seek in vain for a way out.

Depression

It starts to sink in. You have a complaint filed against you. You have to deal with this. This is not the end of the world. I know it seems stressful and painful but it's just part of the process. There is a way to address the issues and, if handled properly, come out a better appraiser. Once you get through the depression part, it's time to knuckle down and find solutions. This is where the hard work gets done.

The first call should be to your E&O insurance carrier to report the claim. You should consult with an attorney. Have counsel review the complaint and review your responses. You should also consult with a professional appraiser advocate: an advocate who knows appraisal theory, USPAP, and real estate. Most attorneys know the law. Several attorneys understand real estate. Very few understand appraisal theory. This is why I always suggest an advocate who knows the real estate appraisal business. Armed with a competent attorney and an appraisal advocate, you can begin to test theories to address the complaint.

Acceptance

You've worked your way through the shock, denial, anger, bargaining, and depression. The depression may return on occasion. That's normal. But the sooner you get to acceptance the better. Once you reach this stage, you're ready to move through this. I've seen this process a number of times. I've reviewed complaints for the State of Tennessee on a fairly regular basis over the past several years. I can tell you without hesitation that this is not the end of the world. You're a good appraiser. You approach your work with integrity and professionalism. Some people just

want to be upset. Most complaints that I review are baseless and ill-informed.

Here are the steps you can take to mitigate the problem of being under investigation.

1. Talk to an attorney. This is an official state investigation and you need counsel. Your lawyer can review the complaint and offer legal advice. Any time you find yourself facing a regulatory review or investigation of any kind, you should avail yourself of the advice of counsel. If you have errors and omissions (E&O) insurance, there's a good chance it will cover at least part of this expense. You are required to report the claim to the carrier in a timely manner. You're going to have to let them know anyway, so you may as well get out in front of it with and maybe get the help of their attorney.



2. Hire an appraiser advocate. Your attorney will know the law. That's his job. You need an appraiser advocate who knows real estate appraisal theory and is deeply familiar with the ins and outs of USPAP.

3. Get your workfile in order. Your state regulator has the right to request your workfile. Take some time to organize the workfile. If you make reference to external information (Marshall & Swift cost information, sales research, surveys, etc.), go ahead and gather that information and include the actual documents in your workfile. It's okay to make reference in the workfile but take a few extra minutes to provide the source documents.

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View on Valuations (Business Valuations)



Dan Hall

When one door closes, often another door opens ...sounds like something our mothers taught as a kid when we were down in the

dumps. With the recent passing of the Tax Cut and Jobs Act of 2017, many business valuers would argue that the need for business valuations for estate planning purposes is greatly diminished, or maybe that was the sound of a door closing that you heard. But on August 28, 2018 the

Main Street Employer Ownership Act may have been the proverbial "other" door opening. Due to business owners of my generation continuing to age (which beats the alternative) Congress has seen that there is possible coming damage to our economy when Mom & Pop close their doors because their long standing family owned business cannot find a motivated buyer. This new law which passed with great bipartisan support empowers the SBA to work more efficiently with employees of businesses to buy these types of operations through Employee Stock Ownership Plans (ESOP). Bankers are warming up to the possible financing of these types of acquisitions because history shows that only 2 of every 1,000 business acquired through these types of

programs fail. And what lender would not be willing to offer financing to a group of knowledgeable industry educated buyers (the employees) with the odds of failure being this low? So I see a growing need for these types of acquisitions to require a business valuation to support the transaction. To learn more about this new window of opportunity for the business valuation community, see www.project-equity.org. Yes, I realize that valuing a business for ESOP purposes may require some new skills and applications of valuation techniques we have not used before but remember, not all doors are alike.

(Reprinted with permission from the International Society of Business Appraisers)

Trainees Look for Sponsors

Below is a list of trainees looking for sponsors. As you all know, finding a sponsor this is biggest barrier for individuals wanting to enter the profession. If you are considering taking on a trainee, please contact one of them.



Maybe it's time to give back some of the knowledge you have gained.

First Name	Last Name	Wants to Appraise In	Telephone	Email
Isaac	Doyal	Anywhere in Texas		isaacdoyal@gmail.com
David	Carroll	Arlington	817 808-7362	dwcarroll@yahoo.com
Rachel	Carpenter	Austin	512 771-6042	rachacarpenter@gmail.com
Tyson	Forbes	Austin	720 908-7485	tyson@peakconstructionconsulting.com *
Brax	Irwin	Bulverde	830 461-9353	brxrwn@live.com
Krystal	Cashat	Bulverde	210 870-9491	krystalcashat@gmail.com
Luann	Johnson	Dallas	469-247-6839	ljohnson5819@gmail.com
Amber	Rodriguez	Eagle Pass	830 776-3654	moniquee_3@hotmail.com
Robert	Durch	Great Hills	512 584-3255	rdurch759@gmail.com
Crystal	Jordan	Houston	832-792-9300	crystalintexas@yahoo.com
Christopher	Akingboye	Houston	713 398-2810	sakingboye@gmail.com
Frank	Ditta	Houston/Austin	832 457-6019	frank.ditta@gmail.com
Rebecca	Armstrong	Midland/Odessa/DFW	469 777-8632	rebecca@trinityrealestategroup.com
William	Massey	Montgomery	719 210-7561	wildbillmassey@hotmail.com
Mat	Wilkinson	New Braunfels	512 554-4706	xpatmat@gmail.com
Kara	Armstrong	Pleasanton	210 632-0822	karaarmstrong677@gmail.com
Raul	Garcia	South Texas	956 550-1354	earthrealtynraul@aol.com

*Only has three months of training left. Supervisor is retiring.

Are You Prepared For the Inevitable



Dustin Harris

According to some studies, the average age of a real estate appraiser in the United States is currently approximately 60-years old. While

that is not old from a purely chronological standpoint, it is old from a professional standpoint, since that means there are many appraisers out there who have been in the appraisal saddle for 30- to 40-years. That means they are about to retire (or, maybe, slow down a little bit). Therefore, to both the well-seasoned appraiser, as well as to those who are just getting their seasoning now, a number of questions are in order. They are yours to answer.

#1: How is your company set up?

Your appraisal business may be one of the biggest investments you have. Therefore, whether you've been an appraiser for 5 years or 40 years, is your business set up so that it's easy to transfer? There are sole proprietorships, S-corporations, partnerships, limited liability corporations, limited liability partnerships, professional associations, and so many more. The point here is if you were to sell the business (or worse, become incapacitated and not be able to take a hands-on approach to management any more), will your business (or your share in it) be easy to transfer (should that become necessary)? This is where tax and accounting counsel are imperative.

#2: What is your state of health?

While 60-ish is not old anymore, it is an age at which it is not uncommon to spend more time in doctor's offices than in the past. One of the reasons for this is the stress level the appraisal business puts on its practitioners. This is a stressful business and, if the appraiser does not ameliorate it properly, stress can exact a terrible toll, not only on the appraiser, but on the appraiser's family,

too. Therefore, it is reasonable to ask an appraiser, "Have you taken care of yourself physically and mentally over your business career? If not, what are you going to do about those now that you are in the late-afternoon/evening of your life?" This is where medical (and maybe even legal advice) is a must.

#3: Do you have a succession plan for your business?

Who is going to take over your business? Will you sell it to your kids? Your partners? Your associates? Your competitors? Some big anonymous corporation? Will you sell the business, but keep working there? Will you finance part of it to generate an income in retirement? Do you want to cash out of the purchase and sale so you can invest its proceeds as, when, and where you choose? After the sale, are you going to keep a hand in the business and/or its management? For how long? Some say you cannot sell an appraisal business. I disagree and have helped several clients do exactly that. Again, this is a situation in which tax and accounting counsel are of the utmost importance.

#4: How's Your Insurance?

You've probably had some type of life insurance since you began working, but this was likely *term insurance*. There is nothing wrong with term insurance, since it serves a specific purpose well. However, how about *whole life insurance*? Some people do not like it since they say they can get better returns on their money by handling their investments themselves. That may be true. But if you are a busy appraiser, do you really have time for that? Plus, not only does whole life provide life insurance benefits if you were to need it, it also

provides an annuity income later in life when an income (or a supplement to it) may be more important than death benefits.

How about disability insurance? Both are expensive, frankly. But if your appraisal office consists of you, your spouse, an assistant, and two or three independent contractor appraisers, how are you going to make a living/keep the doors open if you are laid-low for some reason? Hip- and knee-replacements (and the attendant physical therapy to recover from the replacement), common for the well-seasoned appraisers among us, can shut you down for two- to 12-weeks. Yes, you can do desktop appraisals from your hospital bed, but what about all of the other management stuff, that only you can

do? Who will handle those responsibilities?

Now is the time to get professional investing and insurance counsel and advice on all of these potential insurance issues, not when you are in a hospital bed hooked up to tubes and machines (or, even worse, dying).



#5 Have you Made Yourself Dispensable?

Yes, dispensable.

In other words, have your trained your staff to make-do professionally and seamlessly in your absence? Appraisers tend to be hands-on folks and there is nothing wrong with that. But if *you* have to make every decision, if *you* have to review every report before it goes to the client, if *you* have to sign every check, if *you* have to handle every complaint that comes in from clients and consumers, if *you* are the only one who knows how to fix the server, then *you* have made yourself *indispensa-*

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Are You Prepared For the Inevitable (con't)

(Continued from page 8)

ble. That may make you feel important, true. But then, how do you go on vacation? How do you take CE? How do you take the time to get your knee replaced? If you are indispensable, then the business can't run without you. Which means your business, your cash machine, dries up if you are not there, nose to the grindstone, every day. How wise is that? If you are indispensable, it may be time to bring in business consultants to train you to train your people to make you dispensable.

#6: Do you Delegate?

Why are you *still* typing reports? Somebody must do so, but why you? If you can bill your time out as an appraiser at \$50 or more per hour, then hire somebody at \$12 an hour to type reports. That should be obvious, yet too many appraisers don't understand the *Law of Delegation*. Face it, if you can bill \$75,000 per year doing *everything* yourself, could you bill even more if you paid someone to do the Tier I and Tier II work so you could spend more time in appraising?

Why do you have to review every report that goes out the door? Could you hire a semi-retired, experienced appraiser, on an independent contractor, on a per-appraisal basis, to do the reviews for you? You'll still give them a quick once-over before you sign them. Nevertheless, if you hire an experienced appraiser, who

knows what you (and the client!) want in an appraisal and report, why don't you free yourself up to do more appraisal work?



Let's face it: your doctor does not weigh you and take your blood pressure; a PA does that. The doctor diagnoses and treats, which is what doctors get paid (a whole lot of money!) to do. PAs (who make a whole lot more than appraisers!) do the lesser

work so the doctor can do the greater work (and generate the income to pay the PA). We may not as educated as are physicians, but are we any less professional? Are we any less able to learn from them?

#7: And the Point of All of This Dustin is What?

The point of all of this is to start planning for retirement at age 25, not age 65. We appraisers generally don't have a big company behind us to set up and fund a pension – we must do that ourselves. Therefore, get with a financial planner *now* and set up an IRA or a Keogh plan so you will have the money to retire. Begin *now* to invest in whatever you want to invest in for a retirement income (and/or a legacy to your children and grandchildren).

Get with an attorney *now* to set your business up properly so that, when the time is right, you can sell it easily and quickly for as much money as is possible. Get with an attorney *now* to set up your estate so that after you

are gone, your heirs get as much as possible. Make an appointment with your doctor for a full physical. If the doctor recommends lifestyle changes (see discussions on stress and being dispensable earlier), then make them. Depending on how old you are (and your state of health), it might even make sense *now* to pre-pay (therefore lock in) your funeral arrangements.

Learn how to delegate so you are dispensable and your company, your cash machine, can go on chugging-out cash. Get the insurance plan(s) you need now, get the succession plans you need now, get the legal and accounting counsel you need now so whenever that time comes that you want or need to move on, you can, with as little worry as possible.

About the Author:

Dustin Harris is a successful, self-employed, residential real estate appraiser. He has been appraising for over two decades. He is the owner and President of Appraisal Precision and Consulting Group, Inc. and is a popular author, speaker and consultant. He also owns and operates The Appraiser Coach where he personally advises and mentors other appraisers helping them to also run successful appraisal companies and increase their net worth. His blog is read by over 20,000 appraisers nationwide and he facilitates several appraiser membership groups both online and in person. His free podcast is listened to by thousands of appraisers each week and can be downloaded on iTunes and Stitcher Radio. He and his wife reside in Idaho with their four children. He loves playing in the outdoors and watching movies indoors.

TALCB Corner

Mark your calendar for the next TALCB meetings, scheduled for Feb. 8 at 10 a.m. at the Stephen F. Austin Building, Room 170, 1700 North Congress, Austin, TX.

Log on to <https://www.talcb.texas.gov/> and download the agenda and meeting materials.

If you can't make the meeting in person, it will be broadcast live on the TALCB website.



Kübler-Ross and the Certified Letter (con't)

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4. Once you have the workfile organized, take a half day to review your report—the one in question. Read it once without considering the complaint. Review it for mistakes, calculation errors, and extraneous information. Next, take the complaint and review your report in light of the issues articulated in the complaint. In many cases, you'll be able to address each issue simply and easily. It's time and money out of your pocket but it's an exercise you must complete.

5. If you made a mistake, own it. Just go ahead and get that out of the way. "The complainant is right in pointing out that I misspelled Squeezepenny Lane." (Yes, there really is a Squeezepenny Lane in McKinney, TX.) Remember, there is no such thing as perfection. (SR 1-1 (c) states "perfection is impossible to attain and competence does not require perfection.") Of course, you'd like to have no mistakes but the powers that be realize that mistakes happen and they've generously given a pass to us boots-on-the-ground appraisers in many instances.

6. Have your appraiser advocate review the report in question for USPAP compliance. Again, if you made a mistake, just address it—calmly and concisely.

7. Take your appraiser advocate's notes and craft a reply. Keep it short. There's no need to explain in great detail the circumstance of the inspection, the difficulties of sales research,

or the lack of cooperation from the homeowner. Address the issues raised and attack them point by point. Again—and I can't stress this enough—have your attorney review this document.

8. Get ready for a hearing, if you're called. Bringing your attorney to a hearing can change the tenor of the meeting. Talk with your lawyer and your appraiser advocate and make an informed decision about whether or not to have counsel present for your hearing. I personally like to have the attorney there. Others disagree passionately.

9. If you go to a hearing, dress professionally. Slacks and a sport coat work. Wear a tie. A suit isn't necessary unless that's your usual attire. Be comfortable and look professional. Bring your file. Know it inside and out. Be ready to admit your mistakes and be ready to explain your actions. Answer the questions asked, NOTHING more. Be polite. Be helpful. Do not be—in any way—obstinate or combative.

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About the Author

Hal Humphreys is a partner at Appraiser eLearning. He is a lifelong learner and educator. He is a practicing Certified Fraud Examiner and professional investigator. Hal is a CDEI certified instructor through IDECC. He writes, lectures, and he walks ... a lot.



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