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# Connections

Official Publication of the  
**Association of  
 Texas Appraisers, Inc.**

## Mission Statement of the Association of Texas Appraisers

The Association of Texas Appraisers was organized to provide opportunities for continuing education and professional association for real estate appraisers and other interested parties within the State of Texas; to establish and maintain minimum requirements for membership; to confer membership designations to properly qualified appraisers; and to provide and maintain an organization that serves the needs of its members.

## From the Desk of the President

I just got back from Galveston attending the ATA Meetings. What a great experience! Thanks to all members who attended, and to the dozen or so new members who were attending their first meeting.



Rick Neighbors, ATA-R

Speaking of new members, I have great news. As of Saturday's meeting, **we now have 300 members**. James Parhms became member number 300, and I got a photo of him and Bobby Crisp at dinner. You remember Bobby; he is one of the "old" members. Seriously, Bobby was at the original meeting where the ATA was formed, and is member #5. I think there were about 10 folks gathered around a dining room table working until the wee hours drawing up our Bylaws and Board Member duties. Thank goodness they did what they did!

Also, due to luck of the draw, Karen Cerdas is member number 299. But without her, James would not be number 300. Funny how that works. Now, if everyone will get their membership hats on, we can shoot for 400 members.

Special thanks to Bryan Reynolds and Bobby Crisp for the great "tag team" method of teaching us the two classes....Interagency Guidelines, and Residential Sales – The Adjustment Process. I am in awe of their knowledge.

While at the meetings, Teresa and I were visiting about some of the "challenges" we have in trying to book the ATA meeting venues, hire instructors, and get textbooks, food, equipment, etc. to each meeting. We strive to keep the cost of membership as low as possible, while at the same time making sure that we meet in clean, pleasant, safe surroundings, and hire the best instructors we can find to help further our knowledge of the appraisal industry. Believe me, that is a very difficult task! But because we have Teresa Walker as our Executive Director, and because of the dedication she shows in performing her duties, we have an organization that runs like a well-oiled clock! Thank you Teresa!

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## 2012-2013 Board of Directors

Rick Neighbors, ATA-R, President	Bobby Crisp, ATA-R, Director
Arturo Palacios, ATA-G, Vice President	Donna Green-Harris, ATA-G, Director
Mava Jalufka, Secretary	David McInturff, ATA-R, Director
Frank Baker, ATA-R, Treasurer	Mike Plumlee, ATA-R, Director
Dennis Crawford, ATA-R, Director	Mike Braught ATA-R, Past President

Speaking of clocks, I can't believe that I have already held the position of President of the ATA for almost a year. Where did the time go? As my term draws to a close this August, I want to thank each of you personally for allowing me the honor of holding this position. And special thanks to the Board of Directors for their hard work and dedication also! A leader is only as good as the folks that help him, and I have been surrounded by the best! Thank you again!

*Rick Neighbors ATA-R*  
President ATA

## ATA Nominating Committee Report

The ATA Nominating Committee (which is comprised of Past-President Mike Braught, ATA-R, President Rick Neighbors, ATA-G and Vice President Arturo Palacios, ATA-G) has finalized their work and are pleased to announce that the following individuals have been nominated to run for election to the ATA Board of Directors at the business meeting to be held on August 2nd in San Antonio:

- Simon "Tony" Palacios, No. 08128
- Bobby Crisp, No. 06005
- Andy Arledge, No. 10166
- Diana Jacob, No. 07086
- Bobby Shafer, No. 06002

There will be three director positions to fill during the election as the terms of Frank Baker, ATA-R, Bobby Crisp, ATA-R and Rick Neighbors, ATA-R will be expiring. Of course, nominations can also be made from the floor during the meeting. However, if you wish to nominate someone at that time, please be sure to check with that person to be sure they are willing to be nominated. Thank you to all of the above members who have agreed to serve if elected and good luck during the elections.

## Welcome New Members

The President and members of the Board of Directors would like to welcome our newest members: **Karen Cerdas**, Galveston; **Elbert Dagley, Jr**, Beach City; **Alecia Fiscus**, Lewisville; **Bret Jamail**, Hitchcock; **James Koonce**, Angleton; **Andrea Lavelly**, Beaumont; **Raymond Martin, Jr.**, Hitchcock; **Daniel Molina**, Missouri City; **James Mushinski**, Houston; **James Parhms**, Houston; **James Reagan**, Pearland; **Daniel Reininger**, Houston; **Ruth Stodghill**, Houston; **Linda Wilkins**, Humble and **Brian Young**, Houston.

Welcome back **Sharon Martinez**, McAllen and **Robert Partin**, Houston.



## Designation Information

Congratulations to those who were recently awarded designations. Diana T. Jacob, ATA-G and Arturo Palacios, ATA-G.

If you are interested in applying for a designation with ATA, please go to our website, [www.txappraisers.org](http://www.txappraisers.org), and click on the Membership link and download the Designation Application.



**Mark Your Calendar:**  
**8th Annual Meeting and Education Conference, San Antonio, TX**  
**August 2-3, 2013 (11 hrs)**

## ATA's 8th Annual Meeting and Education Conference

Don't miss the **8th Annual Meeting and Education Conference, August 2-3, 2013** at the Crowne Plaza San Antonio Riverwalk Hotel, 111 East Pecan Street.

This year's Conference will begin at 12:30 p.m. on Friday, August 2 with "A Word from TALCB" presented by Doug Oldmixon, TALCB Commissioner.



The August 2 Friday afternoon session, **Valuation Perspectives, No. 054** (3 hours), addresses valuation issues from varying perspectives. The following agencies will be represented:

- Bexar County Appraisal District (Michael Amezquita, Chief Appraiser)
- The Appraisal Foundation (John Brennan, Director of Appraisal Issues)

Friday afternoon at 4:15, we will hold the General Membership Meeting and election of three new directors.

We will have two 8-hour concurrent sessions on Saturday, August 3. We will offer **Staying Out of Trouble, No. 149** (8 hours) with Ted Whitmer. This seminar was developed from information received from numerous state appraiser licensing and certification agencies. The agencies provided information that include common mistakes made by the appraiser, common USPAP violations and other rules violations. The course was designed to keep appraisers out of trouble. All state agency websites were researched for common violations and other substantive issues.

Or you can attend **New Construction-A Residential Valuation, No. 152** (8 hours) with Diana Jacob, ATA-G. This course covers new construction terminology, reading and communicating the contract, site analysis and land value, specific communication of new and proposed construction in the appraisal report, demand elements of new construction, absorption analysis, external obsolescence, financing adjustments and quality of construction.

To register, use the **Registration Form on page 15**. For information on Exhibiting or Sponsoring this event, contact [info@txappraisers.org](mailto:info@txappraisers.org).

## ATA's Ft. Worth Meeting

ATA's Ft. Worth Meeting will be held September 27-28 at the Holiday Inn DFW Airport South. We will offer the following session:



September 27 (1:00 p.m. - 5:00 p.m.) Dustin Harris (The Appraiser Coach) will present **Mobile Appraising: Using Technology in the Field, No. 079** (4 hrs ACE). Whether you are new to using mobile tools for real estate appraisal and want to start out on the right foot, or you have been using laser measuring devices and tablets or iPads® for years and need to find a more efficient way to utilize them, this course is for you! Dustin Harris will present strategies for using technology during all of your inspections.

September 28 (8:00 a.m. - Noon) Diana Jacob, ATA-G will present **Interagency Guidelines, No. 078** (4 hrs ACE). The course is designed for lenders, appraisers, and brokers to give them an understanding of the special requirements of regulations that apply to all appraisal services and evaluations performed for federally regulated institutions.

September 28 (1:00 p.m. - 4:00 p.m.) Troy Beaulieu will present **Overview of the Complaint Process, No. 077 (What You Should Know)** (3 hrs ACE). He will address the Complaint Process Overview, Investigations Overview, Complaint Case Resolution, SOAH Hearing Process Overview, Common USPAP Violations, Experience Audits Process Overview, and Sponsor/Trainee Relationship and Obligations.

To register, use the **Registration Form on page 16**. For information on Exhibiting or Sponsoring this event, contact [info@txappraisers.org](mailto:info@txappraisers.org).



## AMC Texas Law

By: Bobby Crisp, AQB Certified USPAP Instructor #10287

Email: [crispappraisal@gmail.com](mailto:crispappraisal@gmail.com)

Appraisers have emailed me over the past several months asking about a specific statement within an appraisal request from an Appraisal Management Company (AMC).

The statement reads something similar to this:

By accepting this order you are agreeing that this is in compliance with the Dodd - Frank Wall Street Reform and Consumer Protection Act, and agree that the fees being paid to you as an appraiser are reasonable and customary pursuant to the legislative intent.

I believe the statement above is in violation of Texas Administrative Code Title 22 Part 8, Chapter 159 Rule 159.157. An AMC cannot require an appraiser to certify that a fee is customary and reasonable.

Here's the link to the State Law:

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.TacPage?sl=R&app=9&p\\_dir=&p\\_rloc=&p\\_tloc=&p\\_ploc=&pg=1&p\\_tac=&ti=22&pt=8&ch=159&rl=157](http://info.sos.state.tx.us/pls/pub/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=22&pt=8&ch=159&rl=157)



There will be those that will read the law and see it differently. The rule says “the registrant shall not require an appraiser to sign a certification that a fee is customary and reasonable.” So, let’s take a look at these words. Chapter 159 is titled Rules Relating to the Provisions of the Texas Appraisal Management Company Registration and Regulation Act. A “registrant” is referring to an AMC. Then, there is the part that says “sign a certification”. No one has asked you to sign anything, right? Since you didn’t sign a certification, this doesn’t apply, right? You may want to read your initial agreement with the AMC when you signed up with them (“agreement”...“signed up”... hmmm). You might want to check with your E&O insurance provider or even consult an attorney.

So let me ask you, when an appraiser accepts an assignment using a website or an internet portal, do you not have a specific username and login assigned only to you? Doesn’t today’s technology consider your username and login as your “signature”? I think you might be surprised at the answer.

What do we do about it? There are a couple of options. You might simply inform the AMC of the Texas Law. Most AMCs are not from Texas and are not familiar or aware of specific rules (AMC laws are different for each state). It may be better for the AMC to remove the language versus dealing with the legalities of whether it is or isn’t against state law.

If you travel this route and the AMC continues their practice, it is my opinion that an appraiser has the obligation to inform Texas Appraiser Licensing & Certification Board (TALCB) and let them handle the matter. Let TALCB Enforcement Division research the issue and investigate.

Food for thought! *Bobby*

***(ATA has sent a letter to the Enforcement Committee of TALCB regarding the proposed changes to the appraiser rules/law and AMC Law. These changes will have an effect on each and every appraiser in Texas. For a copy of the letter, go to [www.txappraisers.org/ECTALCB.pdf](http://www.txappraisers.org/ECTALCB.pdf))***

## The Evolving Role of Cloud Technology

By: Steven D Harris, Vice President at MC TOP, Inc., [www.mctop.com](http://www.mctop.com)

Have you ever been in a room immersed in something you’re doing and you shout for someone in your family to come to your side? When you turn around you realize they are standing right beside you already and the shouting has just hurt their ears and made you look a little silly. It’s probably a situation we have all experienced before but it’s not your fault because that’s what we do; we ask for something, or in this case, someone and then wait for a response. Wouldn’t



it be convenient to have whomever or whatever you need available 24/7 at attention and ready for instructions? We all know that is an unrealistic request for so many reasons and this type of luxury probably belongs within the walls of a castle with a royal family rather than here, but nice to dream anyway. Technology, on the other hand, has enabled virtual convenience similar to this for data and information we use and need through the miracle of cloud.

### **What is cloud?**

I like to imagine cloud in terms of an open unlocked door through which virtual information passes uninhibited from one party to another. It moves instantaneously without interruption or need for request, ready and available for the user. There need not be human interaction to send and receive information because the connection and process is already in place and autonomous. Cloud enables us to attach as many users as we want to pass the information back and forth to and from and we don't have to ask or wait. If you have to be in a certain place at a certain time to retrieve information, it's probably not cloud. These days, software programs are often built upon a cloud foundation which simply means they have internet connection built-in that transmits the workings of the software instantaneously back and forth, to and from each user. Appraisal professionals all across the country are discovering the miracles cloud technology enables. With smart phones and mobile devices, cloud is truly pushed to its conceptual limits; if you can dream it up it's probably available or soon will be. Cloud services are liberating and do not relegate you to a certain phone, PC, or office space to have access to what you need.



### **Current Frequented Cloud Solutions**

Cloud storage technology affords appraisal professionals the ability to gather data in the field or while utilizing a PC, smart phone, or tablet in a place away from their office. On the go information can be uploaded to the cloud, and can be accessed from anywhere in the world with an internet connection. On a network within an office we're no strangers to simultaneous access to files, but with cloud that concept and ability is expanded to the outer reaches of the internet; while on vacation in Egypt, you can see exactly what your secretary sees in Michigan at the same time.

Cloud file storage allows for the appraiser to stay one step ahead and can be the difference in excellence and mediocrity because time is so precious. Watching an appraiser save time and effort is like watching a teenage girl at a Justin Bieber concert. Appraisers love to work less and save money more than most any other professional out there because client demands are up and fees are down. With cloud folder storage and other solutions like it, we can get our processes percolating while in the midst of performing other tasks eliminating backtracking or restarting our momentum. Let me give you an example: If you are using cloud storage you can literally take pictures while at an inspection and upload those pictures on the spot to a cloud shared folder. Your office support staff can now label them for use in the report, saving you the work of tracking back through your photos when you return. There are many types of cloud storage services available and many of these services are free for the basic subscription plans, such as Dropbox, Google Drive, I Drive, Skydrive, Box, and many others. Utilizing cloud storage, appraisers are slowly creating a standard because of the amazing convenience it creates.

Cloud services offer convenience, coming all packaged neat and pretty and in a wide variety. Recently my office has begun an exploration in some additional cloud services. I cover a vast service area which takes me to other islands and all across Oahu here in Hawaii. One of my staff does not live in my area; in fact he is located on the mainland in Las Vegas, but through the miracle of cloud and web-based services he can track what I do in real time. Google maps are loaded with little gems that can be an enormous help, and because they are built on a cloud platform you can share back and forth with office staff. Around a year and a half ago I began using Google Latitude,



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**The opinions and statements expressed herein are those of the individual authors and do not necessarily reflect the viewpoints of the Association of Texas Appraisers or of its individual members.**

which is a free service extension of Google maps that allows you to track yourself and others using GPS in real time. I gave my office staff permission on their phones and desktop applications of Latitude to track me through my tablet and phone as I travel and soon found the enormous benefit it offered. My staff members are able to see where I am located within the current minute on the map. This allows them to notify me of new orders in the areas where I currently am so I can inspect in some cases while there, and notify borrowers of late/early arrivals. My staff can notify my clients when an inspection has taken place. With Latitude they can see my arrival and departure time from the inspection which shows them it has been completed and an update to the client is ready. All of these processes are done and tracked without the need for texting, calling, IM's, or communication between me and my staff, which saves time & money.

Google Docs or other cloud based shared spreadsheets are again a big time saver and benefit to your office. These are just a small sampling of some of the many services and applications being used by appraisers. In our competitive world the smallest advantage can be the difference in getting a decent paying order over the competition. Cloud technology powering programs give us seamless, streamlined efficiency with easier inter-office workings, all of which again are to our advantage as they make us more bones while saving us from throwing more stones.

### **Cloud and the future**

Communication is an integral portion of the appraisal process between you and your client/intended users, and we have seen a major shift in the way communication of results are delivered in recent years. I grew up around the appraisal world with a Dad who was sending me at a very early age into the local bank. In hand I had a typed appraisal file stapled on legal size paper neatly organized in a folder with the name of the banker on it ready to be received. I remember years later as I started working in the business the method of physically printing reports become replaced by digital deliveries via e-mail and web portal uploads. The internet has changed the way in which we live and the web now allows for the portals used in appraisal delivery to be much more interactive and on demand. Will we see methods invented in which clients will be able to reach over to your side on demand and pull information they need that has been pre-authorized by you as part of the established contractual agreement of appraiser and client? Say you take pictures in the field and part of those pictures indicates a foundational issue with the house (subject) which the client wants to see and have in their possession. It is conceivable that we may see in the future, due to intricate methods for permissions and securities, a cloud based portal in which certain sections of your work file can be on display and accessible by and to your client on demand. Rather than you taking the time to put together a detailed time consuming e-mail with pictures of the foundation, the client simply takes a look themselves. Of course the organization of the work file would demand virtual perfection and the sections to which the client had access would be only portions the client should be able to see and nothing out of sync with USPAP or interoffice procedure. With automatic processes and incredible organizational software applications, it is only a matter of time before our communication with the client is dually composed and simultaneous with what they see in real time while hearing from us. Imagine I get back to my office after a long day of inspections to find an e-mail from my client asking me to put an order on hold because the cosmetic issues are clear and present from the photos in my work file which they have already accessed without even speaking with me or my office. This scenario could be reality very soon, but the great thing about cloud is, it cannot be used if one party (appraiser or client) decides to restrict access to information on either side. You get to keep and maintain full access and control of your information.

I will say without reservation that cloud technology has transformed the organization and efficiency of my office in ways I didn't know were possible a couple of years ago. Cloud, it is the wave of the future and I think we'll soon find ourselves, as we do with creations like cell phones, wondering how we ever got along without it.



## Business Decisions

By: David McInturff, ATA-R



To no surprise, there have been many difficult decisions that have faced appraisers over the past few years. AMC's, the UAD, and all kinds of things can impact the way we do business and provide for our families. Today I wanted to bring up the topic of fees, fee increases and what possible future repercussions today's decisions may have on us later. I will be honest, I have no answers, and am just putting out there what is bouncing around in my head, as well as sharing what I have heard from one lender who uses an AMC.

First a little background; I am co-owner of a 2 man shop with Curt Myrick. With Curt living in SW Austin and I in Spicewood and our office in Marble Falls, we are blessed (or cursed) to work 2 very distinctly different areas: Austin and the market an hour west known as the Highland Lakes Area. The simple fact is that Austin work takes much less time to complete than the Highland Lakes work. While I am able to charge more for the rural work, the higher fees are not enough to make it as profitable as Austin work. The business decisions ahead of me are:

- to continue to work both areas knowing I might need to get back to covering the rural areas when work slows down again and know the lower profit margins will ensure I maintain a firm grasp on work in the area
- raise my fees more to make both areas equally profitable, or
- stop working the area, knowing I can go back to it later (just as I did Austin work)

While I have been contemplating this for the last 6 months, and was almost certain I was headed towards making my decision, I recently heard from a branch manager for a lender who participated in a corporate meeting with their AMC. One of the main points was long turn times and what ridiculously high fees they are incurring. What I was told is that this particular AMC is tracking the fees that their Appraisers are charging now compared to what they used to charge and there is a growing resentment towards our profession, because they feel Appraisers are price fixing and taking advantage of the current market conditions. I had several responses for him:

- Appraiser's felt some AMC's (not all) took advantage of the new regulations and took large chunks of what Appraiser had once received
- What he calls taking advantage of market conditions is laws of supply and demand and when turn times are measured in weeks instead of days, AMC's suddenly start offering higher fees for faster service.
- Booming areas are attracting many appraisers out of rural areas towards easier work, making it harder to want to do the rural areas again
- Appraisers are finally in a position to charge the appropriate fees for complex assignments

His point in bringing all of this up was that he was casually warning me that this AMC is already planning their next strike against their own fee panel Appraisers. When the number of assignments decrease, the plan is to either remove the appraisers they feel have unfairly taken advantage of the Appraiser shortage, or they will keep them and start giving more preferential treatment to those Appraisers who did not raise their fees.

While it is hard for me to imagine that with so many Appraisers leaving this industry every month, that we will ever get to the point we were just a few years ago, just the thought that my overall future earnings could be negatively impacted by my desire to maximize my current profitability has created a new wrinkle in my thought process. Quite frankly, it also just burns me up that there is already at least one AMC already planning to stick it to the profession (or maybe their fee panel) again.

If you find yourself in any of these similar situations, I wish you the best of luck in your business decisions.

## Mobile Appraising

By Dustin Harris, The Appraiser Coach, email [theappraisercoach.com](mailto:theappraisercoach.com)



Measuring Wheel, I am sorry for the jealousy I caused you when I left you for Disto. I still remember the harsh words you spewed at me as I laid you in the trunk of the car as a 'backup.' You said, "You will regret this! Her smaller frame and fancy red laser can never replace me. You will, I repeat, WILL be back." In all honesty, I thought at the time that you might have been correct. That is why I carried you around for so many years even after turning my attention to Disto. Please accept my apology that I never did pick you up again, even for a short fling. I just cannot tell you how happy I am now with Disto by my side. Is she accurate? So much so that I have to 'dumb her down' a bit in order to meet ANSI standards of measuring to the nearest half foot. "But, what about those really sunny days or walls that do not have anything to bounce off of" you ask? Let me just say that everyone had a period of 'getting used to." She had hers as well (and honestly, it was longer than it took to get used to you), but once I understood what makes her tick and how to really 'push her buttons,' I have never met a wall I could not measure with her since. She and I are quite a team now. Granted, she will never protect me like you did (remember that time I used you to beat that vicious dog over the head?), but thankfully I have never had an incident like that one again.

Clipboard, I know you were angry when I put you in the backseat and started holding a pocket PC instead. Though Jornada™ seems a little antiquated now, she was light years ahead of you at the time. Maybe it will make you feel a little better if I told you she did not last either. Yes, I have now replaced her as well. Before you start accusing me of being a 'player,' you should know I stuck with her for many more years than I ever was with you, and her replacement was a huge step forward. Yep, I am now hanging with the iPad. Interestingly, you will remember that I ditched you for the more petite replacement, but my steady now is almost the same size as you (though she is a tad more heavy—so you at least have that). Remember when we were together how I would sometimes get clear back to my office before I realized that I had forgotten to take a picture or the two sides of my sketch did not match? Then, you and I would have to get back in the car for another 'date' to the subject property? Well, those days are so 1997. iPad never allows me to leave the property without knowing that I have everything I need and that everything matches as it should. How cool is that?



I know what you are saying, Clipboard. You think that I am spending more time at the subject than I ever did with you. OK. I admit it. This time you are right (I bet you never thought you would hear those words from me). I am spending an average of 5 additional minutes at the inspection, but that is not where the time savings comes in. The efficiency factor comes into play when I get back to the office. Remember how I used to have to come back to my desk and stare at you for dozens of minutes while I transferred my chicken scratches into the appraisal software? I know you liked all the attention, but I do not do that anymore. All that data transfers into the report on its own. You heard me correctly, all the data, the sketch, and pictures are all there when I get back to my office. You could never do that for me, Clipboard.

As I reread this letter, I guess I have been hard on you two. Maybe I shouldn't send it, but my purpose is not to tear you down, and I am certainly not trying to pour salt in old wounds. I only think it is fair, since so many appraisers are still spending so much time with you, that you know where you stand. Just because you are popular does not mean you are better. There, I said it. I am sorry if that hurts, but there are other fish in the proverbial sea, as they say. It is time that other appraisers follow my lead and ditch you guys. Breaking up is hard to do, but it was a great decision for me, and I know it will be for others as well. Sometimes we gotta put you relics on the shelves and move on. Please do not feel bad. Perhaps it is time for a makeover. Clipboard, maybe you could round yourself off a bit and get rid of that hideous, metal growth and start a new life as a Frisbee. And Measuring Wheel; you still make a pretty good billy club. Wishing you All the Best,

***Want to hear more from Dustin? Come to ATA's Ft. Worth meeting, September 27-28 and hear him speak on Mobile Technology - Using Technology in Field.***

***Special Disto Discount for ATA Members, [www.txappraisers.org/disto.html](http://www.txappraisers.org/disto.html).***



## Reduce Your (and Your Business's) Liability

By Kim Drago, co-founder of Appraisal Advisor.

You already know that, as an appraiser, you and your business are carrying a lot of liability. What you may not know is just how easy it can be to reduce both your personal and business risks by making a few easy changes to how you do business.

### Don't Extend Credit to a Company You Don't Know

Think of it this way: each and every time you accept a non-COD appraisal report, you're extending credit to your client. And, if you're accepting a report from a client that you haven't worked with before, the risk that you're taking by accepting that order is enormous. You don't know how easy that company is going to be to work with, and you don't know how soon they will pay you.

You can never be absolutely sure about whether or not the client is going to pay you for the work you have done (even the ones that you're currently working with!) Clients are at risk of a buyout, a merger, or cash flow issues at any time, and it's important for you to remember that their risks translate into risks for your business as well.

Think of your business like you would think of a lender. A lender would never loan out money to a borrower without first checking the borrower's current credit history, would they? So, why do you?

### Actually "Know" Your Clients

Knowing your clients' past and current payment structures allows you to lower the risk of you getting stiffed on a report that you have already completed. Take ES Appraisal, for example. Appraisers completed appraisals for ES Appraisal for years without a problem. Suddenly (or so it seemed), ES Appraisal filed for bankruptcy and thousands of appraisers were stiffed for millions of dollars of fees.

The reality is that red flags were popping up about ES Appraisal for months. ES Appraisal was getting slower and slower with their payments to appraisers. It's one thing if a company forgot to pay an appraiser for one report, and it is another thing entirely if they're making a habit of being more than 60 days late paying all the appraisers on their panel.

There were posts scattered across Facebook, Twitter, LinkedIn, and forums, once every few weeks, about an appraiser not getting paid. But, posting in these places is hard to follow, doesn't provide you with concrete information, and, because of the nature of social media, unless you're online right when another appraiser posts, you're not even guaranteed to see that information.

If appraisers had pooled their collective knowledge of ES Appraisal into one central credit-reporting type system, we all could have recognized ES Appraisal as an at-risk client, and stopped accepting orders from ES Appraisal. It could have saved appraisers millions of dollars in unpaid fees.

### Get the Right Type of Knowledge

It's no longer enough to simply read comments in Facebook groups, get opinions from an open-ended forum, or ask another appraiser's opinion. You need hard facts about how your client is performing now and how they have been performing over time. Getting that information can significantly decrease your business's risk, and it can save you a lot of worry.

Appraisal Advisor ([www.AppraisalAdvisor.com](http://www.AppraisalAdvisor.com)), aims to provide appraisers with that kind of data through a system that works very much like a credit agency. Only licensed-verified Independent Fee Appraisers can write reviews about their clients. By providing 3 different types of reviews for you to complete about your clients, you can enter objective information about clients such as how long it takes them to pay in days (calculated by our systems using the date the appraisal was invoiced and the date the appraisal was paid), exactly how much that client is paying other appraisers in your coverage area, and how easy or difficult they are to work with.



We combine your reviews with the those of other appraisers so that you can see statistically valid, objective information about clients that you currently do business with and clients that you're thinking about working with.

Our goal is to provide appraisers with a credit report substitute so that you can minimize your personal AND your professional liability.

The good news for members of the ATA is that there are already ATA members and Texas appraisers signed up and writing reviews, so there's a huge amount of valuable information in our systems for you to explore. The more members that sign up, the more valuable we are for you and your business. We're free until at least December 2013 so that you can see, for yourself, how valuable of a tool it can be.

For more information about Appraisal Advisor, connect with us on [Facebook](#), [LinkedIn](#), [Twitter](#), or email Kim at [kim@appraisaladvisor.com](mailto:kim@appraisaladvisor.com).

## **My visit to the TALCB Meeting**

By: David McInturff, ATA-R

For the first time in my 10 years of Appraising I attended a TALCB meeting. The biggest impact on me was how humbling it was to sit through and see how those peers are judged and treated after one is found guilty of wrong doing. They are not our friends, they are not all our peers, they are our licensing board that we must respect, follow and they are truly all business and make no decisions based on emotions.

There were two individuals who had gotten up to address the board to essentially plead to be allowed back into the profession and after a quick 3 minute plea to the board, there was essentially no deliberation and the board quickly motioned and seconded to take no action. Now honestly, I have not ever heard of them before nor do I know any of the back story of their cases, so for all I know they could have been appraisers who really should have lost their license, and not been allowed back, but none of that is the point. The point was on a personal level I could see the devastation in their faces and can only imagine the pain that was ahead of them. Having to tell their families they have no job, no ability to provide for them. The personal regret and feeling of failure, shame of losing a license due to poor ethical conduct just seems unfathomable to me. I was instantly humbled, knowing that I am human too, and as we all have, I know I have made mistakes, I know of some but know that there are some that I am not aware of. Any one of those could put me before the board too. I just walked out feeling even more of a sense of urgency to pay more attention to details, to really grasp the reality and significance of my signature being put on a report and sending that out to the client where it will be read, reviewed and judged by multiple people, anyone of which could file a complaint against me that could put me before the same board I just sat and watched.

On a lighter note, I was fascinated to see the dynamics of the board, the personalities of each member and how they interacted with each other. While much of it was not what I would call interesting, it was important to see, and educational and invaluable to see how the proceedings are held. I can't help but think how much I missed by not coming to one before, and will really make more of an effort attend more of the meetings, not just for myself, but for the ATA and the profession in general to help show the TALCB, that appraisers care and we are paying attention.

*Thanks to the ATA members who attended the May TALCB meeting: Frank Baker, ATA, Bobby Crisp, Edgar Herrera, Ian Martinez, David McInturff, Greg Palacios and Ted Whitmer.*

## **The next TALCB Meeting is August 16 in Austin...Plan to Now to Attend...No Excuses**

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*ATA will only offer the 7-Hour National USPAP Update Course two times. Make plans now to attend one of these offerings:*

*South Padre Island—January 25 and San Marcos—February 15.*

## Proposed Valuation Advisory from the APB

By James E. Jacobs, TALCB Investigator

(This article originally appeared in the April 2013 issue of the TALCB's publication, The Advisor. )



Change, and measuring change is what appraising is all about. We realize that the market is constantly changing and we work very hard to keep up to understand how change is occurring and what the change means.

Change is with us in the world of appraisal guidance and requirements also. Late in 2010 federal regulators released *Interagency Appraisal and Evaluation Guidelines*, while **Fannie Mae** and **Freddie Mac** continue to revise their respective **Seller's Guides**. We know that **The Appraisal Foundation (TAF)** has revised USPAP a number of times since its inception. We are not as aware of the changes of standards and requirements coming through a number of other and different venues.

This article will focus on the newest board of TAF, the **Appraisal Practices Board (APB)**, changes they are presently proposing and what appraisers can do in response.

### The Appraisal Foundation and Its Boards

We know that besides the Board of Trustees, TAF is comprised of three boards with separate and distinct areas of responsibility. The newest board is the Appraisal Practices Board. To quote the TAF, "The APB has been charged with the responsibility of identifying and issuing opinions on *Recognized Valuation Methods and Techniques* [emphasis added], which may apply to all disciplines within the appraisal profession." The APB fulfills its duties by offering "voluntary guidance in topic areas which appraisers and users of appraisal services feel are the most pressing."



Since its formation on July 1, 2012, the APB has identified, researched, sought public comment, revised and released three (3) APB valuation advisories. Valuation Advisory #1 dealt with the *Identification of Contributory Assets and Calculation of Economic Rents*. Valuation Advisory #2 addressed *Adjusting Comparable Sales for Seller Concessions* and Valuation Advisory #3 provided guidance with *Residential Appraising in a Declining Market*.

### Characteristics of A Valuation Advisory

While they cover different aspects of appraisal practice, all the valuation advisories have many characteristics in common:

- The topics were been identified as area that many appraisers and appraisal users believe require additional guidance;
- Panels of **Subject Matter Experts (SMEs)**, with expertise in the topic, researched and detailed all pertinent sources of existing information of the topic;
- The Valuation Advisory(s) represent the APB's guidance on generally accepted appraisal methods and techniques;
- They provide the appraisal practitioner with the theory behind the issue as well as specific methodology to address the topic;
- From the APB's perspective compliance with the guidance is entirely voluntary; and
- They were only released after the appraisal community, as well as other interested parties, had an opportunity to review, critique and suggest revisions.

While the APB recognizes that "the methods and techniques discussed . . . may not be the only way to solve (appraisal) problem(s) as there may be other equally acceptable methods and techniques;" . . . "*they do represent an extensive review of current recognized methods and techniques*" [emphasis added].



## Current Draft and Exposure Drafts

Most recently, the APB released two new exposure drafts and one discussion draft for comment. A working group on customer-related assets developed the Discussion Draft on proposed *Best Practices for the Valuation of Customer-Related Assets*. This first draft document is designed to stimulate conversation on the subject through questions and discussion points. After receiving comments on this discussion draft, an exposure draft will be provided for comment.

The Appraisal Practices Board also recently released exposure drafts cover guidance applicable to Identifying Comparable Properties and *Identifying Comparable Properties for Automated Valuation and Mass Appraisal Models*.

The APB is seeking public comment in response to the exposure drafts. Based on the comments received, they may make revisions to the guidance and may issue *subsequent* exposure drafts. After the board believes it has received all relevant comment on this topic, it may vote to adopt the material as *official guidance* from the APB [emphasis added].

## Focus on Identifying Comparable Properties Exposure Draft

Because of its wide-ranging applicability to the appraisal practices of Texas appraisers, we would like to call particular attention to the *Identifying Comparable Properties* exposure draft.

Topics covered in this proposed advisory include:

- Property Characteristics;
- Comparable Suitability; and
- Market Area and Neighborhood Characteristics.



In the draft the APB pulls together the current thinking on comparables from a number of diverse sources including Fannie Mae, various appraisal organizations as well as applicable laws and regulations. The draft not only discusses the criteria for identifying comparable properties, but also addresses methods for applying the criteria including examples and discusses the appraiser's responsibilities in selecting comparables.

The exposure draft also contains a glossary of terms and definitions. Examples of the defined terms include "bracketing" and "neighborhood" as well as others to assist in understanding the advisory draft. Two appendixes are also provided. *Appendix I: Examples of Physical Comparability Factors* discusses these factors by property type, while *Appendix II: Suggested Further Reading* offers a six page-reading list on the topic.

## Comments Requested

The APB desires that appraisers and other interested parties provide their thoughts on this as well as other exposure drafts. The comments should address the extent and appropriateness of the valuation advisory including any suggested revisions. The APB assures appraisers that the comments will be given serious consideration, as it is their stated policy to review every comment *prior* to any further action being taken on the draft.

Obtaining a copy of the exposure draft is easy as downloading a file through TAF's website ([www.appraisalfoundation.org](http://www.appraisalfoundation.org)). Once you enter the website, just click of the APB's tab found on the left-hand side, then click the APB Exposure Drafts link and select from the current exposure drafts any or all of the pending drafts. You will then be able to easily download a PDF file of your selected draft(s).

While the initial comment period has passed, should substantial revisions be contemplated, a second exposure draft may be released. Stay tuned and provide your comments. All comments become part of the permanent public record and are available online through TAF's website.

*"The road to success is always under construction." -Unknown*

## USPAP Checklist

The USPAP Checklist used by TALCB investigators when reviewing an appraisal report can be found on the TALCB website (<http://www.talcb.state.tx.us/ComplaintsConsumer/default.asp>).

It is important that all appraisers review and print this USPAP Checklist and use it as additional guidance when completing your appraisal reports.

## ATA Appraiser Donates a Kidney

On a brighter personal note, one of our local appraisers, Lauren Lamm Sorrell, recently donated a kidney to a complete stranger. If you don't know Lauren, you should. She is the epitome of strong character and a big heart! So proud to be associated with people like Lauren!

To read the entire story, click here or log on to <http://www.txappraisers.org/Kidney.pdf>.

## Sponsor Looking For a Trainee

Paul Smith of San Antonio is looking for a trainee. If you are looking for a sponsor, contact Paul at (210) 650-0654.

### Photos from ATA's Meeting in Galveston, June 7-8



Proposed 2013-2014 Budget (And actual as of May 31, 2013)

	Budget 10-11	Actual 10-11	Budget 11-12	Actual 11-12	Budget 12-13	Actual 12-13	Proposed 13-14
<b>Income</b>							
Designation Fees	100.00	575.00	300.00	260.00	300.00	175.00	250.00
Interest	150.00	65.98	100.00		0.00	64.33	65.00
Meeting Fees	13,500.00	25,245.00	25,000.00	39,038.00	37,000.00	22,427.00	45,000.00
Membership Dues Exhibitor/Sponsor Fees	12,000.00	18,695.00	20,000.00	22,510.00	20,000.00	20,445.00	24,000.00
Misc. (Item Sales)*	500.00	0.00	500.00	1,200.00	1,500.00	1,750.00	2,500.00
	0.00	378.00	500.00	456.31	250.00	2,618.27	9,500.00
Uncategorized Income*						1,195.00	
Pins, Membership	10.00	5.00	10.00	15.00	25.00		10.00
<b>Total Income</b>	<b>26,010.00</b>	<b>44,963.98</b>	<b>46,410.00</b>	<b>63,479.31</b>	<b>59,075.00</b>	<b>48,674.60</b>	<b>81,325.00</b>
<b>Expense</b>							
Bank Fees	50.00	14.00	50.00	5.00	50.00	0.00	50.00
BoD Expenses	1,000.00	1,000.00	2,000.00	750.00	1,000.00	837.50	1,250.00
Equipment	500.00	579.99	500.00	200.35	500.00	864.52	750.00
Executive Director	6,000.00	6,000.00	8,400.00	11,200.00	12,000.00	8,600.00	14,400.00
Incorporation Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Meeting Expenses</b>							
Door Prizes	300.00	320.00	500.00	550.00	600.00	533.15	700.00
Meeting Materials	300.00	2,284.74	3,000.00	9,738.28	4,500.00	896.75	15,000.00
Rooms & Meals	7,000.00	16,190.66	11,000.00	19,005.32	17,000.00	12,626.84	17,000.00
Speakers	7,000.00	8,220.76	9,000.00	14,265.36	11,000.00	14,253.59	17,000.00
Supplies	0.00	292.70	100.00	105.43	200.00	135.74	200.00
Postage	0.00	1,239.53	1,200.00	306.93	400.00	37.61	400.00
Printing	0.00	901.12	1,500.00	686.70	750.00	452.54	700.00
Mtg. Travel Expenses	500.00	74.78	250.00	1,450.00	1,500.00	800.00	1,400.00
<b>Total Meeting Expenses</b>	<b>15,100.00</b>	<b>29,524.29</b>	<b>26,550.00</b>	<b>46,108.02</b>	<b>35,950.00</b>	<b>29,736.22</b>	<b>52,400.00</b>
Accounting Expenses			1,000.00	0.00			
Membership Recruitment	400.00	442.41	1,500.00	475.44	500.00	105.30	250.00
Miscellaneous	100.00	559.95	100.00	494.95	400.00	171.45	400.00
Newsletter Printing					0.00	40.25	50.00
Other Assn. Mtgs.			3,500.00	0.00	2,000.00	1,222.24	2,000.00
TAFAC				2,967.02	4,000.00	2,069.23	3,000.00
Pay Pal	400.00	668.31	800.00	1,113.69	1,200.00	940.65	1,500.00
Postage	200.00	229.96	500.00	179.61	250.00	427.09	500.00
Membership Pins				899.50	0.00		0.00
Supplies	100.00	274.89	200.00	407.84	300.00	417.36	500.00
Telephone			750.00	219.61	250.00	159.60	250.00
Uncategorized Expenses**		1,371.94		50.00	0.00	3,633.40	2,000.00
Website/Database	1,325.00	1,420.00	300.00	204.24	200.00		200.00
<b>Total Expense</b>	<b>25,175.00</b>	<b>42,085.74</b>	<b>46,150.00</b>	<b>65,275.27</b>	<b>58,600.00</b>	<b>49,224.81</b>	<b>79,500.00</b>
<b>Net Income</b>	<b>835.00</b>	<b>2,878.24</b>	<b>260.00</b>	<b>-1,795.96</b>	<b>475.00</b>	<b>-550.21</b>	<b>1,825.00</b>

\*Misc and Uncategorized Income is funds collected for GCCMF and Disto Sales and McKissock on-line courses

\*\*Fees for RGV Appraisers Conference and ARRO Meeting (2010-11), expenses for Disto and GCCMF for 2012-2013



# ATA 8th Annual Meeting and Education Conference

San Antonio, TX

August 2-3, 2013

Name: \_\_\_\_\_ Name for Badge: \_\_\_\_\_

Address: \_\_\_\_\_ E-Mail: \_\_\_\_\_

\_\_\_\_\_ Phone: \_\_\_\_\_

Member	\$99
Non-Member	\$198
Guest Lunch*	\$20
 Total Due	 \$ _____

I will attend (please select one):

\_\_\_\_\_ *New Construction—A Residential Valuation*

\_\_\_\_\_ *Staying Out of Trouble*

\*Saturday Lunch is included in your registration fee. Only add \$20 if you are bringing a guest.

## Schedule

### Friday:

11:30 a.m.	Registration
12:30 to 1:00 p.m.	<i>A word from TALCB—Doug Oldmixon</i>
1:00 to 4:00 p.m.	<i>Valuation Perspectives, No. 054</i>

### Saturday:

7:30 a.m.	Breakfast
8:00 a.m. to 5:00 p.m.	<i>New Construction—A Residential Valuation, No. 152—Diana Jacob</i>
8:00 a.m. to 5:00 p.m.	<i>Staying Out of Trouble, No. 149</i> <i>No. 150 —Ted Whitmer</i>

### **Mail Registration and Payment:**

#### **Association of Texas Appraisers**

13530 Escort Drive  
San Antonio, TX 78233

### **Register and Pay On-line:**

[www.txappraisers.org](http://www.txappraisers.org) (Scroll down on the home page and select the appropriate meeting. Go to the bottom of the meeting page and it will take you to Pay Pal.)

**Registration form and payment must be received by July 30. No refunds after July 30.**

For more information, contact:  
**Teresa Walker** at (210) 837-7123  
([info@txappraisers.org](mailto:info@txappraisers.org))

Don't forget to make your **Hotel Reservations.**

A block of rooms has been reserved for ATA members at the Crowne Plaza San Antonio Riverwalk Hotel, 111 East Pecan Street. Sleeping rooms are \$99 (plus tax) per night for single/double. Reservations must be received by **July 7, 2013**. After this date, reservations will be accepted on a space and rate availability basis. Call (888) 623-2800 and mention Association of Texas Appraisers to receive this discounted rate.

# Association of Texas Appraisers - Meeting Registration Form

Ft. Worth Meeting  
September 27-28  
Holiday Inn DFW Airport South

Name: \_\_\_\_\_ Name for Badge: \_\_\_\_\_  
Address: \_\_\_\_\_ E-Mail: \_\_\_\_\_  
\_\_\_\_\_ Phone: \_\_\_\_\_

Member	\$99
Non-Member	\$198
Guest Lunch*	\$20

Total Due \$ \_\_\_\_\_

\*Saturday Lunch is included in your registration fee. Only add \$20 if you are bringing a guest.

For more information, contact:  
**Teresa Walker** (210) 837-7123  
([info@txappraisers.org](mailto:info@txappraisers.org))

## Schedule

### Friday, September 27

11:30 a.m. Registration  
1:00 p.m. - 5:00 p.m. *Mobile Appraising: Using Technology in the Field, No. 079*

### Saturday, September 28

7:30 a.m. Breakfast  
8:00 a.m. - Noon: *Interagency Guidelines, No. 078*  
Noon to 1:00 p.m. Lunch (included with your registration fee)  
1:00 p.m. - 4:00 p.m. *Overview of the Complaint Process, No. 077 (What You Should Know)*

### **Mail Registration and Payment:**

**Association of Texas Appraisers**  
13530 Escort Drive  
San Antonio, TX 78233

### **Register and Pay On-line:**

[www.txappraisers.org](http://www.txappraisers.org) (Scroll down on the home page and select the appropriate meeting. Go to the bottom of the meeting page and it will take you to Pay Pal.)

**Registration form and payment must be received by September 24. No refunds after September 24.**

For more information, contact:  
**Teresa Walker** at (210) 837-7123  
([info@txappraisers.org](mailto:info@txappraisers.org))

Don't forget to make your **Hotel Reservations**.

A block of rooms have been reserved for ATA attendees at the Holiday Inn DFW Airport South, 14320 Centre Station, Ft. Worth, TX. Sleeping rooms are \$89 (plus tax) per night for single/double rooms. Reservations must be received by **Sept. 6, 2013**. After this date, reservations will be accepted on a space and rate availability basis. Call (817) 399-1800 and reference Texas Appraisers to receive this discounted rate.