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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

Rain, Rain Go Away – Only So That We Can Go Out and Play (Work)!



I have heard some reports that May 2015 was the wettest month on record for Texas...and it hasn't stopped yet. While I'm typing this article, I'm watching bands of rain from Tropical Storm Bill ping against my window. Although we've been in a draught for so long and need the rain, I hope all of you are kept safe during these times of turbulent weather.

Since our last newsletter, the ATA has been on the road. We held a meeting in McAllen on April 16-17, 2015. Mr. Bryan Reynolds from Owensboro, KY traveled to The Rio Grande Valley to put on his course called "Fannie Mae CU and You". On Saturday, there was a new course that was taught for the very first time titled "Understanding and Using Comparable Transactions". We had an excellent turnout at the IBC Bank and IBC Mortgage sponsored a fabulous reception.

Just a few weeks later (May 1-2, 2015), the ATA traveled to Abilene and held its first meeting in this area of Texas. Our own ATA Board Member and ATA Representative to TAFAC, Diana Jacob, was the instructor for the same two courses. The Abilene Association of Realtors provided the facility for us and there were numerous sponsors that made sure everyone had plenty to eat and drink.

In about a week or so, we will be in the Houston area (June 26-27) and will be offering these two new courses for those on the eastern side of our state. Mr. John Dingeman from California has agreed to present these courses for us. If you haven't had these courses yet and have the availability, come join us. You will enjoy John's class.

Our 10th Annual ATA Meeting is almost here. We are scheduled to be at the Omni Hotel in San Antonio August 14-15, 2015. Scheduling speakers and courses has been a challenge. In light of some of the major changes that

2014-2015 Board of Directors

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| Bobby Crisp, ATA-R, President | AnnA DeMoss, ATA-R, Director |
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| Mava Jalufka ATA-R, Secretary | David McInturff, ATA-R, Director |
| Curt Myrick, ATA-R, Treasurer | Bobby Shafer, ATA-R, Director |
| Andy Arledge, ATA-R, Director | Arturo Palacios, ATA-G, Past President |

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have occurred and are about to take place, the ATA will have two courses during our Annual. The APB recently released its "Advisory 6: Valuation of Green and High Performance Property: Background and Core Competency". Friday afternoon, we will be conducting a course titled "Understanding Green in Real Estate". With the new Handbook 4000.1 being released, Saturday will be a new course called "FHA SFR Appraising – Handbook 40001." With this new protocol going into effect on September 14, 2015, you won't want to miss this one.

We will have our networking reception starting at 5:30pm on Friday. But, this time it will be followed by our 10th Anniversary Celebration Dinner starting at 6pm. We are hoping everyone will stay and join in as we celebrate our 10th anniversary.

Recently, the ATA has had a several members applying for one of our designations. Some members have asked about our designations and what they represent. When the ATA was first being formed one of our original members, Mr. Georg Seidel, proposed that we have designations...but, they should be different from other organizations. Georg introduced the ATA-G and the ATA-R designations. The original "round-table" members did not want these letters to represent how many classroom hours an appraiser had accomplished, or indicate a specific course on a particular subject was completed, and certainly did not want them to indicate that any one appraiser stood above another. It was decided that the ATA designations would represent dedication to the appraisal profession, dedication to becoming a better appraiser, and willing to attend ATA meetings in order to educate themselves as much as possible to accomplish these ideals. So, it is my hope that more of you will consider becoming a designated member of the ATA.



The next newsletter that is published will be after our 10th Annual Meeting and the ATA will have a new President who will be writing in this space. Being the last article that I will write as your ATA President, I want to thank every single member of the ATA for making it what it has become. With about 325 current members, every one of you have made this:

"The best thing going."

--quote from ATA Charter Member Buster Sherry, ATA-R (during an ATA Meeting in 2008)

Welcome New Members

The ATA President and Board of Directors would like to welcome our newest members: **John Brooke**, McAllen; **Michael Eustace**, Mansfield; **Dina Miller Griffin**, Abilene; **Leta Holmes**, Abilene; **Claudia Ingle**, Abilene; **Jerry Manske**, Abilene; **Judith Charland Manske**, Abilene; **Gloria Padilla**, Abilene; **Hannah Raney**, San Antonio; **Cindy Robinson**, Abilene; **Lizette Rosales**, Brownsville; **Kula Stoyanof**, McAllen; **Connie Taylor**, Decatur; **Selina Tranbarger**, Corpus Christi, **Justin Walker**, Abilene and **Jeanine Weise**, Abilene.



Designation Information

Congratulations to Karis Crawford, ATA-R, Mava Jalufka, ATA-R, Richard Prigmore, ATA-G, Melanie Sellers, ATA-R and Bill Streep, ATA-R who were recently awarded the ATA designation.

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



Houston Area Meeting

It's not too late to register for the Houston Meeting.

Don't miss our **Houston Area Meeting** next week, June 26-27. This meeting will be held at the Holiday Inn Houston West-Energy Corridor (1112 Eldridge Parkway @ Enclave). The program for this meeting includes:



- Friday afternoon - 12:30 p.m. - 1:00 p.m. - *Welcome and Association Update*
- Friday afternoon - 1:00 p.m. - 5:00 p.m. - *Fannie Mae CU and You* - 4 hrs (ACE and MCE approved*). This course provides information on the Federal National Mortgage Association's Collateral Underwriter and Appraisal Quality Monitoring. It takes an in-depth look at Fannie Mae's monitoring system and common red flags that prompt the association's warning letters to appraisers as well as other possible disciplinary actions. Fannie Mae is looking for patterns and exposing the appraiser's self-discrepancies. This course provides students with solutions for corrective action of items readily within their control and also avenues for exploring recognized techniques to support their opinions.
- Saturday - 8:00 a.m. - 4:00 p.m. - *Understanding and Using Comparable Transactions* - 7 hrs (ACE and MCE approved*). This session is designed to enhance the understanding and use of comparable properties. The analysis of real estate transactions is a critical component in the valuation of real property. Appraisal methodology and techniques are based on the comparison of data. Market analysis, highest and best use analysis, and the three approaches to value - the sales comparison approach, the cost approach, and the income approach - are developed based on the comparison of data. The proper recognition and identification of what is a comparable, why it has been selected as a comparable, and how the comparable is used is critical to the appraisal process. Improving an appraiser's ability to effectively analyze and select relevant comparable properties will result in better supported, more believable and persuasive appraisals and appraisal reviews. Additionally, an enhanced understanding of the process of selecting and analyzing properties that possess characteristics that may be useful for comparative purposes enables an appraiser to more clearly explain and support the analysis in an appraisal report. Lastly, users of appraisal services will be able to better assess the credibility of an appraiser's opinions.

See page 16 for details.

ATA 10 Annual Meeting and Education Conference

Don't miss the **10th Annual Meeting and Education Conference, August 14-15, 2015** at the Omni San Antonio Hotel at the Colonnade, 9821 Colonnade Blvd., San Antonio.



The meeting will begin at 12:30 p.m. with a welcome from ATA's president Bobby Crisp, ATA-R. The General Membership Meeting, election of new directors and Association Update will be held from 12:35-2:00 p.m.

The Friday afternoon education session, ***Understanding Green in Real Estate*** (3 hours**) will begin at 2:00 p.m. This session will be presented by Candy Cooke, ATA-G. With all the new information entering the market and construction methods altering because of that information, this course will assist real estate professionals in understanding how to correctly value and market homes with "green" components. Included is a discussion of building styles and materials, identifying components and cost estimating services.

There will be a networking reception at 5:30 p.m. and our 10th Anniversary Celebration Dinner (including the installation of officers and Appraiser of the Year Award) will begin at 6:00 p.m. We hope that you stay and enjoy the festivities with us as we celebrate this momentous occasion.

On Saturday, we will offer ***FHA SFR Appraising-Handbook 4000.1, No. 154*** (8 hours***). This session will be presented by Bryan Reynolds (a Certified AQB USPAP Instructor and certified general appraiser in KY

*Courses submitted under MCE Provider #9974, Fannie Mae CU and You = 04-00-047-28690; Understanding and Using Comparable Transactions = 07-00-057-28483

**MCE Provider #9811, Understanding Green in Real Estate, MCE #24278, ACE approval pending

***MCE Provider #0188, ACE/MCE approval pending

and TN). Are you up to date on the new FHA Handbook 4000.1 and Appraisal Data & Delivery Guide? This course provides the foundation necessary to appraise for FHA residential properties. Handbook 4000.1 replaces the old Handbook 4150 and numerous mortgagee letters. This course provides: extensive clarification of inspection requirements and a step-by-step guidance on analysis and reporting. Course Materials include a 76 page appraiser's extract from the Handbook, 48 page extract from the Appraisal Report and Delivery Guide, plus a special checklist and case study. These changes will go into effect on September 15, 2015.

ATTN: ATA Members/Interested Patrons: If you are interested in making a contribution towards our 10th Anniversary Celebration, [click here](#) to make your donation.

Hotel Accommodations

A block of rooms has been reserved for ATA meeting participants at the Omni Colonnade. Sleeping rooms are \$129 (plus tax) per night for single/double. Reservations must be received by July 24, 2015. After this date, reservations will be accepted on a space and rate availability basis. Call (800) THE-OMNI and mention ATA - 10th Annual Meeting or [click here](#) to register on-line.

See page 17 to register via US mail.

ACE/MCE Hours

These courses will be offered for 11 hours of ACE/MCE*/**. Full attendance is required for each session to receive the allocated ACE/MCE hours. No exceptions.

Registration Fees

Fee includes the Friday and Saturday education sessions, reception, dinner, one continental breakfast, three breaks and one luncheon. Registration with payment must be received at least five business days in advance of the conference to guarantee your registration. If you have not received an e-mail confirmation one week prior to the conference, please call ATA at (210) 837-7123, M-F, 9:00 a.m.-4:00 p.m. to confirm your registration.



ATA Nominating Committee Report

The ATA Nominating Committee (which is comprised of Past-President Arturo Palacios, ATA-G, President Bobby Crisp, ATA-R and Vice President Dennis Crawford, ATA-R) 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 14th in San Antonio:



- Andy Arledge, ATA-R, Abilene (West Texas)
- Stacey Cartwright, ATA-R, Victoria (East Texas)
- Luis De La Garza, Laredo (RG Valley)
- Wade Jordan, ATA-R, Garden Ridge (SC Texas)
- Steve Kahane, Cypress (East Texas)
- Ian Martinez, ATA-R, Santa Rosa (RG Valley)
- Rick Neighbors, ATA-R, Keene (North Texas)
- Ken Pruet, ATA-R, San Antonio (SC Texas)
- Bill Streep, ATA-R, San Antonio (SC Texas)

There will be three director positions to fill during the election as the terms of Andy Arledge, ATA-R, Mava Jalufka, ATA-R and David McInturff, ATA-R will be expiring. One person will also be elected to fill the unexpired term of Bobby Crisp, ATA-R who will be chairman of the board on August 14th. 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.

AMCs - A Bridge Too Far?

(Reprinted with permission from Working RE and OREP.org)

—Editor's Note: This is one appraiser's response to a recent WRE story: Appraisers, AMCs and Building Bridges. He writes under an alias due to fear of retaliation from his AMC clients - and he has something to say about that too.

by John Doe

Last night I lost a second appraisal from an AMC. All I was asking for was an additional \$25 fee, which is \$25 less than the customary and reasonable fee for this area. I lost two assignments yesterday this way. So today I'm not working.

I am a Certified Residential Appraiser. I attended the Appraisal Summit last year and saw the panel that you (David Brauner) moderated. I also liked your article Appraisers, AMCs & Building Bridges in Working RE (Visit WorkingRE.com; click Library, WRE Online). I am interested in your reporting on the auditing process of AMCs to determine who gets the appraisal, and their assertions that it is based upon competency first. In my experience, this is the exception, not the rule. I have found the opposite to be the case.



The AMCs are in a straight commodity arbitrage business. The only way they make money is by increasing their margins. Get more for the appraisal and then pay as little as possible. Despite what these AMC people say, to portray it in any other way is to miss the point. As an appraiser, I am on the opposite side of the table from the AMCs I work with. They want me to work for as little as possible and I want to charge as much as possible. It is an adversarial relationship, though it can be mutually beneficial.

My fees are below or equal that of most of my peers with whom I spend a lot of time. For example, today I got a request of \$240 for a 1073 (Condo) form. They typically pay me \$325 but due to the slowdown in lender work, they know they can pay less. I wrote them back and quoted \$300. They wrote back and said, "Thanks but no thanks." The reason I lose most of the AMC work offered to me is exclusively due to price. I have a 100 percent clean history and do clean and error-free work. The reason I lost the contract was my fee. Not regional competency. My only choice as an appraiser, as someone who has performed professionally in the field for 22 years (never sued, never sanctioned or scolded) is to accept this unequal power structure or leave the business.

In the go-go days that led up to the housing collapse, the financial institutions set up a structure that ensured appreciation in the housing market. Loan officers would give more/all work to appraisers who "hit" an inflated value. The same system is at play today with regard to appraisers and their fees. The system is set up to reward appraisers who perform at the lowest price. The appraiser who can turn around assignments the fastest and the cheapest get the work. But the appraisal fee doesn't go down for the customer, it goes down for the appraiser.

What I struggle with is that when all lender work was detoured through AMCs by the government, it took away my ability to negotiate with equal power. Since we are compelled to be in this relationship with AMCs, I don't see why it would be unethical to set standard brokerage fees for AMCs. Create a dynamic where appraisers and AMCs have equal power.

Finally, appraisers are afraid to speak freely and publicly. My name is not attached here because one of the AMCs that I deal with made me sign an agreement that states that I will not say disparaging things about them, otherwise they can sue me. These institutions aren't afraid of appraisers speaking lies about them; they are afraid of appraisers speaking the truth about them and are seeking to suppress open and honest discourse.

Disaster Inspection Report

(Counties that have been declared a disaster)

Bobby Crisp, ATA-R



Due to all of the bad weather and flooding Texas has experienced, there have been numerous requests by lenders to have appraisers provide a “Disaster Inspection Report”. I think most of this is coming from interpretations of Fannie Mae Selling Guide Section B2-3-05, Properties Affected by a Disaster (04/15/2014). The Mortgage Selling and Servicing Contract requires the lender to warrant for each mortgage loan it delivers to Fannie Mae that the property is not damaged by fire, wind, or other cause of loss. Due to this servicing contract, lenders are asking appraisers to provide a 1004D regarding the status of those properties located in counties that have been declared a disaster.

I would strongly suggest NOT using the 1004D for this type of request. The 1004D was designed for two specific uses - An Appraisal Update and/or a Certificate of Completion. Both have a reference to value and both have a Certification. A “Disaster Inspection” does not fit the criteria for either section of the 1004D. A “Disaster Inspection” is not an appraisal, nor does not have anything to do with a value opinion. There is no requirement for a Certification. Using the 1004D as a Certificate of Completion implies that there was a “condition” in the original appraisal (required repair or a require inspection, etc.). When a disaster has occurred after the effective date, the use of the 1004D could be seen as misleading

There is a separate form called a “Disaster Inspection Report”. Some lenders have been known to say that “Fannie Mae does not accept that form. We must have the 1004D.” Fannie Mae does not express what type of “form” (if any) are required. Fannie simply states “the lender is expected to take prudent and reasonable actions to determine whether the condition of the property may have materially changed since the effective date of the appraisal report. The lender is responsible for determining if an inspection of the property and/or new appraisal is necessary to support this warrant.” There is no requirement to use the 1004D or any other form for that matter. A letter on your company letterhead with an explanation and photos will accomplish what is truly needed.

Of course, everyone likes to use a form. So, if you are going to provide this service to your lender/client, your appraisal software provider has a “Disaster Inspection Report” that is specifically designed for this very situation.

Ultimately, it’s your decision.

Food for thought!

Unauthorized Use of Appraisal Sketches in MLS listings

Bill Strep, ATA-R



Our appraisals are our work product, and they are also the property of our client. Right? This comes up every time someone wants to “transfer” an appraisal, right? But how about after the fact? How many times have you looked at the “associated documents” or “attachments” in an MLS listing, and you’ve found another appraiser’s sketch and thought “oh, that might come in handy”. But how do you react when you find YOUR sketch? Or even your whole appraisal report? And, have you ever printed that sketch, and used it? I mean, even as a template to draw your sketch, using his/her basic diagram? Well, maybe it’s time to rethink this whole thing. Here’s 2 examples why you might...

A Realtor® helped his investment home buyer buy a house, with a GLA of around 2100 square feet. The GLA was larger than listed in Tax Records, but the listing agent had a sketch from an older appraisal on the property. When the appraisal came back, the home was over 200 square feet less. BUT, the appraised value supported the contract price. The buyer could not back out of the contract without losing his significant earnest money. According to this Realtor®, Texas Case Law says that the buyer is responsible for verifying the GLA of the home they are buying, prior to entering into a contract. So, guess who the buyer went after for his earnest money? The appraiser for the old appraisal? The seller’s Realtor®? The seller’s Realtor® eventually had to pay up.

This example happened to me just a few weeks ago. I appraised in a home high-end neighborhood, where the 2nd story was somewhat challenging to measure. Normally, I can measure a 1 story house in about 10-20 minutes, 2 story homes in 15-25 minutes. Complex properties may take longer. The longest was a 17,000 square foot home that took 6 hours. This particular home took me an hour and a half. But most of that time was spent re-checking my numbers, because I knew that the GLA I came up with was about 500 square feet smaller than the home was represented to be. The seller's Realtor® met me at the house. So, he pulled out the sketch he had used. He called the sellers, who had ANOTHER appraisal with a GLA measurement similar to the Realtor®'s sketch. He figured I must be wrong, as 2 other appraisers had measured it similarly. He got a hold of the other sketch, and the 2 of us went back to the home together. Seems that the sketch he used in his MLS listing was mostly copied from the 1st appraisal... Uh oh. When comparing the sketches, the mistakes were very obvious – and similar. With a laser and the sketch, I quickly proved to him where the problem was. He had relied upon an inaccurate sketch, for which he had no rights to, to sell a luxury home...

When I see a sketch in MLS, and I can identify the appraiser, I call the appraiser and let them know. Frankly, when it's mine, I'm really ticked. Especially last week, when I ran into a Realtor® that I've asked before not to use my sketches. She's the subject of #8 below. Just recently, I emailed the General Counsel of our liability insurance company, to get his take on this. Here are some of the points I emailed to him:

1. When I take an assignment, I certainly don't include liability for the use of my sketch as marketing material – I don't want to be liable to a 4th party (a buyer) for a sketch I completed.
2. It's my belief that the sketch belongs to the mortgage company for which it was developed, and it's MY intellectual property. And we can't give a Realtor® permission to use that sketch, without our client's permission.
3. Sketches are quite often opinions. For instance, if some of the GLA is uncertain (an addition, a converted patio, etc.), the discussion regarding that area that is in the report, is not included in the sketch page.
4. The borrower is not an intended user of the report. That is clearly stated. Everyone seems to ignore that. They pass around appraisals like they were dinner menus at Denny's, and seem



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shocked when I tell them it is actually a confidential document. So, the borrower isn't an intended user, neither Realtor® is an intended user, and the future buyer of the property 6 or 10 years down the road is not an intended user. But somehow, they all want to use my sketch.

5. Sketching a home is a challenge to appraisers. Some more than others. Complex properties can be particularly challenging. Not all sketches, unfortunately, are correct.
6. For a fee, I will measure a house to be utilized in marketing a home. I can tell you that I'm VERY particular with that measurement. I also use a Disto Laser and an iPad for sketching in the field – I know before I leave EXACTLY how big the house is, and if I've made a mistake. Measuring mistakes show up right away.
7. When I ask Realtors® if they would use marketing material or photos in their MLS listing that had been developed by another Realtor®, the answer is always "of course not". Why then, I ask them, is it OK for you to use MY intellectual property in your listing???
8. One of the Realtors® in question gets around this by saying "I just put up my client's Disclosure, and they included a sketch and/or plat with it". She does this by faxing the Disclosure, along with any other documents (like my sketch) to herself, and then uploading it. She claims her hands are clean. Interestingly, she manages to have the appraiser's identifier that's on the bottom of the sketch removed...



So, I asked him: Do we, as appraisers, have the right to prevent our sketches from being used in MLS listings? His short answer was, "I agree with every point you made". This includes #8, where the Realtor® hid the sketch in the Disclosure. He added "you might add in a friendly way that their use of the sketch violates your copyrights to the report (because you own the copyrights regardless of whether you actually "register" a document with the U.S. Copyright Office)."

He also suggested that we do something similar to what appraisers in Arizona did, to have appraisals removed from listings (I'd add "portions of appraisals – including sketches" to this). <http://www.saaronline.com/news/2014/10/07/aarea-says-posting-appraisals-with-listings-violates-copyright>.

I also let him know that one of the things we've started doing is putting the following into all of our sketches: "The use of this sketch for marketing purposes is expressly prohibited". He suggested even more: "This sketch and the measurements described in this report were prepared solely for use by the intended users identified in the accompanying appraisal report for a mortgage loan transaction purpose. Any other use by any party is not authorized, and use of the sketch or measurements for marketing or listing purposes is expressly prohibited."

The bottom line is this. WE need to be proactive in keeping appraisals and sketches out of MLS. If you see one, report it. If the appraiser's name or phone number is on it, let them know. If not, report the incident to your MLS. And by all means, please quit using them for your own work. If your software has a mobile app, use it. It took me a little while, but I now find it MOST useful on the big houses. I know, before I leave, that my sketch is right. We've recently decided to use it even for new homes where we have the builder's floorplan. Because we will KNOW we have a problem while we're still in the field. If you get back to office and find that you've made a mistake, take the time to go back out and check.



NAR Code of Ethics for Appraisers

Realtors® are required to complete ethics training of not less than 2 hours, 30 minutes of instructional time within four-year cycles. The training must meet specific learning objectives and criteria established by the National Association of Realtors®.

The current four-year cycle will end Dec. 31, 2016.

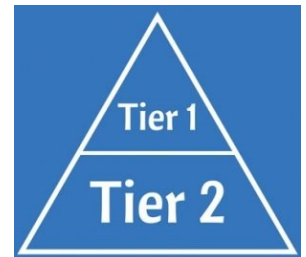
Training may be completed through local Realtor® associations or through another method, such as home study, correspondence, classroom courses, or online courses.

A new Code of Ethics class is due out in September. It will be designed specifically for **appraisers**. It is recommended that appraisers hold off until then to take the program. NAR members are required to have the ethics by the end of 2016.

ATA is considering offering this course at our regional meetings beginning in 2016.

Are you a Tier 1 or Tier 2 Appraiser?

Editor's Note: According to Richard Hagar, SRA, become a "Tier 1" appraiser by providing high-quality work and good service, and enjoy higher fees and better clients. *(Reprinted with permission from Working RE and OREP.org)*
by Richard Hagar, SRA



Nordstrom or Walmart? Mercedes or Yugo? Are you a Tier 1 or Tier 2 appraiser? Appraisers have two different business models to choose from.

I have seen that many lenders classify appraisers into two or three different tiers based on their perception of the quality of your product. Which tier are you? The amount of business you have and the amount you are paid is very likely based on how lenders classify you.

There is a lot of appraisal business right now and lenders are begging for high-quality appraisals. Many appraisal firms are buried in business, quoting three-plus weeks out in turn time, with high fees. Here in the Northwest we are earning \$550 for a standard home. If your company is not busy or you are making far less than this, here are some tips.

The two most common questions lenders ask in the training sessions I conduct for them nationwide are:

1. How does my institution find good appraisers? And, even though we are paying high fees, why are we still not receiving high quality work?
2. Do you have any suggestions on how we can solve this problem? Ouch!

When I share what lenders say with a class full of appraisers, they often reply: if lenders would pay reasonable fees, I'd provide better appraisals! Ouch again!

While we all understand the feeling, that is not how business in America works. So let's rephrase what the lenders are hearing: pay me more money and then I'll provide a good product. Wow! Imagine a TV ad where Apple states: send us \$250 for this new iPhone- it's a super phone but if you want one that is assembled correctly and will serve its purpose, then you will have to send us \$500. That sounds ludicrous, doesn't it? But it's exactly how many appraisers argue for increased fees.

Appraisers, do you walk into a discount clothing store, pick up a suit and tell the sales person that you are willing to pay more if only they could alter it into a high-quality suit? Probably not. More than likely, you'd skip the store with the poor merchandise and head to Nordstrom to buy the superior quality suit you want and avoid negotiating with the discount store... right!? If appraisers want higher fees, they first have to prove they are capable of providing a superior product and service.

Superior product first, increased fees second, not the other way around.

Which "Tier" are you?

Are you a Tier 1 or Tier 2 appraiser? From my non-scientific analysis, Tier 1 appraisers in most every part of the country are commanding near \$450 or more in fees, while Tier 2 appraisers are paid significantly less. At this moment, if you are saying: Richard, you don't understand the pressure for low fees in my area, you'd be wrong. Our firm has the same competitive pressures and issues that you face. Believe me, from what I have heard from them, many Lenders are desperate for good appraisers and are willing to pay top dollar for appraisers capable of Tier 1 work. Imagine how bumping up your fee even \$25 or \$50 per appraisal might change your attitude!

Low Fee Treadmill

It's true that certain unscrupulous lenders and AMCs use Tier 2 or 3 appraisers for simple form-filling assignments where they don't really care about the value or quality. They consider an appraisal a mandated bucket-filler for getting the loan approved. Tier 2 appraisers are quick, cheap and disposable. Use them, abuse them, pay them as little as possible, and when their work is hard-stopped by Fannie Mae's Collateral Underwriter system, toss them aside and find another. Tier 2 appraisers are disposable pawns to some AMCs and lenders. This is why some appraisers are consistently paid poorly.



When good clients discover that you have a superior product, they will elevate you to Tier 1 status and will be willing to pay more. Tier 1 appraisers require fewer call-backs, need fewer corrections and provide proof of adjustments within the report. Their reports put the lender at ease, answer questions before they are asked and look professional.

Now I'm not saying clients are likely to tell you that you are a Tier 1 appraiser and volunteer to pay you more. Like any shopper, they try to obtain the same product for a lower fee, it's the American way. You need to prove you are worth it and then you need to ask for what you are worth.

Hooked on Quality

Drug dealers are known for being willing to give products away for free, just to get users hooked. Once hooked, they charge the maximum and the drug users will pay or face withdrawal pain. Have you tried getting a client hooked on your appraisal product before demanding more pay, or are you just demanding more money without proving your own value? Get the client hooked on your product. After a time, they will forget the competitor's phone number and call you for the difficult assignments as well as the easy appraisal work. Increasing fees is easier now because you've earned their trust and respect for your product.



Many appraisers try to compete on price- the Walmart strategy. Trying to compete with cheap fees is a race to the bottom. How many remember White Front, Kmart, Value Mart? These were stores that tried to compete on price. They no longer exist. There only can be one at the bottom and it's the same for the appraisal business. There used to be 159,000(ish) active appraisers in the U.S., today there are less than 80,000. I predict there will be fewer than 74,000 by the end of the year. Why have so many left the business? They lived in Tier 2 hell: blacklisted by lenders and Fannie Mae, disciplined by their state, drawn into lawsuits from borrowers and/or working for low-fee AMCs that eventually drove them out of business.

At this point in the history of our profession, appraisers must consider their business model. Are you going to accept lower fees in a race to the bottom, where there can be only one winner, or are you going to supply a better product than most everyone else? It's your business model and your choice as to your income.

Being Tier 1

My suggestion is to try to be better than average, typical, or similar to other appraisers. Shoot for Tier 1-level quality and supply a report that accurately describes the neighborhood, market, subject, and comparable. Make market-based adjustments and include proof of the adjustments in the report. Stop using MLS photographs, it makes you look lazy. Take a live class or webinar on how to determine supportable adjustments; there are more than 25 different methods including mass analysis, single-line regression, matched pair, and

capitalization of rent. Have you even tried one or two different methods or are you still using some worn out adjustment sheet your trainer gave you 20 years ago?

Provide a superior product with a polite, service-oriented business at a competitive rate. As appraisers continue to leave the business, now is the time to raise your quality and be the "go to" appraiser. Once you have them hooked on your product, increase your fees- you'll be worth it and they'll be glad to pay it.

Texas A&M University Real Property Credits

The Appraiser Qualifications Board of The Appraisal Foundation announced that graduates who hold a Bachelor of Science from Texas A&M University's Agricultural Economics with Finance and Real Estate Option degree program may be able to receive education credit toward the *Real Property Appraiser Qualification Criteria*.



Graduates who hold this degree as of the 2009-2010 academic year or later may be able to receive up to 276 hours toward the requirements to become a real property appraiser.

The AQB created the Undergraduate/Graduate Degree in Real Estate Review Program to recognize undergraduate and graduate degrees in real estate that meet the qualifying education course requirements established by the AQB for real property appraisers.

The approval helps regulatory agencies vet the qualifications of real property appraiser applicants while attracting high-quality students to approved colleges/universities.

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With Fannie Mae's implementation of UAD and now the Collateral Underwriter, Appraise-It's Report Validator has become an invaluable tool for any appraiser completing UAD reports. This will most certainly save you time and potential trouble with the AQM.
-Lane D, Mississippi

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Multiple Adjustment Methods	✓							
Matched Pairs	✓				X			
Adjustment Support	✓		X	X	X	X		
1004MC	✓	X	X	X		X		
Automatic Cost Approach	✓							
Public Records Verification	By the end of Feb.	X					X	
Graphs	✓		X	X		X		
Workfile Documentation	✓							
Uses Your MLS Export	✓	X	X	X	X	X	X	
Works with Any MLS	✓		X	X	X			
Price per month (unlimited)	\$100	\$89	\$50		\$50	\$49	\$125-300	
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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.

Get Ready...Get Ready...Get Ready—ATA's 10th Annual Meeting Celebration

ATA will celebrate its 10th Annual Meeting and Education Conference August 14-15, 2015 in San Antonio at the Omni Colonnade on I-10. Our plan is to host a dinner on Friday evening, August 14. To do this, we will need sponsorships. We are looking for the following:

Annual Meeting Sponsorship Levels

Gold: \$1000

- One free booth & two meeting passes
- One half page ad listing in two issues of *ATA Connections*
- Logo & Name on ATA's Website
- Recognition in Marketing & Conference Materials
- 1/2 page ad in the 10th Anniversary Program

Silver: \$500

- One quarter page ad in two issues of *ATA Connections*
- Logo & Name on ATA's Website
- Recognition in Marketing & Conference Materials
- 1/4 page ad in the 10th Anniversary Program

Bronze: \$250

- Recognition in Marketing & Conference Materials
- One business card ad in one issue of *ATA Connections*

Breaks: \$200 (3 available)

Saturday Breakfast: \$200 (4 available)

Saturday Lunch: \$500 (6 available)

10th Anniversary Program Half Page Ad: \$150

10th Anniversary Program Business Card Ad: \$100

10th Anniversary Program Patron Ad: \$50

To sponsor, log on to www.txappraisers.org/sponsor.html. If you have any questions or comments, email us at info@txappraisers.org or call (210) 837-7123.

10th

Annual Meeting and Education Conference



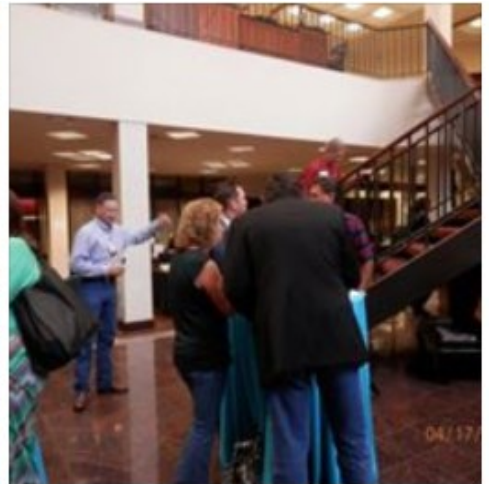
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Appraiser's Business Companion is the only online resource you need to handle real estate appraisals like a pro. Register today to gain immediate access to our online tools.

**ATA's Rio Grande Valley Meeting
April 16-17
McAllen**



SAVE THE DATE
COMING UP

**Mark Your Calendar:
10th Annual Meeting and Education Conference, San Antonio
August 14-15**

Association of Texas Appraisers - Meeting Registration Form

Houston Area Meeting
June 26-27
Houston, TX

Name: _____ Name for Badge: _____
Address: _____ E-Mail: _____
_____ Phone: _____

Fee:

Member	\$145
Non-Member	\$270
Guest Lunch (not for attendees)	\$20

Total Due \$ _____

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

Mail Registration and Payment:

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

Register and Pay On-line:

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 June 22. No refunds after June 22.

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

Schedule

Friday, June 26

11:30 a.m.	Registration
12:30 p.m. - 1:00 p.m.	Welcome and ATA Update
1:00 p.m. - 5:00 p.m.	<i>Fannie Mae CU and You</i>
5:00 p.m. - 6:30 p.m.	<i>Networking Reception</i>

Saturday, June 27

7:30 a.m.	Breakfast
8:00 a.m. - Noon:	<i>Understanding and Using Comparable Transactions</i>
Noon - 1:00 p.m.	Lunch (included with your registration fee)
1:00 p.m. - 4:00 p.m.	<i>Understanding and Using Comparable Transactions (con't)</i>

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

A block of rooms has been reserved for attendees at the Holiday Inn Houston West - Energy Corridor. Sleeping rooms are \$79 plus tax per night for single/double rooms. Reservations must be received by Thursday, **June 22, 2015**. After this date, reservations will be accepted on a space and rate availability basis. Call (800) HOLIDAY and mention ATA to receive this discounted rate.

Association of Texas Appraisers - Meeting Registration Form

10th Annual Meeting & Education Conference
August 14-15, 2015
San Antonio, TX

Name: _____ Name for Badge: _____
Address: _____ E-Mail: _____
_____ Phone: _____

Early Bird Fee (Before July 31):

Member	\$125
Non-Member	\$250
Guest Lunch (not for attendees)	\$20

After July 31 Fee:

Member	\$145
Non-Member	\$270
Guest Lunch (not for attendees)	\$20

Total Due \$ _____

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

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13530 Escort Drive
San Antonio, TX 78233

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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 Aug. 10. No refunds after Aug. 10.

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

Schedule

Friday, August 14

9:00 a.m. to 11:00 a.m. *ATA BOD Meeting (Session 1)*
11:30 a.m. Registration
12:30 p.m. to 1:35 p.m. Welcome and ATA General Membership Meeting
1:35 p.m. to 2:00 p.m. *Association/Industry Updates*
2:15 p.m. to 5:30 p.m. *Understanding Green in Real Estate*
3:45 p.m. to 4:00 p.m. *ATA BOD Meeting (Session 2)*
5:30 p.m. to 6:00 p.m. *Networking Reception*
6:00 p.m. to 8:30 p.m. *10th Anniversary Celebration Dinner*

Saturday, August 15

7:30 a.m. Breakfast
8:00 a.m. - Noon: *FHA SFR Appraising-Handbook 4000.1, No. 154*
Noon - 1:00 p.m. Lunch (included with your registration fee)
1:00 p.m. - 5:00 p.m. *FHA SFR Appraising-Handbook 4000.1, No. 154 (con't)*

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

A block of rooms has been reserved for ATA meeting participants at the Omni Colonnade. Sleeping rooms are \$129 (plus tax) per night for single/double. Reservations must be received by **July 24, 2015**. After this date, reservations will be accepted on a space and rate availability basis. Call (800) THE-OMNI and mention ATA - 10th Annual Meeting or [click here](#) to register on-line.