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Connections

Official Publication of the Association of Texas Appraisers, Inc.



Pam Teel, ATA-G
ATA President

This time of year naturally leads us to witness lots of changes. I am experiencing it in my own life, as I am sure many of you are as well. One of my granddaughters just graduated high school this past weekend.

She's heading to Colorado in the fall for a year of study there at the Bible School at Timberline Lodge. The oldest granddaughter has moved out of her parent's home and is making a life of her own as she is going to school and working -- and excelling at it! My oldest grandson just completed his second year of college. My daughter and her husband are this month officially adopting the little guy that's been with them since he came home from the hospital two years ago, making Grandchild #10 for us! We couldn't be happier.

As you've probably heard, Corelogic will be closing The Columbia Institute at the end of May. Many of us have very fond memories of learning under the tutelage of many great instructors over the last 25+ years through The Columbia Institute, including Mr. George Harrison. It feels like the end of a very great era! I've had the privilege of teaching for TCI as a contractor for the last five years. So, I will certainly miss that relationship and the relationships I have developed with such great people as Heather Sullivan, Kevin Hecht, Felicia Parker, Alisha Atwater, and our own Teresa Walker! Constant change ...

I started writing this month's newsletter over this past weekend. Based upon what was going on around me, I was inspired to talk about change. I had 13

pages of notes! This was gonna be good!! I opened my email on Monday morning to find the latest Appraisal Buzz with an article by Mark Buhler dated May 23, 2022, at 8:37 a.m. entitled "Who Moved My Appraisal Cheese?" (<https://appraisalbuzz.com/who-moved-my-appraisal-cheese/>). In it, Mark cites six lessons to be learned from the book "Who Moved My Cheese", the moral of which is to be quick to adapt to change so that you can experience more success and joy in life. Out the window went all my notes and great quotes ("Change is the only constant in life." – Heraclitus and "Life is never static. It's one of the reasons that we enjoy living.", Bernard Schroder, Forbes Magazine). Oh, well; someone moved MY cheese!

So, let's talk about "normal". I frequently hear someone say, "I can't wait until we can get back to normal." What is "normal" (other than a setting on my clothes dryer)? If you look up normal in the Merriam-Webster online dictionary, you find, "conforming to a type, standard or regular pattern: characterized by that which is considered usual, typical, or routine." "Normal" is completely subjective and the very definition of what is normal is constantly changing and ever evolving.



Just how did THIS become something to which we want to aspire? And who gets to decide what it means to be normal? I think we can agree that what is normal to one person may indeed be abnormal to another (example: my daughter puts butter in her coffee.

That's not normal!). And when do we applaud deviations from the norm, and when do we condemn them?

(Continued on page 2)

Upcoming Industry Meetings:

- June 28—TAFAC and IAC Joint Meeting, Crystal City, VA
- Aug. 19-20—ATA's 17th Annual Meeting and Education Conference, Georgetown
- Sept. 24-27—Appraisal Summit, Las Vegas
- Sept. 29—AQB Public Meeting, Sept. 29, Virtual
- Oct. 14-17—Association of Appraisal Regulatory Officials (AARO), Washington, DC
- Oct. 20—ASB Public Meeting, Virtual

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From the President (con't)

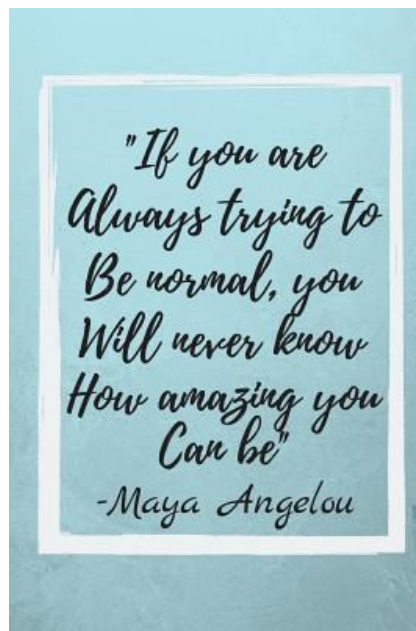
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It's hard for me to remember back to what was "normal" before we entered the Twilight Zone of Covid19 in March of 2020. I do not think that I believed I was living in the Land of Normal even prior to 2020!

Really, there are two opposing forces within each of us. One part longs to be "normal" and accepted by society. Being accepted by society is high on our list of priorities, and in our quest to be accepted, we have glorified being normal. We want to blend in with everyone else. Yet, the other part of us screams to be unique and stand out. Haven't the people who have changed the world been those who took that chance to be judged and risked standing out and thinking differently? Maya Angelou is quoted as saying, "If you're always trying to be

normal, you will never know how amazing you can be."

I believe the quality of our members in the Association of Texas Appraisers is well beyond normal! The ethics and professionalism of ATA members exceeds the industry's statistical norm. I believe our members are world changers, willing to stand out and think differently, striving to be amazing! I'm honored to be part of this group. Now more than ever, our profession needs appraisers that are willing to forego "normal" and shoot instead for "great" and "extraordinary"! We need to show the



world what it means to be extraordinary in our field.

I look forward to getting together with some of the best appraisers in the industry at the ATA annual conference in August in Georgetown! And I hope you will consider joining me at the ACTS Conference in Las Vegas in September. Both conferences promise to go far beyond "normal"!

Pam Teel, ATA-G, MNAA
ATA President

New Members

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

Amanda Altheide, Keller
Amanda Ballard, Mont Belvieu
Nicole Bookout, Katy
Douglas Bradshaw, Pearland
Michael Brubaker, Houston
Kenneth Bunton, San Antonio
Thomas Cain, Houston
Mackenzie Clare, Montgomery
Robert Crow, Jr., Houston
Orlando Delgado, Arlington
Brett Epperson, Canyon Lake
Barbara Faulkner, San Antonio
Luis Figueroa, Dallas
Tiffany Finch, Katy

David Garza, Missouri City
Kory Giddens, Fort Worth
Mark Goodner, New Braunfels
Matthew Hyatt, Dallas
Victoria Iglesias-Romo, San Antonio
John Kaldor, Houston
Aaron Kelcy, Plano
Deborah Lawson, Willis
Harith Madhi, Katy
Denise Mobbs, Converse
Scott Nevil, Kyle
Robert O'Brien, Houston
Justin Perry, Dallas
Joseph Rubler, Cypress
Bertha Saenz, Spring
Tracy Scroggins, Granbury
Beverly Smith, Converse
Marshall Tribble, Jr., Midland

William Trigg, Rockport
Darrell Wachel, Hallettsville
Mark Walshak, Sealy
Shawn Wilson, Sudan
Ryan Weddle, Corinth
Joey Lynn White-Bullock, Spring
Keisha Wilkinson, Bradenton, FL
Randy York, Fort Worth
Tammie Young, Kingwood

Are you interested in joining ATA?
Log on to www.txappraisers.org and click on join us.



Next TALCB Meeting

The next TALCB meeting will be held on August 19 at 9:00 a.m. at the Stephen F. Austin Building, Room 170, 1700 North Congress, Austin.

These Board meeting are open to the public. ATA encourages every Texas

appraiser to attend these board meetings as often as you can. This Board determines your future!

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



ATA Annual Meeting and Education Conference

ATA's 17th Annual Meeting and Education Conference will be held **August 19-20** at the Sheraton Georgetown Texas Hotel and Conference Center, 1101 Woodlawn Avenue, Georgetown, TX 78628.

The following events will be held at this annual meeting:

- Thursday afternoon - 4:00 p.m. - 6:00 p.m. - **ATA Board of Directors Meeting** (Session 1)
- Friday morning - 8:00 a.m. - Noon - **Appraising for the VA...What You Need to Know** (Separate Registration Fee) This session will include a panel of experts familiar with appraising for the VA, discussing topics relevant to appraising for VA. Moderator - Bobby Crisp, ATA-R (VA Fee Panel Appraiser): Panelist-Myron Head, Valuation Officer, Houston Regional Loan Center, VA, Stephanie Streep, ATA-R, Appraisal Associates of Central Texas, LLC (VA Fee Panel Appraiser), Margie Reyes, USAA (Appraiser), William Trombly, Trombly Appraisal LLC (Appraiser and Veteran) and Ken Pruett, ATA-R (VA Fee Panel Appraiser)
- Friday afternoon - 12:30 p.m. - 1:00 p.m. - **Welcome and Update**, Pam Teel, ATA-G, ATA President
- Friday afternoon - **Using Scanning Technology to Your Advantage** (3 hours*):
 - ◇ 1:00 p.m. - 1:50 p.m. - **Third Party Inspections**, Mark Walser, Incenter Appraisal Management
 - ◇ 1:50 p.m. - 2:00 p.m. - **Break**
 - ◇ 2:00 p.m. - 2:50 p.m. - **Writing Reports Based on Third-Party Inspections**, John Dingeman, Class Valuation
 - ◇ 2:50p.m. - 3:00 p.m. - **Break**
 - ◇ 3:00 p.m. - 3:50 p.m. - **Third-Party Inspection Liabilities**, Craig Capilla, Franklin, Green-swag, Channon & Capilla LLC
 - ◇ 3:50 p.m. - 4:00 p.m. - **Q&A**
- Friday evening - 4:15 p.m. - 5:15 p.m. - **ATA Membership Meeting**
- Friday evening - 5:15 p.m. - 5:30 p.m. - **ATA Board of Directors Meeting** (Session 2)



- Friday evening - 5:15 p.m. - 6:30 p.m. - **Networking Reception**
- Friday evening - 7:00 p.m. - 10:00 p.m. - **Rentsch Brewery** (and Munch Munch Waffles food truck) at 2500 Northeast Inner Loop, Georgetown
- Saturday - 8:00 a.m. - 5:00 p.m. - **Critique - Anatomy of a Review**, (7 hours*) Hal Humphreys, Appraiser eLearning

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

Who Should Attend

Anyone who needs to stay on the leading edge of appraisal issues, as well as professionals who are responsible for keeping appraisal processes in compliance.

Hotel Accommodations

ATA has booked a limited number of rooms. The rate is \$149. This rate expires on July 28. Call (800) 477-3340 to reserve your room.

Just 30 minutes north of downtown Austin, this newly built 222-room hotel makes enjoying the best of the Hill Country completely effortless. Set on the banks of the San Gabriel River, outdoor activities from jogging trails to ropes courses are just steps away. This AAA Four Diamond hotel offers a heated oasis-like outdoor pool and park views.

Registration Fees

The fee to attend this meeting (Friday afternoon and Saturday) is \$150 for ATA members and \$300 for non-members (not a member, [join now!](#))

The fee to attend **Appraising for the VA...What You Need to Know** is \$50 for members and \$75 for non-members (includes lunch). You can also attend Friday afternoon only for \$50 for members and \$75 for non-members. There is a \$10 admission fee to attend the social on Friday evening at Rentsch Brewery. (Fees increase \$20 14 days before the meeting.)

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.

Exhibitors/Sponsors

WE LOVE OUR SPONSORS!!!

If you are interested in exhibiting or sponsoring, please contact [in-fo@txappraisers.org](mailto:info@txappraisers.org) or download the [exhibitor/sponsor form](#) here.

Cancellations/Refunds

Due to our commitment for the facilities and food for the event, a full refund can only be issued 3 business days prior to the event. After the 3 day deadline, no refunds are able to be issued.

*Approval Numbers: All courses have been submitted to TALCB and TREC. Approvals are pending.

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Annual Meeting Gold Sponsors



CLASS VALUATION

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ATA Board Member Nominees:



**Eileen Brown,
ATA-R, Marble
Falls**

Eileen Brown, ATA-R has worked in an appraisal office since she was a freshman in high school. What

started out as an after-school job, has evolved into over 20 years experience and 15 years as a certified appraiser. She is a charter member of ATA and has served on the board of directors previously.

She's also a designated member of National Association of Appraisers and holds an active real estate sales license. She is a mother to four children, volunteering regularly in school, church and community functions. In her few spare moments she enjoys gardening, hiking and kayaking.

She feels that being a member of the Association of Texas Appraisers has allowed her a safe place to learn, grow & connect with fellow appraisers. She would like to spend the next 20 years of her career, sharpening the tools she has already acquired, fostering trainee appraisers and getting more involved in issues that affect our profession, to ensure appraisers remain strong & essential to the housing industry.



**Frank Santos,
ATA-R, Houston**

I started my appraisal career in the late 1990's. Primarily, I was a go-pher/office support dropping off hard copies to

the client, developing film at the hour photo. Later I became Licensed and then Certified in the early 2000's. I primarily service Galveston and the greater Houston Market. Non Appraising interests include spending time with my wife Rachel, son Gavin, daughter Lyla, four cats, tortoise and our Border Collie Bodhi. Also, I enjoy spending time at the beach, surfing and renovating our raised Gulf Coast Cottage built in February 1911. If you've seen the Money Pit w/ Tom Hanks and Shelly Long, it's very similar. ATA is hands down the best professional organization I've ever been exposed to and given the opportunity, it would be my pleasure to serve.



**Roy Thompson,
ATA-L,
Burnet**

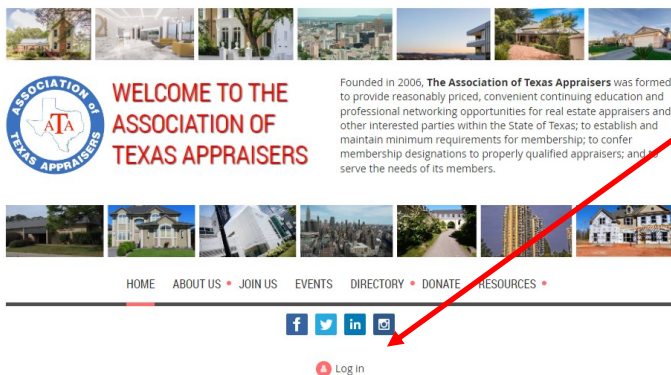
(ATA's current alternate director) is a Licensed Real Estate Appraiser from God's country, Burnet,

TX. Roy lives there with his wife, Tamara Thompson, a fellow appraiser and member of ATA. They have one son (a senior engineering student at Abilene Christian University) and a house full of animals they spoil like children. Roy is active in his local church congregation and he loves Jesus.

Roy has been an ATA member since Donna Green invited him to a meeting in 2017. Roy has found it to be a group of fun, knowledgeable people, who make him a better appraiser through sharing stories and lessons learned as well as support and caring. He looks forward to serving ATA in the coming year and beyond.

If you are interested in running for the ATA Board of Directors in 2023, [click here](#) for a document that lists ATA's Leadership Responsibilities.

Update Your Profile



ATA Members—We have made a few updates to our website. When you have minute, log in (www.txappraisers.org) and update your profile.

- Click edit your profile.
- Check your profile information and make any corrections.
- Add an avatar (your image or company logo)
- Make sure your correct license number(s) is listed
- Select your Texas License Type
- Add a short bio
- Select the counties you service

You could be missing valuable business because we (and potential clients) don't know if you are licensed, certified residential or general or where you appraise.

Thank you.

LOOKING FOR A TRAINEE

ATA has an extensive list of appraiser trainees looking for sponsors. [Click here](#) for a list of trainees looking for sponsors. If you are having trepidation about taking on a trainee, [check out this video from Fannie Mae](#).

LOOKING FOR A SPONSOR

[Click here](#) for more information on finding a sponsor and getting your name on the trainees looking for sponsors list.

AARO Spring Conference Highlights



Steve Kahane, ATA-R Chair, Legislative-Current Affairs Committee

I recently attended the AARO (Association of Appraisal Regulatory Officials) conference in San Antonio. Initially I was skeptical I would get much out of it as I am not on the TALCB

board and am not any sort of regulatory official. However, I was pleasantly surprised with how much I learned about the actual and proposed changes coming to our profession and about the people shaping those changes. One thing that was reassuring to learn was that most of these people are professionals like you and me trying to do what's best. Many are practicing appraisers. I didn't always agree with what was proposed or enacted, but neither did the policy makers. Below are some of my take-aways from the conference.

1. We are lucky to appraise in Texas. Many states lump multiple professions under one umbrella administrator. For example, TALCB combined some administrative staff with TREC. By contrast, Washington State's office covers 55 licensed professionals and businesses. Some states lack the digital infrastructure we have. Some require appraisers to print their license renewal, fill it out with a pen and mail it in with CE certificates. I have been to dozens of the other state agency's web sites (I need a new hobby or some Netflix suggestions) and none of them operate as transparently as Texas or have as much information available.
2. The [PAVE](#) report action plan was a big topic at the conference. Mel-

ody Taylor, the Executive Director of PAVE (Property Appraisal and Valuation Equity) outlined the findings of the interagency government report largely about appraisal bias. Some in attendance see this as a watershed moment on par with FIRREA and Dodd Frank and will lead to reformation of the laws and governance of our profession. Others, like Dave Bunton, President of the Appraisal Foundation see significant change unlikely given the divided and partisan make-up of congress. He noted that 93-97% of bills fail to become law. Others still think it is the umbrage de jour that will have a limited impact on our profession, likely leading to little more than some new boiler plate comments added in each appraisal report. A few changes resulting from PAVE and



ATA's executive director, Teresa Walker, hosted a few AARO conference attendees. You might recognize a few. Bobby and Doni Crisp, Steve Kahane, John and Blair Dingeman, Melissa Bond and Amelia Lovorn.

the recent reporting of bias are certain or likely though. The Ethics Rule in USPAP is currently being re-written to better define bias. Some states have recently mandated bias and fair housing CE (continuing Education) and QE (qualifying Education). Other states are pushing the AQB (Appraiser Qualifications Board) to

mandate the education. Texas is waiting for a mandate from the Appraisal Qualifications Board as they have never exceeded their requirements and don't want to mandate education that would not meet AQB requirements.

3. Ghosting was brought up as a concern from AMCs, lenders and GSEs. Ghosting is when an appraiser accepts an assignment and then fails to communicate with the client, borrower or anyone else. We all get pesky emails asking for updates or bids on properties nowhere near us. I admit I ignore most of them, but that's not what this is about. Typically, ghosting refers to when appraisers accept an assignment, then don't complete the assignment, don't try to schedule an inspection or don't ever respond to client correspondence. While nearly all (there are always some dissenters) in attendance agreed this is unprofessional, the majority of state regulators do not see this as a USPAP violation but rather poor business practice. So, while it is not behavior subject to discipline, it does diminish public trust. This too is something The Appraisal Foundation is being petitioned to consider to address within USPAP.
4. Another concern was regulation of ROVs (Reconsideration Of Value requests). This is an instance where some of the regulators have listened to appraisers' concerns about getting ROVs with

20 alternative comps asking for a detailed explanation why each wasn't utilized. Similarly, some clients have submitted multiple ROVs to the point appraisers feel pressured. As a result, some states are considering rules to standardize ROVs. Texas is not yet one of them.

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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.

AARO Spring Conference Highlights (con't)

(Continued from page 5)

5. [PAREA](#) (Practical Applications of Real Estate Appraisal) was another big topic of conversation. Per the Appraisal Foundation, 32 states have adopted PAREA fully or at least partially. Texas is not among them, yet. PAREA offers trainees an alternative to the supervisor/trainee model which has been a significant barrier to entry for trainees unable to find sponsors.
6. Lyle Radke, Senior Director of Fannie Mae's Collateral Policy, provided news from the GSE, in-

cluding their view of desktop appraisals and expanded appraisal quality monitoring (AQM). Fannie sees desktops as a way to alleviate appraiser shortages, reduce turn-times and even reduce racial bias since appraisers won't be meeting parties involved in the mortgage transaction. He noted that Fannie is trying to encourage lenders to provide floor plans so that appraisers won't have to search for one. He also reemphasized that if no floor plan is available, appraisers must decline the desktop assignment. The digitization of appraisals brought about by

the UCDP (Uniform Data Collection Portal) has allowed GSEs to track appraisal input and flag inconsistencies, mostly involving the physical characteristics of properties. The increased digitization of the new URAR will provide greater tracking abilities through the [AQM](#) system. Per Mr. Radke, in 2021, Fannie Mae saw a record volume of roughly 8,000,000 appraisal reports. Of those, +/-400 had sufficient errors, omissions or inaccuracies to warrant referrals to state agencies. This amounts to 0.005% or 1 in 20,000.

Veteran's and Public Trust



Will Trombley

"The appraisal profession has come a long way since the first edition of the Uniform Standards of Professional Appraisal Practice (USPAP) in 1987. Since then, there have been

tremendous amounts of change with regard to regulation, technology, and socio-economic issues. There is little doubt that those who have served the American Military deserve our gratitude, and as a veteran myself I feel that even more so. With this in mind, I believe that veterans can help the appraisal industry as well.

Veterans are taught from day 1 of basic training a number of core principles that are developed throughout their service. A few of them are Honor, Duty, Integrity, and Loyalty. These are fine values that will continue to serve the country even after their service through any occupation they choose. The Duty to fulfill obligations set by their supervisors. The Integrity to have done and performed appraisal tasks as requested by public and company policies. The Loyalty to the company and mentoring appraiser and the honorable

actions that will be taken by them throughout daily activities. Many veterans consider the oath they took when beginning their military service to be a guide in life. These are excellent qualities that any appraisal office should desire in an employee. Equally as important, these are qualities that many leaders throughout the industry find valuable, including me.

As many appraisers know, the American real estate market is one of the strongest in the world. The industry is heavily regulated and well systematized to develop returns for investors and protect homeowners and allow for excellent access to credit to most Americans. This is in no small part due to the appraisal profession developing expert 3rd party appraisal opinions, providing the marketplace other options from appraisal waivers, BPOs, and evaluations. The appraisal profession is of growing importance with the emergence of AVMs and growing technology needing expert appraisal judgment and unbiased opinions. In addition, the need for analytical minds that are trained in honor, duty, and integrity will help shape the future of our rapidly changing industry.

If you are considering a new trainee, consider opening communication with



a veteran as one of your candidates. As described above, there are numerous reasons to train a veteran to become an appraiser, and public trust is of utmost importance right now in this profession. The profession will need independent appraisers that have the qualities of veterans to shape the future of the profession and adapt to the overwhelming changes in our profession. There are numerous scholarships and financial incentives available for veterans to become appraisers. Let's make sure we give them the opportunities they deserve and consider hiring a veteran.

I know there is much more to say on this topic, but your time is important and so is mine. If you would like to speak more about connecting or just have questions, please feel free to email me: will@therealestateexaminer.com "

About the author:
William Trombley is a Certified Residential Appraiser out of Houston, TX. He has a Economics/EconLaw degree from West Texas A&M and is a US Army Veteran that serves on the Veterans Committee at the Appraisal Foundation and the Public Relations Committee at the ATA.

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Have you ever attended a national conference?

Have you ever thought about attending a national conference. The National Association of Appraisers and Appraiser eLearning are co-hosts of the Appraisal Summit (Sept. 24-27 in Las Vegas) and the Appraisers Conference and Trade Show (ACTS) (April 1-4 in Sacramento, CA).

These two events bring appraisers, appraisal managers, industry speakers and appraisal service providers together in one place to discuss hot topics. Conference objectives include:

- Explain current discussions and proposed changes to statutes and regulations related to federal valuation regulatory legislation.
- Apply recognized techniques for deriving adjustments, including market condition and property characteristics; and compile methods and evidence appropriate



- for the data sources used.
- Formulate steps to avoid state complaints, address state investigations, avoid failed experience applications, and improve one's compliance with USPAP in daily work.
- Compare property-measuring methods, tools, and standards; and contrast workflows and results related to who operates scanning technologies.
- Compare types of assignments and associated requirements, including hybrids, Fannie Mae, Freddie Mac, and VA.
- Consider the impact on one's practice related to types of bias and discrimination; and apply legal cases to one's own work.



The NAA membership meetings are also held at these conferences. We have recently added an Appraiser Trainee/Supervisor sessions to the conferences. These sessions are designed to give trainees and sponsors a better understanding of trainee needs and supervisor responsibilities.

All ATA members get a discount to these conferences.

We encourage all appraisers to continue attending your local meetings, but also in the future, consider attending a national conference.

For more information on the Summit, go to www.appraisalsummit.net. ACTS details will be available later this year at www.naappraisers.org.

Appraising in A Crazy Market



Isaac Peck

In mid-2021, Freddie Mac published an article titled “Appraising in a Rapidly Changing Market,” authored by Scott Reuter, Freddie Mac’s Single-Family Chief Appraisal Officer.

The article piqued my interest for a number of reasons, chief among them being that the article points out that between 2013 through 2019, the “annual average” of appraisals which came in below contract price was between seven and nine percent. In April and May of 2021, the number of appraisals coming in below contract price had risen to 20 percent.

That’s a pretty stark increase. Such a stark increase, in fact, that Freddie Mac thought it was worth publishing an article addressing how appraisers can “keep up with the market.”

The reason this is so interesting to me is that I’ve attended several national conferences, over the last five years especially, where executives from Fannie Mae and Freddie Mac (the GSEs) have openly chided appraisers about “anchoring” and “contract price confirmation bias.” These criticisms are usually voiced over PowerPoint slides depicting bell curves and cute “anchoring” graphics that show how the appraised value changes when the contract price is known to the appraiser.

But today, in a real estate market that is appreciating in an incredibly rapid and unpredictable way, appraisers are coming in below the contract price up to 20 percent of the time.

When contrasted with the previous anchoring criticism leveled against appraisers by the GSEs, could this be a positive indication? A sign that appraisers are not just rubber-stamping values after all—but instead are acting with integrity and thinking for themselves?

To better understand Freddie Mac’s perspective, I sat down with Scott Reuter, the author of the article in question.

Fast, Fast, Fast

One of the key points that Reuter makes is that the market has been moving so fast that it makes it difficult for appraisers to capture the market’s rate of growth if they are not paying very close attention to pending sales and making time adjustments, even for time periods as short as 15 or 30 days.

“In many cases, closed sales aren’t keeping up with contract prices because the meeting of the minds that happened on a closed sale might’ve happened one, two or even three months before the sale actually closes. In other words, by the time a sale closes, the market has likely already moved substantially. This is especially true in a market that is moving 18 to 20 percent per year. 18% in one year equates to 1.5% per month,” says Reuter.



The hope is that this is causing appraisers to see time or market condition adjustments in a whole new light. In other words, the use of adjustments is now becoming necessary in shorter and shorter periods of time. “A lot of appraisers are still saying that they won’t adjust a comparable if it’s only a few months old. However, with the market changing so rapidly it is clear that closed sales transactions are lagging. We’ve really been trying to drive that point home in our messaging to appraisers,” reports Reuter.

Reuter says it is noteworthy that only one in four appraisers are actually developing and applying time or market condition adjustments. “To not be considering a time adjustment in today’s market is concerning. We know appraisers are busy; we know there’s a capacity strain on appraisers. Appraisers have to deal with a lot. But there is a strong need to slow down just a bit and make sure we’re really doing the appropriate analysis when we put these appraisals out,” argues Reuter.

Also keeping your bearings in a “crazy” market involves more than just making time adjustments, according to Reuter. “Appraisers also need to look for other indicators—more current indicators—that can help them develop value in a rapidly changing market. One of my family members just bought a house in West Lafayette, Indiana. On their first day in the car to see homes for sale, they went to see four homes, and two of the homes sold while they were driving to go see them. So appraisers need to look at all property type movements, including what the general inventory supply and price movement is, what are the market conditions, and how fast is the market moving,” Reuter says.

With closed sale transactions lagging current trends, Reuter advises appraisers to look at all market behavior, not just the behavior reflected by closed sales.

These sources of information include:

- General market inventory
- Trends in listing prices
- Contract-to-listing ratio (pending sales)
- Contract dates vs. closes dates (market change)
- Exposure time and marketing time
- New construction patterns
- Number of available competing properties

Trends derived from such sources can provide valuable augmentation to the closed sales data, according to Reuter.

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Appraising in A Crazy Market (con't)

(Continued from page 8)

Another recommendation that Reuter has for appraisers is to consider whether market conditions make it more appropriate to reconcile near the top of the indicated value range rather than at the midpoint. "This is another area where our review data shows a common behavior for appraisers to typically reconcile at or near a mid-point value indication, regardless of current market trends," writes Reuter in his original article.

When asked about a criticism of appraisers anchoring on contract price, Reuter points out that the contract price is a very important data point. "Many appraisers put a lot of weight on the contract price and rightly so. It is a data point and it should be considered as it represents a meeting of the minds in the marketplace," says Reuter.

To read Freddie Mac's original Article, visit WorkingRE.com/rapidmarket/.

Stay safe out there!

About the Author

Isaac Peck is the Editor of Working RE magazine and the President of OREP, a leading provider of E&O insurance for real estate professionals. OREP serves over 10,000 appraisers with comprehensive E&O coverage, competitive rates, and 14 hours of CE at no charge for OREP Members (CE not approved in IL, MN, GA). Visit OREP.org to learn more. Reach Isaac at isaac@orep.org or (888) 347-5273. Calif Lic. #4116465.

Delegate, Delegate, Delegate



Dustin Harris, The Appraiser Coach

I was in a group meeting recently where we were talking with small business owners and trying to help them with some of the problems they were facing. One man, an owner of a

carpet cleaning company, told a story that I've seen and heard countless times. His problem was growth – lots of it. He didn't feel he'd had the time to catch up with how fast his business was growing. He was going crazy trying to get everything done because he didn't feel like he could trust other people to do the job right. He had a reputation to uphold, and he was con-

cerned that hiring additional employees would only serve to ruin his hard-earned image.

As appraisers, we do this a lot! We fall into the trap of thinking that if we want something done right, we have to do it all ourselves. Further, we actually think it is illegal to get help. But folks, this just isn't the case (with the exception of a few weird state laws). If you follow the law of delegation, if you "hire slow and fire fast," like I've talked about before, and if you take the time to work on your business, not just in your business – this problem will resolve itself.

There is no requirement that says you as the business owner have to do x, y, and z in every appraisal. Don't let your business make you miserable! Take your time to hire the right people, to train the right people, and to develop your business. Don't buy in to the idea that you have to do this all yourself! One of the biggest keys I've found to

being a great business owner isn't charisma or talent; it's merely being willing to make the time necessary to make sure that your business runs smoothly.

About Dustin Harris:

For more than half of his career, Dustin Harris ran his appraisal business just like everyone else. As a consequence, he got the same results as everyone else; long hours and living paycheck to paycheck. After an intense study of successful people however, Dustin began putting principles of prosperity into place that have transformed his appraisal business and made him a success leader in our profession. Now, in addition to being an appraiser, Dustin finds every way possible to teach these principles of success to other appraisers across the country. He has mentored hundreds of appraisers who have also transformed their businesses. In a big way he is 'creating value' for real estate appraisers.

George Dell's Stats class—June, 23-25

George Dell's STATS, GRAPHS, and DATA SCIENCE¹ (14 hours) will be held via Zoom on June 23, 24, & 25 (Thursday - Saturday) 4.5 hours Thursday & Friday, then 5 Hours on Saturday). Their Zoom room will open at 10:30AM Pacific (1:30PM Eastern) and class will begin at 11:00AM Pacific (2pm Eastern). *Enrollment is limited.*

- CE credit in many states
- Immediately useful **tools** and

methods

- Open-source (free) **software** install and tutorial is provided
 - Upon completion of the course you will have:
- Overview of the modern data science approach to valuation and reliability assessment
- Process and program for quick market definition and visual reporting

- Three core methods for adjustment estimation
- Access to community support.

Several ATA members have taken this class and highly recommend it.

Log in to www.valuemetrics.com for details.

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