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Connections

Official Publication of the
Association of Texas Appraisers, Inc.



Ace "Curt" Myrick, ATA-R
ATA President

2017 has been a good year already for the ATA and the appraisal industry as a whole.

On February 24th, the Board of Directors of the ATA met in New Braunfels for our annual meeting to discuss current and past business from 2016.

As of February 24th, the ATA membership stood at 328 members, but by the end of the weekend, we had an additional 3 members join bringing us to a total of 331 members. ATA-L and ATA-R Designations are only at 24% of the membership, so everyone who has not applied for designation should try and do so. Candidates for a designation must have two years' experience as a General, Residential or Licensed appraiser with TALCB and must be recommended by two designated or charter members or have 4 letters of recommendation from other appraisers (minimum of 2 by members; others may be from members or non-members of the association).

The amendment of the ATA By-laws was also discussed to add an "Alternate Director" position on the Board, which was approved unanimously by the General Membership in August 2016 to amend accordingly. The General Membership also voted in favor of extending the Board Officers from 1-year terms to 2-year terms. There are concerns with the terms changes as currently Directors term limits are 3 years and their overall term could expire while their 'new' 2-year had yet to expire. The Directors will be discussing this in the near future to determine the best course of action and will have a decision prior to our August 2017 meeting in San Antonio.

We have several upcoming meetings in 2017 where we will be providing some very

informative CE courses. On May 6th our meeting is in Abilene and will be held at the Abilene Board of Realtors. The topic we will be discussing is FHA changes, which is approved for MCE credit. The Holiday Inn Energy Corridor in Houston will house the meeting on June 10th, and the course provided will either be FHA changes or Red Flags in Real Estate. Our last meeting of the year will be held August 4-5 at the Marriott in San Antonio. TREC MCE Legal II will be provided on Friday morning. The Friday afternoon course will be a panel discussion on USPAP Issues/FAQ's. The Saturday morning session will be on mobile appraising and the Saturday afternoon session will be on writing it right. We will also be discussing our upcoming meeting locations for 2018-2019 in August.

The National Association of Realtors (NAR) has completed their Ethics Course for appraisers. NAR requires appraisers to take this course for continued membership with any local Board of Realtors and MLS. Also, as of January 2017, Appraisers are required to get fingerprinted by the TALCB. Mr. Oldmixon of TALCB did say during our Friday afternoon class that if you have already been fingerprinted for a Real Estate License than that would be sufficient for your Appraisers License.

In conclusion, I hope everyone has a wonderful 2017 and I look forward to seeing everyone at the next meetings. If any of you would ever like to be part of the ATA Board of Directors, on any of the ATA committees or provide content for the ATA Connections newsletter, please do not hesitate to contact Teresa Walker at info@txappraisers.org or you can call 210-837-7123.

Curt



Upcoming Industry Meetings:

- Apr. 7—AQB Public Meeting, Tampa, FL
- Apr. 7-9—AARO Meeting Tampa FL
- May 6—ATA Abilene Meeting, Abilene, TX
- May 17—NACAO, Palm Beach, FL
- June 2—TAFAC Meeting, Washington, DC
- June 10—ATA Houston Area Meeting, Houston, TX
- Aug. 4-5—ATA's 12th Annual Meeting, San Antonio, TX
- Oct. 13-16—AARO Meeting, Washington, DC
- Nov. 1-3—Appraisal Summit & Expo

Inside this issue:

New/Designated Members	2
TALCB Corner	2
Upcoming Meetings	3
Rules Check Software	4
Appraiser Shortage	6
Mid-Year Meeting Awards	9
Mobile Appraising and Workfiles	10
Abilene Registration Form	11
Houston Registration Form	12
Overworked Appraisers	13

New Members

Welcome New Members

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

Bill Becker, San Antonio
Kyle Cheatle, San Angelo
Darik Connor, Devine
Colby Robert Dunagan, San Antonio
Bill Glass, Arlington
Jacqueline Gitman, Austin
Teneea Green, Cibolo
Barbara Jean Haltiwanger, Fair Oaks Ranch
Robert Honey, Pottsboro
Paul Jackson, New Braunfels
Mark Lowery, Irving
Robert McHugh, Amarillo
Douglas Rivette, San Antonio
Steve Smithson, San Antonio
Greg Stephens, Dallas
Rick Tankersley, Arlington
Tamara Thompson, Burnet
Robbie Wilson, Dallas

New Designated Members

Congratulations to those who were recently awarded designations:

Jim Anderson, ATA-R

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



GET CONNECTED
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TALCB Corner

TALCB Fee Survey:

*Some appraisers received an email from Ching-Hsing Wang and considered it spam. This was a legitimate email from the University of Houston about a TALCB fee survey. The information below was taken directly from TALCB's website. Please take a minute to complete the survey before the **March 26th** deadline.*

TALCB has commissioned a survey of appraisers and AMCs in Texas to document fees paid for appraisal reports in 2016.

The Texas Appraiser Licensing & Certification Board has engaged the Hobby School of Public Affairs at the University of Houston and the Real Estate Center at Texas A&M University to conduct a survey to learn more about the practices of appraisers and appraisal management companies (AMCs) that operate in the state of Texas, including on the topic of fees charged and paid for

common appraisal reports. We invite you to participate.

This survey, conducted every two years, asks questions about appraisers' level of experience in the field, the types of appraisals conducted, fees charged by appraisers, and factors that affect these fees. It also asks AMCs about how they select appraisers, fees typically paid to appraisers, and factors that affect how these fees are determined. The survey should take about 5 minutes to complete.

Your participation is completely voluntary and all survey responses will be confidential. **When answering the questions, please reply based on your experience in 2016.** You may skip any question you do not want to answer and discontinue your participation at any time without penalty. If you have any questions about this survey, please [email Ching-Hsing Wang](mailto:cwang3@central.uh.edu). (cwang3@central.uh.edu).

Mark Your Calendars:

The next TALCB meeting is scheduled for **May 5th at 10:00 am**. The meeting will be held at:

Stephen F. Austin Building, Room 170
1700 North Congress
Austin, TX 78701

If you are not able to attend, log on to www.talcb.texas.gov and click on the live streaming button.



"When your work speaks for itself, don't interrupt." --Henry J. Kaiser

ATA West Texas Area Meeting

Don't miss our **Abilene Meeting**, May 6th at the Abilene Association of Realtors (626 S. Pioneer Dr.).

We will offer *FHA Handbook 4000.1 Updates**, an 8 hr course. This course offers updated information on Single Family Housing Policy Handbook 4000.1 and Appraisal Report and Data Delivery Guide since they were initially published in 2015. It is designed for lenders, appraisers, and brokers to give specific guidance on appraising single family residential properties for the Federal Housing Administration under the requirements of HUD Single Family Residential (SFR) Handbook 4000.1, 2016.

Updates include:

- Overview Changes to the Handbook 4000.1 and the Appraisal

Report and Data Delivery Guide since its original publication

- FHA Site Analysis
- FHA Property Analysis
- FHA Valuation Protocol
- Specific Requirements For Preparation of the URAR (the Guide)
- Specific Repair and Inspection Guidance
- Certification and Limiting Conditions & Liability

The course will be held from 8 a.m. to 5 p.m.

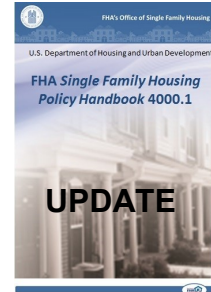
Attendees will have the opportunity to network with fellow appraisal professionals.

ATA has negotiated a \$122 sleeping room rate for this meeting at the Hampton Inn Abilene, 3917 Ridgmont Drive, Abilene. To reserve your room, call 325-695-0044 and mention Asso-

ciation of Texas Appraisers or #86599257.

The **cut-off date for reservations is April 24th**. Rooms will be available on a space/rate available basis after this date.

To register for the Abilene meeting, log on the www.txappraisers.org and click on the meetings tab.



*ACE and MCE approval pending

ATA Houston Area Meeting

Don't miss our **Houston Area Meeting**, June 10th at the Holiday Inn Houston West-Energy Corridor (1112 Eldridge Parkway @ Enclave).

We will offer *Red Flags in Real Estate**, an 8 hr ACE course. This course offers updated information for real estate professionals inspecting properties.

Topics include:

- Asbestos
- hazardous vegetation
- structural problems
- environmental hazards, and much more.

What is a Red Flag?

A red flag is a visible sign or indication of a defect in a structure or property. Certain visual signs in themselves are not clear indica-

tions of defects, but if observed in multiple numbers, especially in the same approximate location, they probably point to the existence of a red flag condition.

The course will be held from 8 a.m. to 5 p.m.

Attendees will have the opportunity to network with fellow appraisal professionals.

ATA has negotiated an \$89 sleeping room rate for this meeting at the Holiday Inn. To reserve your room, call (281) 679-6900 and mention ATA. The **cut-off date for reservations is May 26th**. Rooms will be available on a space/rate available basis after this date.

To register for the Houston meeting, log on the www.txappraisers.org and click on the meetings tab.



* MCE approval pending

Rules Check Software



Dave Towne

Folks.....

As you are probably aware, all of our appraisal reports receive an initial examination electronically. There are a number of businesses which have written and provide to the

industry various types of 'rules check software.' This actually began in the early 1980's by the appraisal computer software pioneers who wrote programs to 'check' reports for inconsistencies.

I just learned about one such 'rules check' company, and the results they've seen using their software - below. They even admit to users that the users can 'mine' reports for data.

I've taken the liberty to add my own comments using this typeface: Interesting report data from review of 1.5 million appraisals:

4.72% of the appraisals Market Value is higher than the adjusted comp values

Yea, we all know 'our value' ideally must fall between the comp sale prices, and the adjusted values of those - or U/W's will come unglued. But real estate is not perfect, and sometimes it does make sense, due to the properties used for comparables, that an Opinion of Market Value is outside those ranges. This is something that happens often in rural areas, but U/W's think those must have the same pattern as urban properties - which seldom occurs.

12.10 % of the appraisals use comps from different Cities

And the concern is? In urban areas where the entire landscape is covered with homes, it's entirely possible that comps might not be in the exact city (or ZIP Code) where the subject is located. One problem with this is Census data, which can track average income, age, etc. for the cities & ZIPs. However if the report is done correctly (i.e., comps have similar characteristics and prices), all the appraiser need do is explain why this was done.

14.94 % of the appraisals use comps from different ZIP codes

See the above. My city has a ZIP code boundary along a primary arterial street. This boundary line was added AFTER the development in that area. Similar properties are on either side of the ZIP code line.

1.69% of the net adjustments are under 15%

Probably a misprint. More likely the concern is NET above 15%. But let's remember FNMA has eliminated their guidelines about line, net and gross adjustment percentages. However, other lending entities stubbornly refuse to change this....even though the resulting property value may be inaccurate because the appraiser also stubbornly makes sure adjustments magically fit that outdated percentage mold.

4.05% of the adjusted comps have a 14% low to high value range

Again, this gets back to the perception that real estate is "perfect." It is

not, never has been, and never will be. There are too many variables and it's not the same as buying the same national brand boxed pizza from multiple grocery stores in your area. Depending on property circumstances, location, etc., having a wide adjusted range is entirely consistent with the reality of imperfect real estate. Some will say that 'adjustments' are wrong if the range is too wide. Maybe if enough time is taken to analyze every morsel of sales data over spans of time to try to justify location or site size differences and narrow the range. But in the real world of home mortgage lending, there seldom is enough time available, or fee, to do everything necessary to SUPPORT super accurate adjustments to try to narrow the range. These should be done separately for every assignment, because adjustments for one report might not be accurate for a different report.

7.58% of appraisals indicate that adverse location adjustments range from 5% to 15%

See the above. A high adjustment percentage may be appropriate based on assessed land values, property sale trends, school district boundaries, geography, access roads, etc.

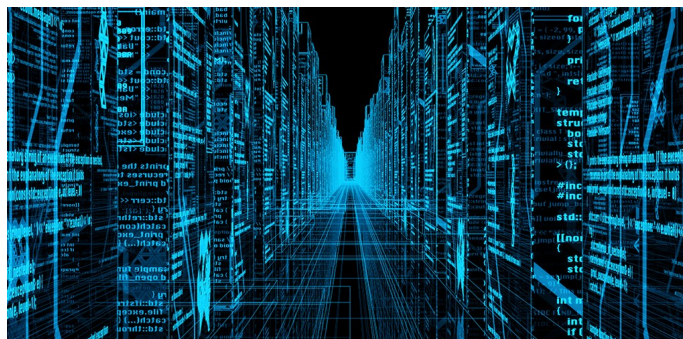
6.25% of the reports did not use 5 or more comps

And the concern is?? Did the assignment instructions say 4 or more were required? If the 'story' can be told using 3 comps, why are 4 or more really necessary, especially if the lender does not mandate more than 3?

8.32% of the appraisal reports didn't include current listings

Probably because the assignment instruction did not mandate listings be included. However, I happen to

(Continued on page 5)



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.

Rules Check Software (con't)

(Continued from page 4)

believe one or two listings SHOULD be included and I do that, voluntarily. Listings tell the current 'story' while the retrospective sales reveal the prior history.

5.44% of the appraisals had inconsistent neighborhood price ranges

I see this when I review reports. It means too wide a price range. Too many appraisers include ALL sales (and listings) within a radius around the subject. Many of those properties are not competitive/comparable to the subject, and SHOULD NOT be included – on the top of report form page 2 or in the MC form (which flows back to form page 1 Neighborhood check-boxes), and certainly not as comps. Appraisers should concentrate on the characteristics of the properties, and not the NUMBER of all properties in a particular area.

This relates to the 'imperfect' MC form. Many appraisers get all twitter-pated if the "number" of sales across the first MC grid line is limited. So what? You are asked to report the number of COMPETITIVE/COMPARABLE properties. If there are few of those, so be it. I sometimes have 1 sale in 12 months (that the form mandates). It is what it is, where it is, when it is. Do not rely on the 'imperfect' MC form to justify market trends. Instead, use your own market derived data from other sources to supplement the MC.

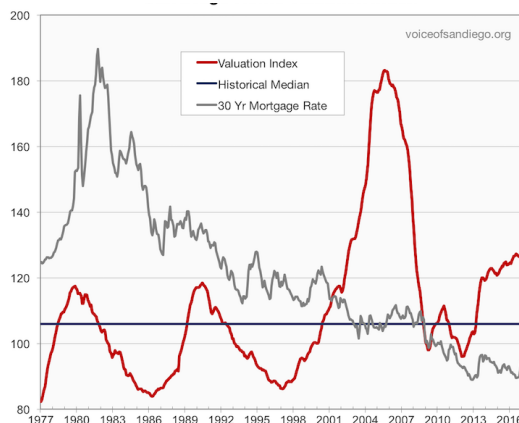
7.15% of the reports with new construction PUDs did not use comps from competing PUDs

This is reported because lenders want to see supportable market evidence for similar homes in similar PUD's. But this again gets back to imperfect real estate. Sometimes

there are no similar PUD's near the subject's location. Builders build and buyers buy, sometimes irrespective of what else might be in the market area. Appraisers then need to fully explain any differences and perhaps location adjust for non-PUD homes used as comps.

All of the above relates to 'big data' that so many are fixated on and enamored with these days. 'Big data' is useful when the originating data is factual, accurate and consistent. Sometimes the originating data is not.

That's the problem with 'big data' relating to imperfect real estate. With imperfect real estate, there are often 'outliers' which can skew results. If those are not removed from the 'big data' sample, the resulting output is flawed....and imperfect.



Unfortunately, appraisers are caught up in this mess. When our property data is actually imperfect to begin with as it relates to the subject, but needs to be used for a variety of reasons, we then are judged to be imperfect when our reports don't magically produce results 'big data' expects.

All we can do is be careful to properly analyze all properties used as comps,

and use supportable adjustments as necessary, and explain what we did.

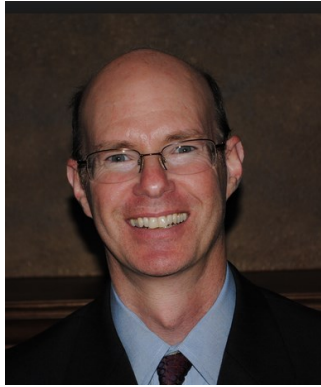
Quit saying you have used the 'best comparables available.' That is too easily challenged, and is trite. Instead, say you have used the "most appropriately comparable properties" as your comparables. ("Appropriate" is the word used in Dodd-Frank where it says lenders can submit other properties to the appraiser for consideration.)

Include necessary and additional commentary on the pre-printed form pages, in the Addendum, and other exhibits. Strive to generate reports that are well written, factually correct, and free of inconsistencies from one section of the report to another....and USPAP compliant in terms of required additional reporting items.

The better reports you write, the easier they will slide through the electronic and additional review process. That means fewer correction notices received, and you'll be much happier!

Dave Towne has been an appraiser for 13 years in WA State, and is a member of three appraiser associations. Works in a 'small urban' area, surrounded by open farm lands and forested hillsides in the suburban and rural locations. Assignments vary from waterfront mcmansions to manufactured homes in MH parks, small urban sites to large acreage tracts, and everything in between, with no consistency as to assignment type. Prior experience as a writer since high school, sales of various products for 30 years prior to becoming an appraiser, and believes appraisers should get out of their basements and interact with each other frequently.

Appraiser Shortage?



Steve Kahane, ATA-R

The current or pending appraiser shortage—does it exist and what does it mean if it's real?

Over the past year I've read a lot about appraiser

shortages. Most articles conclude that there is already an appraiser shortage, but some like "Dispelling the Myth of Appraiser Shortage," in Working RE, disagree. Many of the articles used anecdotes rather than statistics, so I don't tend to put a great deal of confidence in the reporting. They failed at answering what seemed to me to be the most important questions.

What is a shortage? How many appraisers need to be added to cure a shortage? How do you cure a shortage if it exists or prevent one if it is looming? Is there a shortage now or is the shortage pending? Is this a local, regional or national phenomenon? If there is a shortage, what does that mean for currently practicing appraisers?

Shortage?

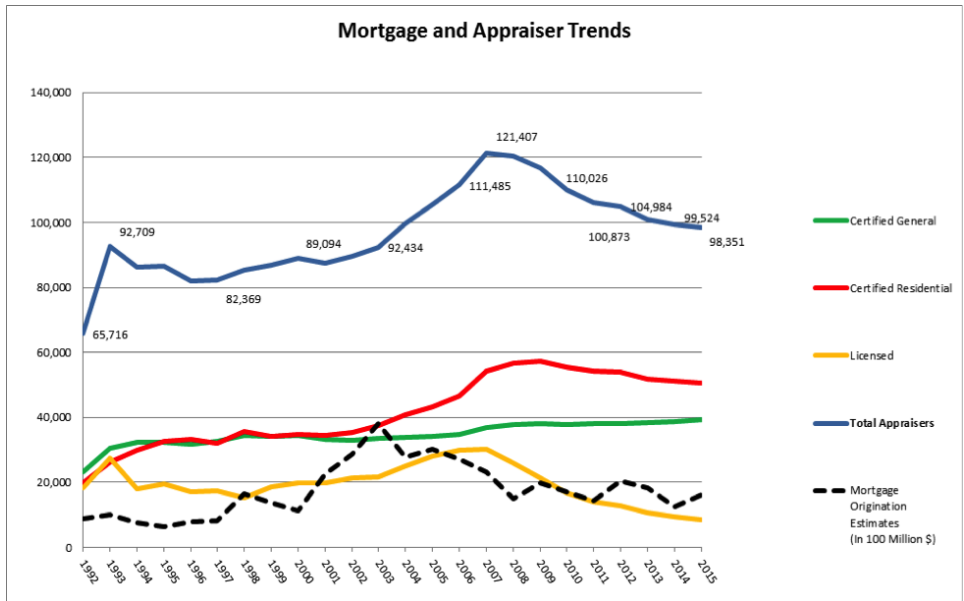
Let's start with the number of appraisers. Many articles indicate an increase or decrease in the number of appraisers, but a decline is relative to the starting point they choose. Some start with the peak number of appraisers in 2007 as a benchmark, while others take a look over a set period of 5 or 10 years. It's like price appreciation in real estate. All of us work in appreciating markets if your benchmark is the year 1900. Making it more complicated is the ever shifting makeup between licensed, certified and general appraisers.

The total numbers also don't consider how many appraisers on the roster are working in the field. According to the Appraisal Subcommittee Registry, there are currently just over 97,000 appraisal licenses, but roughly 23,000

of those belong to appraisers licensed in multiple states. This means there are about 73,000 actual appraisers. Mortgage and appraisal legislation over the past decade introduced AMCs and mandatory reviews. That means than some appraisers that were once in the field are now working behind a desk as reviewers or in quality control. These appraisers need to be licensed in multiple states. So, the numbers in the field area lower still. According to John Dingeman, President of the National Association of Appraisers, there are roughly 40,000 individual appraisers uploading to the UCDP. While this number is significantly lower, there is no historical benchmark for reference to say if the number of appraisers is up or down. Below is a graph compiled by the Appraisal Foundation.

27% of their closing delays were 'connected' with appraisals, up from 16% earlier in the year in a survey by the National Association of Realtors. The article goes on to use one example of a high fee paid by a lender because they couldn't find a willing appraiser otherwise. Both articles refer to industry experts from lenders, agents and AMCs rather than an actual measure of appraisal fees or turn-times.

There are a number of fee surveys approximating appraisal fees for different locations, but even those aren't useful as proof of an appraiser shortage. All but one cite fees as of the last survey date. They don't show an increase or decrease over time. One that does, shows some increases between 2012 and 2015, but it only surveyed



Because the number of appraisers only shows the supply side of the equation, the AF was smart enough to include an indication of demand. However, they only show mortgage originations in terms of value rather than the number of transactions. As a result, changes in housing prices make it less reflective of actual appraisal demand.

A CNBC article cited figures from Campbell/Inside Mortgage which conclude that half of the 14% increase in closing delays reported by Fannie Mae between April 2015 and 2016 were due to "appraisal related issues". Similarly, the Washington Post reported that according to real estate agents,

Texas appraisers. Another problem with this and other fee surveys is that they are unverified; they take participants' word that they are truthful in their reporting. Because the survey was completed in part to determine customary and reasonable fees, a survey participant I spoke with suggested that appraisers should all quote higher fees to up the C&R average. The survey can be found here: <https://www.talcb.texas.gov/sites/default/files/uploaded-files/texas-appraiser-amc-survey-report-2015.pdf>

(Continued on page 7)

Appraiser Shortage? (con't)

(Continued from page 6)

The graph above shows the total number of appraisers is up from 1992 but down from its peak in 2007. While it shows the decline since the housing market went bust, it also shows the rapid increase of appraisers leading into the bust. These figures are the big-picture, national view. Given that location is the three most important things in real estate, the national registry is not likely reflective of local or regional trends.

Location, Location, Location

The Denver Post reported that "Home appraisers struggle to keep up with demand amid record home sales" this past September. Their interviews with the head of the Denver Metro Association of Realtors and other industry participants state that fees and turn-times are up dramatically over the past few years. So rapidly growing areas like Denver or Austin are more likely to suffer from a shortage than cities like Detroit or Toledo where populations are in decline. In Texas, the appraiser decline is lower than the national figures. They indicate a 15% drop from the peak number of residential appraisers in June, 2008. Below is a graph of appraisers on the Texas roster.

An Opposing View

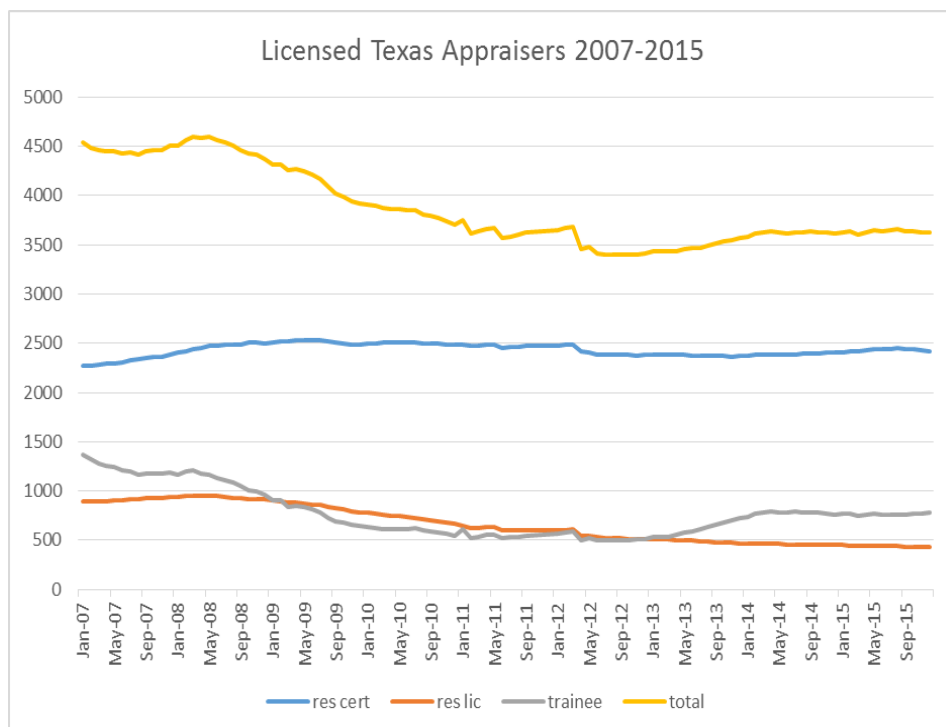
One lone article in Working RE argued that the shortage was a myth. The author noted the swift rise in the numbers of appraisers pre-bust and used a pre-bust benchmark for only certified residential appraisers to argue that the number of appraisers is higher than before. He notes that there were 40,726 CR appraisers in 2004 and 51,240 in 2014, over a 25% increase. This ignores the rapid decline of roughly 18,000 licensed appraisers over that period though. The article goes on to argue that low fees are proof there is no imbalance in supply and demand but offers only anecdotal evidence citing extreme examples rather than the norms. In closing, the author admits there may be some isolated incidents or shortages in certain rural or sparsely populated areas but that market forces will work things out. Read the article in full here: <http://www.workingre.com/dispelling-myth-of-appraiser-shortage/> This author is not alone in his views. Dave Bunton, President of The Appraisal Foundation, apparently agrees. In a January webinar Mr. Bunton stated that he does not believe there's an overall appraiser shortage of appraisers. He conceded that in a few metro areas (Denver, Portland and Seattle)

there is a demand for more appraisers, but that natural market forces should be sufficient to sort things out.

Tis the Season

During the past summer, the appraisers I know in the Houston area were bombarded with calls for fee and turn-time quotes. AMC's and lenders were so desperate that e-mails weren't good enough, they were calling. Many appraisers were turning away more work than they were accepting. This allowed them to be choosy, declining undesirable assignments that paid too little, were complex or were located in neighborhoods they didn't like. It also meant their clients were willing to extend due dates. This was the atmosphere in the Houston market in the summer of 2016. The extended due dates were the stated reason that Chase issued a \$250 premium over the summer for appraisals returned with five days.

2017 started much differently. The same set of appraisers all complained how much business had slowed down. Some of my clients balked on multiple occasions when I asked for a fee increase, opting to find someone cheaper. The Chase bonus is no longer available and turn-time expectations for both my local and national vendors have shortened.



Perhaps both sides of the argument are right. Maybe there isn't a shortage in the number of appraisers overall. Maybe there is an adequate number of appraisers to complete the number of appraisals ordered each year, but too many appraisers in the winter and not enough in the summer? Maybe the shortage is seasonal. If that's the case, how can appraisers respond to the increased demand during peak business? Retail chains hire seasonal workers for Christmas. Perhaps appraisers could hire students on summer break to do data entry or perform inspections. Fannie Mae and Freddie Mac have always allowed qualified trainees to perform inspections, but only a few lenders are on board with this. If the shortage is a seasonal issue, appraisers and lenders have to find some way to support the demand during the peak seasons.

Appraiser Shortage? (con't)

Future Crisis?

Most of the articles I read suggest that there is already a shortage but some go a step further and suggest it's bound to get worse. Most quote statistics from the AF that show the average age of appraisers is 53 and over 60% are over 50 years-old. The AF doesn't provide numbers on trainees but in Texas, their ranks declined 43% between 2007 and 2015. That is a much larger decline than that of licensed and certified appraisers. There is no data on the age of the trainees. Some may be embarking on a second career while others are fresh out of school. Unless these new recruits are mostly young, whatever shortage exists will likely get worse.

More Appraisers

Simply put, there are three ways to address a shortage of appraisers: add appraisers, increase appraiser efficiency or reduce the number of appraisals required. That's the short of it. However each of the solutions has a whole host of good and bad and there is no simple answer.

The two primary ways to add appraisers are to increase fees or reduce the entry barriers into the profession. Increasing fees is the market forces approach which suggests when demand exceeds supply, prices will rise until supply increases. There are a few problems with this solution.

Lenders are wary of increasing appraisal costs. The mortgage industry is facing smaller margins on loans post Dodd & Frank, and already paying higher appraisal prices due to AMCs and other appraisal-related administrative costs. The cost of appraisals and increasing turn-times may have led to the new Fannie Mae Property Inspection Waiver (PIW) program where some mortgages won't require an appraisal. Fannie says it only applies to refis that meet minimum Collateral Underwriter scores. This is a scary development. Lenders are the 800 lbs. gorilla in this equation and this program demonstrates that if they cannot obtain prompt and affordable collateral risk-management through appraisals, they will find it elsewhere. So while fees in some markets have increased, the new PIW program suggests lenders

will only go so high without finding an alternative.

Even if fees increase enough to attract new appraisers, who is going to sponsor them and how long before they are practicing appraisers? The Appraisal Qualifications Board (AQB) sets the minimum standards for licensing; 2,000 hours of experience in no less than 1 year plus 150 hours of education for a licensed residential appraiser (LR) and 2,500 hours in no less than 2 years plus 200 hours of education and a bachelor's degree for a certified residential appraiser (CR). While appealing to appraisers, higher fees will not solve a shortage any time soon.

On top of AQB requirements are the numerous lender, investor, AMC and FHA requirements. Because FHA and some investors only allow the use of CR appraisers, many AMCs only add CRs to their panel. Some, like Flagstar, go further setting minimum experience requirements so that a trainee today (assuming they already had their degree and appraisal education completed) wouldn't be able to complete their first Flagstar appraisal until 2022. Because of the experience requirement, higher fees alone are a long-term solution.

A faster response to a shortage would suggest the AQB lessen the barriers to enter the profession. The AQB has made some qualification changes and is considering a host of others. However, this was not in response to a shortage or the current numbers of appraisers. When asked at the AQB meeting in Las Vegas last June if the changes were in response to a shortage, Joe Traynor, the Board Chair, said the Board is reviewing the decades-old licensure system and does not try to control the number of licensed appraisers. He did note that the Board does make considerations in order to maintain a sufficient number of appraisers. Some of the proposals being considered would help add appraisers more quickly.

The proposals include eliminating the college degree requirement, or creating an alternative education set, and alternatives or reductions in the experience requirements. Removing the bachelor's degree requirement would

allow for a greater pool of candidates, and alternative experience credit for realtors or other real estate professionals would also open the profession to more candidates and reduce the amount of time required to get a license. The proposals in their entirety can be viewed here: <https://appraisalfoundation.sharefile.com/share?#/view/sf2371f5369848ad9>

There are downsides to lowering standards. The entry barriers into our profession help maintain public trust and show that we are well-trained professionals. They also maintain stability for committed valuation professionals. Without any barrier to entry, appraisers would come and go as fees or their individual need for money go up or down. Simply put, these barriers keep out the riff-raff and maintain adequate fees, consistency and quality. Sudden influxes into the work forces could erode both public trust and fees.

Increased Efficiency

If each appraiser could complete more appraisals in less time, there would be no shortage. Technology has increased efficiency a great deal over the past decade and there are an increasing number of tools appraisers can use to reduce typing, analyze adjustments and import data. But if a shortage exists, these efficiencies are not enough to absorb the appraisal demand, or not enough appraisers are using them. Elimination of the MC Addenda or investor stipulations would help, but it seems unlikely that would increase efficiency enough to solve a shortage.

The most effective means to increasing efficiency is the use of trainees. USPAP, Fannie Mae and Freddie Mac allow qualified trainees to complete property inspections independently but most lenders and investors do not. How many more appraisals could you complete each month if you were spared the time taken driving, measuring and taking photos? There are cost and liability concerns associated with this business model, but allowing trainees to complete property inspections could drastically increase an appraiser's output. Whether that increased output would compensate for the cost

(Continued on page 9)

Appraiser Shortage? (con't)

(Continued from page 8)

and liability of a trainee is a question their sponsor would have to decide.

Fewer Appraisals

The most frightening solution for appraisers would be a reduction in the number of appraisals, but as Fannie's PIW program shows, it is something we have to consider. When I say we, I mean all of us appraisers. If we as an industry cannot adequately meet the demand of our clients, they will find alternatives. Currently PIW is only available for refinances of properties with a prior appraisal in the Collateral Underwriter database. Because the number of properties in the database will increase over time, the

number of refinance appraisals required will likely decrease unless there are changes made to Fannie's eligibility requirements. Purchases are not eligible yet, but perceived low-risk loans for properties in the CU database could one day accept Broker Price Opinion or an AVM as an alternative to an appraisal.

Regulations and oversight tend to operate like pendulums that swing back and forth between too little or too much restriction. The MC addenda, CU, UAD and AMCs were the product of restrictions enacted as a

response to the housing collapse in the 2000s. The economy, and housing prices with it, are recovering so some of the restrictions have already been removed. If the economy continues to improve and housing prices continue

to rise, it's likely that restrictions will continue to diminish until the next collapse occurs.

The fear of fewer appraisals is a consideration when deciding whether or not to bring on a trainee or to use a new efficiency tool. It may be worth it to accept the higher cost of doing business, in the form of trainees or efficiency tools, if it keeps lenders from seeking valuations elsewhere.

The Verdict

So, is there an appraiser shortage? Like most appraisal questions, the answer is – it depends. It depends on how you define shortage. Like most aspects of real estate, it depends on location. Appraisers are experts at reading what's going on in a market. As most of you probably know if there's a shortage in your area. If you get calls from new clients you've never heard of, or emails from clients asking you to quote fee and turn-time rather than just rejecting an order, there's probably a shortage.



Pospisil Award and South Central Outstanding Appraiser

South Central Texas Outstanding Appraiser

ATA is happy to announce our 2016 South Central Texas Outstanding Appraiser.

Chris Davis (Devine) is a residential appraiser that serves his community by volunteering as a mentor to disadvantaged children. He also volunteers his time to his community during any time of need.

Chris recently became a sponsor to his sponsor's son.

Thank you Chris for your dedication to the appraisal profession and the community.



Don't forget ATA's **Regional Outstanding Service Awards**. If you feel someone is deserving of one of the Awards, you can nominate them for an Outstanding Service Award. The Abilene Area Outstanding Appraiser nominations are due by April 6th. The Houston area nominations are due by May 10. Here is a link for the guidelines and application form. <http://www.txappraisers.org/ATA%20Awards.pdf>. You can also self-nominate.

Pospisil Scholarship Award

Teneea Green (Cibolo) was the recipient of the Pospisil Scholarship Award. Teneea was previously a licensed appraiser in Texas but stopped practicing 10 years ago.

She decided to get back in to the business earlier this year when she moved back to Texas and is aggressively completing 10 years worth of appraiser

continuing education so she can re-activate her license.

Welcome back to the profession, Teneea!



A big thank you to Gale and Vladimir Pospisil for joining us in New Braunfels to present Teneea with her award.

Also, if you'd like to nominate (or even self-nominate) for the **Pospisil Scholarship**, please click on this link for the guidelines, procedures and application. <http://www.txappraisers.org/Scholarship.pdf>. It only takes a couple of seconds to nominate someone.

Mobile Appraising and Workfiles



Dustin Harris
The Appraiser Coach

When it comes to the use of technology in real estate appraisal, we're at a kind of crossroads.

On the one hand, you have the advocates who like to try out all the latest and greatest apps and gadget. Those of you who have listened to my podcasts, read my blogs or seen my workshops know that I'm firmly in that camp.

On the other side you have the real estate appraisers who are wary of using new technology and prefer to do things in the same old way. With the average age of real estate appraisers around 62, maybe you can see why there are still a lot of people who think this way.

One of the best examples of where these two camps differ is over workfiles. The older trainers still like to do their sketches, their notes and so on using a pen and paper. I, as you can probably guess, do not. I use a mobile app, on my tablet, to carry out my appraisals in the field.

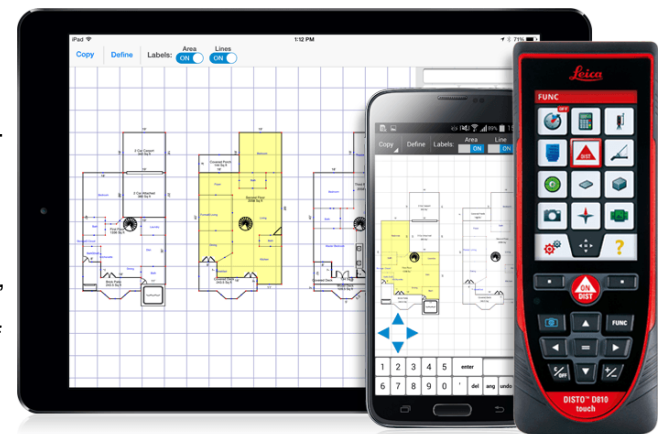


A huge reason that people don't like to use mobile apps for their appraisals is because they think it will render their workfile void. Lots of real estate appraisers think you need handwritten notes to refer back to. Let me clear this up right now: that is completely wrong.

The USPAP guidelines say absolutely nothing about notes being handwritten. They simply say that you need to have a workfile, and that you need to be able to reconstruct the route you took in your appraisal. Mobile apps and other online storage solutions are a perfectly viable way of doing this.

Not only are they a viable way of making workfiles, I would also argue that they're a safer way. Where do most paper workfiles usually get stored? In the office. So, what happens if there's a fire in the office? All of the workfiles go up in flames, literally! If the state comes knocking three years down the line, and they want you to explain one of your appraisals, you're in big trouble.

By contrast, when your workfiles are all digital there's almost no risk of losing them, as long as you're smart about backing up. I personally store my business's workfiles on two servers in the office, on two other cloud-



based services, and on an external hard drive as well. If the entire networking infrastructure of the USA suddenly collapses then I'm in trouble, but until then I'd say that I'm probably good!

Combine the peace of mind you get from all those backups, with how easy these mobile apps are to use (when you've spent a little time with them), and the amount of time they save you (for myself, that's an amazing 25 minutes per appraisal), and it's a no-brainer. Mobile is a far more efficient, smarter way to create your workfiles. Once again, I want to emphasize that digital workfiles are just as legitimate as pen-and-paper workfiles. This is yet another example of how using technology can make your real estate appraisal business more effi-

cient and more effective, increasing the quality of your work in the long run and, of course, generating more revenue.

www.appraisercoach.com

Dustin Harris is a successful, self-employed, residential real estate appraiser. He has been appraising for nearly two decades. He is the owner and President of Appraisal Precision and Consulting Group, Inc., and is a popular author, speaker and consultant. He also owns and operates The Appraiser Coach where he personally advises and mentors other appraisers helping them to also run successful appraisal companies and increase their net worth. His free podcast can be listened to on iTunes and Stitcher. He and his wife reside in Idaho with their four children. He has recently relapsed on his addiction to Swedish Fish.

Association of Texas Appraisers - Meeting Registration Form

Abilene Meeting—May 6, 2017

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

Early Bird Fee (April 21 and before):

Member	\$100
Non-Member	\$200
Guest Lunch (not for attendees)	\$20

After April 21:

Member	\$120
Non-Member	\$240
Guest Lunch (not for attendees)	\$20

Total Due \$ _____

Schedule

Saturday, May 6

7:30 a.m.	Breakfast
8:00 a.m. - Noon:	<i>FHA Handbook 4000.1 Updates</i>
Noon - 1:00 p.m.	Lunch (included with your registration fee)
1:00 p.m. - 5:00 p.m.	<i>FHA Handbook 4000.1 Updates (con't)</i>

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

ATA has negotiated a \$122 sleeping room rate for this meeting at the Hampton Inn Abilene, 3917 Ridgemont Drive, Abilene. To reserve your room, call 325-695-0044 and mention Association of Texas Appraisers or #86599257.

The **cut-off date for reservations is April 24th.** Rooms will be available on a space/rate available basis after this date.

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 May 1st. No refunds after May 1st.

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

Association of Texas Appraisers - Meeting Registration Form

Houston Meeting—June 10, 2017

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

Early Bird Fee (May 26 and before):

Member	\$100
Non-Member	\$200
Guest Lunch (not for attendees)	\$20

After May 26:

Member	\$120
Non-Member	\$240
Guest Lunch (not for attendees)	\$20

Total Due \$ _____

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 5th. No refunds after June 5th.

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

Schedule

Saturday, June 10

7:30 a.m. Breakfast
8:00 a.m. - Noon: *Red Flags in Real Estate*
Noon - 1:00 p.m. Lunch (included with your registration fee)
1:00 p.m. - 5:00 p.m. *Red Flags in Real Estate (con't)*

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

ATA has negotiated an \$89 sleeping room rate for this meeting at the Holiday Inn Houston West—Energy Corridor. To reserve your room, call (281) 679-6900 and mention ATA. The **cut-off date for reservations is May 26th**. Rooms will be available on a space/rate available basis after this date.

Attention Overworked Appraisers

Experienced Appraisal Data Entry Specialist Available

My name is Amber Martin, and I have over 16 years of proven experience preparing appraisal reports.

As an appraiser, you provide me all the data you need included in your appraisal reports (via email) and I fill it in--including maps, subject info and county data, comp sales grid, 1004MC, and more. Working with me allows you to focus on the inspection and evaluation, while I focus on the data entry. This process will escalate your efficiency, free up time to spend with family, and provide you the ability to complete more reports, which means more money in your pocket! You can expect to have your reports (up to 4 a day) completed usually the

same business day but within 24 hours guaranteed. Your first report is FREE and your satisfaction is my priority!

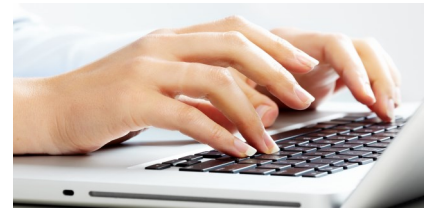
Your data and privacy are secure because I work from home using the Gotomypc.com website which allows me to connect to your computer and work with your programs as if I am there in person. This ensures complete privacy as no files are kept on my computer. It reduces the cost of business on both ends, and allows me to work remotely for you wherever you are located in the US.

I have earned the trust of two respected Texas residential property appraisers, and have prepared thousands of appraisals over my career honing my skills. Working with a private data

entry specialist such as myself over a data service ensures you will get the personal service and consideration you deserve.

You pay one flat fee of \$40 per appraisal. Any rushes on weekends are an additional charge. My hours are Mon-Fri 9-6 EST. I have extensive experience using both ACI and Total appraisal software.

***Availability is limited so be the first to call me at 830-459-0547. I look forward to working with you!



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