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Connections

Official Publication of the
Association of Texas Appraisers, Inc.



Ken Pruett, ATA-R
ATA President

Has the worm turned yet?

Not sure about our current state of affairs. My last column seems somewhat predictive, but more along the lines of “watch this, you ain’t gonna believe this!”

Real Estate agents are reporting amazing above list price offers, *multiple* competing offers above list price, as their only hope of obtaining housing for clients. And the kicker, many of these contracts utilize the added inducement of pre-qualification for an Appraisal Waiver. No appraisal needed. Homebuyers are paying over list price, one reported in six figures, and yet they are waiving the ability to learn the actual market value. If this does turn into an over exuberant market, at least the finger pointing shouldn’t be at the appraisers.

There is still plenty to complain about appraisers. We’re taking too long, we’re not accepting assignments, we are disappearing, fees are too high (our fees? Or our fees, plus our silent AMC business partners fee), and, my personal favorite, we are not keeping up with the market and killing deals. But is any of this really new to us? Frustrating at best.

I see the homebuilders taking a different approach to their business models, build it, and we will sell it. I understand rising construction costs. There are a lot of builders all chasing the same limited amount of lumber to build their

homes. I also understand rising labor costs. Same builders, who have now paid more for their lumber, need to find contractors to build their houses. Pretty basic supply and demand. Yet as appraisers, we keep right on plucking along. At the same time, there is an unlimited supply of opportunities and solicitations to knee cap my fellow appraiser at a discounted fee for services. I am lucky, I only see a portion of these opportunities, Amy typically responds to them. Or not. I would have lost my cool by now.

I am also blessed to have survived the Deep Freeze of 2021. Not sure if I will be able to say the same about the impending utility bill. Guess I should probably be thankful for all those “free, no charge” times when my power was out. Didn’t seem like a good thing at the time.

The point of all this randomness, we have plenty to be thankful for, but at what cost? Just remember your value in all this. Not just in what we charge, but in what we do. Sometimes it is difficult to remain the consummate professional, but that is exactly what an appraiser does.

And we all did this in a mask. With blue latex gloves on. And with a smile. That you couldn’t see.

Ken

*Message from the
President*

Upcoming Industry Meetings:

- ATA Mid-Year Meeting, April 1-2, New Braunfels
- ACTS, April 14-16, Bay St. Louis, MS
- AQB Public Meeting, April 30, Virtual
- TAF Board of Trustees, May 20-22, Virtual
- TAFAC, June 10, Crystal City, VA

Inside this issue:

New Members	2
Mid-Year Meeting	2
Trainees Seeking Sponsors	3
What is Normal?	4
A Homeowners View on Value	5
What Type of Assignment is a Final Inspection?	6
Becoming a Successful Supervisor	8
FHFA Appraisal Related Policies, Practices, and	9
Awards/Scholarships	10
TALCB Meeting	10

New Members and Designated Members

Welcome!

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

Jerrod Anderson, Allen
Chadwayne Anderson, Sequin
Amanda Andrews, Llano
Jacob Byrd, North Richland Hills
Ryan Campbell, Spring
Matthew Charlton, San Antonio
John Fanning, Abilene
Laura Goldware, Houston

Javier Guerra, Edinburg
Seth Hanson, Fruitland, ID
Patrick Harvey, Adkins
Howard Hill, Missouri City
Christopher Jencks, San Antonio
Mark Julian, New Braunfels
Misty Lux, New Braunfels
John Mancini, Helotes
Tyler Overbay, Pflugerville
Rodney Pfeiger, San Antonio
Robert Rodriguez, New Braunfels
Benjamin Rumbaugh, Pflugerville

Gerardo Saucedo, Edinburg
Kathryn Selhorst, Tuscola
Carl Shinpaugh, Dallas
Jakob Visser, Fulshear
Lori Walker, Sulphur Springs
Gayle Wooten, Weston Lakes

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

15th Mid-Year Meeting—Live and Virtual!

ATA's 15th Mid-Year meeting will be held **April 1 and 2**. (Thursday and Friday) at the Courtyard New Braunfels River Village, 750 IH 35 North, New Braunfels, TX 78130.

The following events will be held at this mid-year meeting:

- Thursday morning - 8:00 a.m. - 8:05 - **Welcome** (Ken Pruett, ATA-R, ATA President)
- Thursday morning - 8:05 a.m. - Noon - **Challenging Repairs*** - This course gives students more familiarity with guidelines and reporting protocol regarding minimum property requirements for FHA, USDA and VA. Student will be able to identify minimum property requirements and have the ability to note deficiencies. Your instructor is Melissa Bond.
- Thursday afternoon - 12:35 p.m. - 1:00 p.m. - **TALCB Update** (Sara Oates, TALCB Chair)
- Thursday afternoon - 1:00 p.m. - 5:00 p.m. - **The Workfile*** - Presenter will discuss Workfile requirements and teach students how to compile/create a workfile that is compliant with USPAP's Record Keeping Rule for each assignment. Students will receive an in-depth review of collection, verification, and documentation necessary for producing credible opinions and valuation conclusions. Your instructor is Melissa Bond.
- Thursday evening - 5:00 p.m. - 6:30 p.m. - **Networking Reception**

- Friday morning - 8:00 a.m. - Noon - **Foreclosure Properties*** - This 4-hour course will teach student how to gain a greater understanding and knowledge base when developing and reporting Real Estate Owned (REO) appraisal assignments. Students' objective is to achieve a higher level of proficiency in FHA, USDA, VA, Fannie Mae, etc. guidelines for performing this type of assignment. Your instructor is Pam Teel, ATA-G.
- Friday afternoon - 1:00 p.m. - 5:00 p.m. - **TREC Legal I**** (instructor - Candy Cooke, ATA-G, Separate Registration Fee)

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

Because of the current pandemic, ATA has blocked fewer hotel sleeping rooms for this meeting. Our contracted rate is \$129. This rate expires when our contracted room block is sold out **or on Mar. 10 (whichever comes first)**. Call the Courtyard by Marriott River Village (830) 626-4700, ext. 0 to reserve your room today and mention ATA. You can also [click here](#) to make your reservation on-line.

Registration Fees

The fee to attend this meeting is \$150 for ATA members and \$300 for non-members. (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

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

Cancellations/Refunds

Written requests received three business days prior—full refund; fewer than three business days prior—no refunds will be issued.

*These classes are approved by: TALCB (Provider #8) for 4 hours each - Challenging Repairs = CE: 40302; Foreclosure Properties = CE: 40282; The Workfile = CE: 40303. TREC (Provider #9974) Challenging Repairs = CE: 40366; Foreclosure Properties = CE: 40365; The Workfile: CE: 40433.

**TREC Legal Update I is offered by Texas Realtors; Provider #0001; CE: 37798.

Trainees Looking for Sponsors

First Name	Last Name	City	Zip	Phone	Email
Crystal	Jordan	Houston	77219	832 792-9300	crystaljay595@yahoo.com
David	Carroll	Arlington	76017	817 808-7362	dwcarroll@yahoo.com
Rachel	Carpenter	Austin	78759	512 771-6042	rachacarpenter@gmail.com
William	Massey	Montgomery	77356	719 210-7561	wildbillmassey@hotmail.com
Rebecca	Armstrong	Midland/Odessa/DFW		469 777-8632	rebecca@trinityrealestategroup.com
Raul	Garcia	South Texas		956 550-1354	earthrealtyrul@aol.com
Philip	Yeatts	Denton		214 784-7676	pyracer@yahoo.com
Jimmy	Jackai	Dallas		214 372-0039	JJackai@aol.com
Michael	Bragdon	New Braunfels	78130	901 359-7670	bragdonmichael@gmail.com
Carlos	Mugica	San Antonio	78213	210 273-2102	candtproperties@sbcglobal.net
Mark	Abeyta	Katy	77494	214 960-0596	markabeyta2@gmail.com
Erik	Garza	Donna (will go anywhere in TX)	78537	956 223-3444	e-garza-5@hotmail.com
Lee	Brooks	Conroe	77304	936 520-0980	leebrookslanman@gmail.com
Shelia	Ireland	Gainesville	76240	817 907-9871	shelia@cfaith.com
Melchor	Besheer	San Antonio	78154	210 331-0290	melbesheer400@gmail.com
Aaron	Lay	San Antonio	78208	214 457-0705	aaron1130@hotmail.com
O'Ryan	Ethington	Austin		512 689-6988	o.ethington@gmail.com
Frank	Hendricks	San Antonio		512 557-2273	Frankhendricks@gmail.com
Ronald	Reed	Austin	78669	512 914-8236	rakreed@sbcglobal.net
Dirk	Alvarado	Manchaca	78652	650 619-7254	dirkalvarado@aol.com
Placido	Vasquez	San Antonio		210 777-5882	placido@housetohomere.com
Raul	Pena	Austin, Georgetown, San Antonio		210 364-0720	raul.c.pena@gmail.com
Beniamin	Gross	San Antonio	78257	773 562-0260	beniamin_gross@yahoo.com
Becky	Ackley	San Antonio/Austin/Corpus Christi		284 352-3697	backleyetp@gmail.com
Teresa	Stearns	Austin		512 960-7137	teresa.sterns@yahoo.com
Frank	Ditta	Anywhere in Texas		832 457-6019	frank.ditta@gmail.com
Grant	Jacobs	Boerne		830 446-8306	grantfamilyfirst@gmail.com
Ron	Richardson	New Braunfels		281 795-6774	ronrichardsonjr@gmail.com
Marisol	Garcia	Austin		512 903-5030	marisolgarcia2@gmail.com
Rick	Shurtz	Austin		512 350-7289	rcshurtz@gmail.com
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Stacy	Mellish	Cedar Park		832 264-3852	stacym1225@gmail.com
Corey	Rowland	Wimberley (GC Trainee)		830 313-0636	corey.p.rowland@gmail.com
Troy	Taylor	Austin		512 285-0721	troytaylor787@gmail.com
Joe	Rivera	Ft. Worth		817 301-6823	rjoe2045@gmail.com
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Gayle	Wooten	Tyler		281 380-1280	gaylebwooten@gmail.com
Lori	Bridier	Cleburne		817 300-2968	lorldarling@live.com
Michael Shane	Watson	Cleburne		312 354-0514	michaelwatson85@icloud.com
Don	Ferris	Moving to Corpus Christi		970 903-0030	donferrisrealestate@gmail.com
John	McKenzie	San Antonio		210 834-5550	jimmck25@outlook.com
Ryan	Campbell	Spring		817 938-2700	wrcampbell24@gmail.com
Tyler	Overbay	Pflugerville		806 220-5269	tyler.overbay@yahoo.com
Kyle	Henson	San Antonio		915 539-5315	hensonkyle1@gmail.com
Ashley	Collier	Brackettville		210 627-1651	ashleytxrealtor@gmail.com
Frank	Atherton	Fort Worth		817 986-3560	frank.atherton24@gmail.com
Jarrold	Anderson	Allen		972 832-8514	jerrod.d.anderson@gmail.com
Jacob	Byrd	North Richland Hills		214 681-6884	byrd.jacob@gmail.com
Alan	Burkett	Beeville		361 350-1629	burkettappraisal@yahoo.com
Misty	Lux	New Braunfels		830 312 8983	misty_greenlotus@outlook.com
Joey	Saldana	San Antonio		603 203-4053	ajeditm@gmail.com

What is Normal?



Pam Teel, ATA-G
ATA Vice President

Merriam-Webster.com Dictionary, Merriam-Webster, <https://www.merriam-webster.com/dictionary/normal>. Accessed 1 Mar. 2021.

1a: conforming to a type, standard, or regular pattern: characterized by that which is considered usual, typical, or routine

- *normal* working hours
- under *normal* circumstances
- It was just a *normal*, average day.
- He had a *normal* childhood.
- Their reaction to the news was *normal* and expected.
- The noise made it impossible to carry on a *normal* conversation.

In 1920, Warren Hardy's presidential campaign motto was "Return to Normalcy". Harding said, "There isn't anything the matter with world civilization, except that humanity is viewing it through a vision impaired in a cataclysmal war. Poise has been disturbed, and nerves have been racked, and fever has rendered men irrational; sometimes there have been draughts upon the dangerous cup of barbarity, and men have wandered far from safe paths, but the human procession still marches in the right direction". To me, it very much sounds as if this could have been written in 2021!

Many professions have faced great challenges over the course of this past year. We, as appraisers, have had more than our fair share of challenges: working under the cloud of a pandemic, navigating assignments with limited or no inspections, inordinate workloads,

working with the distraction of other people trying to co-exist in our workspace, adapting to new continuing education technology, accusations of racial bias, etc. And just for good measure, let's throw in 8 days below freezing in Texas, some of that time without electrical power, water, and propane!

As I have reflected back over the events of the past year, several valuable lessons could be learned from these experiences:

- ***Our supply chain is extremely fragile.*** Most of us thought that the shut down from the pandemic would be very short-lived. We certainly did not anticipate that our homes would be forced to withstand such a prolonged winter storm. There are a couple of things I vow to never be without again – toilet paper, printer ink, and unscented candles!
- ***Personal relationships are vitally important.*** As our interaction with family, friends, and our usual weekly outings to houses of worship, restaurants, etc., became limited, we grew to appreciate their importance even more. The "normal" became much more cherished. When ATA gathered in Georgetown for our annual meeting last October, we were like a group of giddy teenagers finally allowed to see our friends after being grounded! And having to delay our mid-year meeting until April felt like we had lost our Spring Break!
- ***How we adapt in times that challenge says a great deal about our true character.*** Much like a tea bag, when we find ourselves in hot water, what comes out of us is what is at the core of our character. Did we approach these challenges as Winnie-the-Pooh (a soft-voiced, loveable protagonist), Tigger (exuberant, happy, less-than-responsible and sometimes trouble-making), or Eeyore (ever-glum, sarcastic and pessimistic)? Maybe some other relatable character comes to mind.
- For many people, life in the Lone Star State is beginning to return to

"normal". Many of us are still processing the loss of loved ones or rebuilding our lives or businesses from the ground up. Some of what we've experienced is now defining a "new normal" for us personally as well as in our profession, with lots of change still on the horizon. Some questions to ask ourselves as we march forward:

- ***Are you prepared to handle the future challenges?*** Have you evaluated your personal and business "supply chain" and prepared yourself for unexpected disruptions? Can you weather another storm?
- ***Have you been intentional about building the kinds of relationships (personally and professionally) that can help sustain you during rough times?*** Do you have a local community you can rely on? Do you have a professional community you can call on for advice or help? If you are a member of ATA, you do!
- ***Are you willing to remodel the way that you respond to challenges?*** What does your adaptability say about your character? What can you do to become more effective in your personal or professional life, to be a leader to be emulated?

As New York Lifestyle Writer Gabrielle Gayagoy said, "Challenges are a normal part of life; remind yourself of that – and keep going."

When the going gets tough, the toughest persevere – hopefully still marching in the right direction!

See you in April in New Braunfels at the ATA mid-year meeting!

Pamela Teel
Vice President

A Home Owner's View on Value



Dustin Harris

As a real estate appraisal provider, it can be hard to get into the home owner's perspective. It seems that what is important to them may not directly translate into value. We often run into this

problem, where an owner pours thousands of dollars into a project that doesn't increase the home's value much at all, and owners tend to not be very happy about this.

Our role as appraisers is to figure out what someone from the general population would pay for a certain amenity or addition. Sometimes it's interesting to get into the shoes of an owner vs just being an appraiser. A problem re-

cently occurred at my home that I needed to get fixed. It was interesting making decisions as a real estate appraiser by day and then a husband at night.

Our master shower went bad and had an issue with the drain pan, the damage from which necessitated an almost entire bathroom remodel. We got the payout from the insurance claim, and now we have decisions to make. There are things we want to do in that room that will make no difference in market value to an appraiser, but make a big difference to us as home owners.

We definitely don't plan to be in this home forever. It's likely we'll downsize as the kids leave the nest and it will just be my wife and I. Even though these things won't add value, I'm a home owner, and there are things I want as a home owner.

I understand better as an appraiser why some home owners make sure to

point out things to us that won't add any value. It's because these things are important to them. Some home owners are very taken with their new ceiling fans, some are obsessed with their recently-blacktopped driveways. These things don't necessarily add value to the home in terms of numbers, but they add emotional value to the home owner themselves.

For more information on this subject, please download and listen to [The Appraiser Coach Podcast Episode:](#)

Dustin Harris is a popular speaker and author. He writes a regular column for WorkingRE Magazine, The Appraisal Buzz, and Appraisal Today and has been featured in all of the top industry publications.

Dustin holds a Master's Degree in Adult Education and is a regular and popular speaker at real estate appraiser, agent, and regulator conferences throughout the country.

Don't forget to spring forward this weekend!



SPRING

Thank you to ATA's Mid-Year Meeting Sponsors:

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What Type of Assignment is a Final Inspection?



Diana T. Jacob, ATA-G

Too many appraisers fail to realize what type of an appraisal assignment a “Final Inspection” is when engaged to perform the service. The Appraisal Standards Board

(ASB), of The Appraisal Foundation (TAF), publishes Frequently Asked Questions (FAQ’s). Of particular interest in this subject, FAQ 25 is a question about a Final Inspection. It falls under the conduct subsection of the Ethics Rule “Does A Request For A “Final Inspection” Require Disclosure of Prior Services? Why the Ethics Rule? Because the performance of an assignment is an action of Conduct that requires a commitment to “best practice”. It requires a performance without bias, without advocacy, without predetermined opinions, in keeping with the Record Keeping Rule, without misleading the client when communicating the results.

The question reads, “If I performed an appraisal that was “subject to” completion of repairs, and subsequently received a request to perform a “final Inspection” confirming that the work had been completed, am I required to disclosure that I previously appraised the property even

if it is obvious to the client that I’ve done so? The ASB Response, “A *“final inspection” is not an extension of the original assignment unless it is part of the original agreement for services. A subsequent request would be a NEW ASSIGNMENT and as such requires disclosure in accordance with the Conduct section of the ETHICS RULE. This holds true even if it may be obvious to the client that you’ve already previously performed an appraisal on the property.*”

When you are engaged to perform an appraisal under a “Hypothetical Condition” that it is complete, you have rendered an opinion of value under a known “false condition”. You’re done, you’re finished, the assignment is closed. When you’re asked to complete a “Final Inspection” for another appraisal report prepared by another appraiser, it will be necessary to have a copy of that appraisal report to understand fully what the “known false” conditions were at the time of the appraisal. When you’re asked to complete a final on an assignment where you have previously appraised the property, you have documentation of what those conditions were on that effective date. A final inspection cannot possibly be an extension of a previous assignment as the conditions in the assignment presented a detail of the appraiser’s Scope of Work which was to assume, as presented through a sketch, plans and specifications, a value “as if” the property were constructed. The Final Inspection serves as a notice to

the client, there are no “hypothetical conditions” associated with the previous appraisal assignment. When you read that section of “Certification of Completion it states, “*The intended use of this certification of completion is FOR THE LENDER/CLIENT to CONFIRM that the requirements or conditions stated in the appraisal report referenced above have been met.*” Notice the information at the top of the form, “*The purpose of this report form is to provide the lender/client with an accurate update of an appraisal AND/OR TO REPORT A CERTIFICATION OF COMPLETION. The appraiser must identify the service(s) provided by selecting the appropriate report type.*”

In a Certification of Completion, **you are confirming the conditions of the requirements of the original appraisal report have been met. It’s not an extension of the appraisal as no change has been made to the effective date, it’s not an appraisal, it’s a confirmation of the accuracy of the statements made when the original appraisal report was submitted.** Note on the next page on the left-hand side of the page, you are not entering a changed date, but you are stating the date of inspection which this new assignment report date is now reported. The effective date is unchanged; it remains the same as reported in the upper right-hand corner of the page.

(Continued on page 7)

CERTIFICATION OF COMPLETION	
INTENDED USE:	The intended use of this certification of completion is for the lender/client to confirm that the requirements or conditions stated in the appraisal report referenced above have been met.
INTENDED USER:	The intended user of this certification of completion is the lender/client.
HAVE THE IMPROVEMENTS BEEN COMPLETED IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS STATED IN THE ORIGINAL APPRAISAL REPORT?	<input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe any impact on the opinion of market value.
APPRAISER’S CERTIFICATION:	I certify that I have performed a visual inspection of the subject property to determine if the conditions or requirements stated in the original appraisal have been satisfied.
SUPERVISORY APPRAISER’S CERTIFICATION:	I accept full responsibility for this certification of completion.

What Type of Assignment is a Final Inspection? (con't)

(Continued from page 6)

What does this mean? When you are performing a service as an appraiser under the Uniform Standards of Professional Appraisal Practice (USPAP), regardless of the type of service you **MUST ADHERE to the ETHICS RULE** which clearly states, under the CONDUCT SECTION, that you **MUST DISCLOSE** to the client, and in each subsequent re-

port certification...**ANY SERVICES regarding the subject property performed by the appraiser, as an appraiser OR IN ANY OTHER capacity**, within the three-year period immediately preceding the agreement to perform the assignment."

time of the engaged proposed construction "subject to" appraisal assignment, the appraiser was ALSO engaged to perform both an appraisal and a subsequent final at the time of the original engagement).

Now we know, a Final Inspection is a service an appraiser provides as a "NEW ASSIGNMENT" (unless at the

SIGNATURES	
ADDITIONAL CERTIFICATION: I/we certify that if this report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this report containing a copy or representation of my signature, the report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.	
APPRAISER Signature _____ Name _____ Company Name _____ Company Address _____ Telephone Number _____ Date of Signature and Report _____ Effective Date of Appraisal Update _____ Date of Inspection _____ State Certification # _____ or State License # _____ or Other (describe) _____ State # _____ State _____ Expiration Date of Certification or License _____	SUPERVISORY APPRAISER (ONLY IF REQUIRED) Signature _____ Name _____ Company Name _____ Company Address _____ Telephone Number _____ Date of Signature _____ State Certification # _____ or State License # _____ State _____ Expiration Date of Certification or License _____
CURRENT LENDER/CLIENT Name _____ Company Name _____ Company Address _____	SUPERVISORY APPRAISER <input type="checkbox"/> Did not inspect subject property <input type="checkbox"/> Did inspect exterior of subject property from street Date of Inspection _____ <input type="checkbox"/> Did inspect interior and exterior of subject property Date of Inspection _____

Freddie Mac Form 442 March 2005

Page 1 of 1

Fannie Mae Form 1004D March 2005

Appraisal Update and/or Completion Report

File #

The purpose of this report form is to provide the lender/client with an accurate update of an appraisal and/or to report a certification of completion. The appraiser must identify the service(s) provided by selecting the appropriate report type.

Property Address	Unit #
City	State
Legal Description	Zip Code
Borrower	Contract Price \$
Date of Contract	Effective Date of Original Appraisal
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)	Original Appraised Value \$
Original Appraiser	Company Name
Original Lender/Client	Address

GET CONNECTED
stay connected

How I become a Successful Trainee Supervisor. Now you can too!

My dream of owning my own company finally became a reality in 2008. I wanted to own a company ever since I was a kid when my oldest brother started "The Entrepreneurs Club". Basically, a think tank for me and my siblings to come up with a business idea and make money. We all loved the idea and got to work because, similar to how most kids feel, we thought our Dad worked too much.

I am quite sure starting a real estate appraising company never occurred between me and my siblings, but I remember feeling so proud of myself as I completed that first appraisal as a business owner. It was a nice, well over a million-dollar house, in a beautiful suburban neighborhood of Seattle, a neighborhood I could only dream of living in at the time.

The orders kept rolling in that first year, thanks in large part to my Supervisors who provided the foundation for me to be successful. Too many orders in fact. Working long hours day after day while doing it all myself was not the reason I started a business. So, I decided to start training appraiser Trainees to help out and eventually provide supplemental income. However, what I did not realize was, it is exceedingly difficult to be successful at training Trainees!

After nearly seven years and several Trainees later, all I had to show for it was...one other Certified Appraiser. That was it. Not exactly the business dream I had thought it was going to be. Not only that, but I was still working long hours trying to train and establish the company. I was now married, had a son in 2013, and another one on the way in early 2015. Anxiety set in about repeating the "Dad works too much" cycle. My theme song was becoming Cat's in the Cradle! My plan was not working, and I felt destined to have the same conversations with my kids that my Dad had with me, "sorry guys, but I have to work".

As luck would have it, after posting a job opening in late 2014, I found two applicants that looked promising. One

applicant was already a Trainee and had been for almost two years and the other was a recent college graduate with an Economics degree and a near 4-point GPA, with no appraising experience. I only planned on hiring one Trainee originally, but after the interviews, I thought why not hire both, finish training the one with experience for a few months until he is Certified, while having the other do data entry.

What happened? The Trainee with "experience" had learned all sorts of bad habits and it was an excruciating experience training him, trying to get him to unlearn all of the reasons he was unemployed to begin with. The other one was a quick learner, eager to learn more, and was doing a bang-up job providing data entry. After 6 months, I could not take it any longer and made the heart wrenching decision to let the experienced Trainee go. My data entry protégé was more than ready to hit the ground running!

The lesson was learned. I started to realize what type of Trainee I wanted to look for and also started to realize the sequence of training it took to be successful. All of those years of failure were not wasted time after all; because those mistakes provided me with time to figure it out. And over the past 5 years I have!

It took me seven years and countless mistakes to have 1 employee to show for it, but now over the past five years—I have 10 employees! All trained in-house. And not only that,

but they are billing out \$20,000, \$30,000, and sometimes \$40,000 per month! With all of the recent success training appraisers, my company made over \$1,500,000 last year. I am making significantly more money than I was sprinting day to day, month to month, trying to do it all myself, and now I have significantly more time to do other things as well.

Now that I am an adult with kids of my own, I feel truly fortunate for my Dad and all of his hard work doing his best trying to provide a good life for me and the rest of our family. He helped pave the way for me and what I have today. But I also learned it does not have to be that way, grinding it out yourself each day. Last night I was making supplemental income while I slept, and was making more this morning while I played with my boys, while we ate breakfast together, and while I walked them to school. I could not help but smile as we walked down the street by that same well over a million-dollar house that was the first house I appraised and dreamed of living by when I started my business.

I have also created better lives for each of my Trainees who took advantage of my modern training system that I provided them. Some of them are Certified now and are Supervisors making supplemental income training Trainees, all as a part of my team. My "data entry protégé" is now the branch manager in Colorado with two Trainees of his own!

The amount of satisfaction I feel as an owner of a company helping others achieve their dreams while I achieve mine, rather than the lack of satisfaction I felt by myself as a sole proprietor, is invaluable.

What is the secret?
Training a Trainee can be hard, time consuming, and frustrating. Trust me, I know! But it does not have to be!

I wanted to give back and help other Supervisors so you do not have to make the same mistakes I did, so I

(Continued on page 10)



FHFA Appraisal Related Policies, Practices, and Processes

Presented at the FHFA Appraisal Related Policies, Practices, and Processes February 11, 2021.

Many thanks to FHFA for providing this platform today.

FIRREA was enacted to ensure that a professionally trained and licensed real estate appraiser, with no compensation tied to the outcome of the transaction, acts independently to protect the public, and serves to maintain safety and soundness in housing finance.

Do we have that today? No, I don't think we do. We have almost every single stakeholder working to diminish the role of the appraiser. During the last crisis, the credit side of the equation was ceremoniously dismissed with stated income, no doc loans. For this next crisis, it would seem that the weakest link is the appraisal process. Now we have "no doc" appraisals or waivers. We keep raising the de minimis. We have perverted the intent of FIRREA with appraisal exemptions for the vast majority of loans. In short, FIRREA has been gutted, as has the appraisal independence mandates in Dodd Frank.

The most impactful change to the appraisal profession would be to build a framework to allow and support appraisers in reporting the truth.

Appraisal Independence is the single most important tenet of the appraisal process. Without it you have nothing. All of the innovation in the world won't fix the structural problems.

We have policies, practices, and procedures in place that encourage appraisers to evade the truth and mislead. Here are a few examples:



- Seller concession policies encourage appraisers to mislead. While seller concessions are well intended, in practice they harm not help, the affordable housing sector.
- We make 30 year loans on properties that may be underwater in 10 years or no longer structurally sound. When is the last time you have seen an appraiser report an economic life less than 30 years?
- We have lenders and AMCs creating blacklists of appraisers who kill deals.
- Automated collateral systems have created an avalanche of revisions and Reconsiderations of Value whereby the appraisers must respond to comps selected by a machine. Lenders who have compared the GSEs systems claim that 60% of the time the scores are diametrically opposed. That tells me that one is good and the other not, or they are both terribly wrong. Lenders inform me the scores seem somewhat random.
- The appraisal process has devolved into a single approach to value. We are in a frothy market today and we have removed two legs of the stool that could help identify speculative aspects of house prices. Each approach acts as a mathematical proof of the other.

- Some recent policy changes are directing appraisers to incorrectly approach HBU. This puts appraisers in harm's way of choosing between violating Fannie policy or USPAP.

The GSEs are the de facto standards bearer of the mortgage appraisal process. This is a structural problem that must be corrected in order to achieve appraisal independence. You effectively have the fox guarding the henhouse. An independent entity needs to be established.

Appraisal data must be democratized within this entity. All stakeholders must have access—appraisers, lenders, regulators, rating agencies, investors, and PMI companies.

This entity needs to develop new reporting formats. This begins with a top down approach and the entire process needs to be rethought through a prism of collateral risk.

We need to stop blaming appraisers for the failures of a system that they did not create. We are sending signals to the appraisal community that they are incompetent, slow, useless. They are terribly underpaid, yet we don't understand why we can't attract new entrants? We set ridiculous barriers to entry for the privilege of being abused by the very stakeholders they serve. This too must change.

Have any comments or would you like to submit content of your own? Sign up to be a Buzz Premium member to comment below or email comments@appraisalbuzz.com.

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Successful Trainee Supervisor (con't)

(Continued from page 8)

created the website Appraiser Supervisor Resource Center. It includes the essentials to becoming a successful Supervisor!

The essentials will help you learn everything there is to know regarding finding, onboarding, training, and compensating your own All-Star Trainees. It will provide you with detailed knowledge and resources so you can implement the modern process that is going to save you from all of the years of frustration, anguish, and heartache I went through, and ultimately save you thousands of dollars of opportunity cost while you make supplemental income. And, it will also help give you

back something we could all use, time! Take advantage of all of the essentials for a total cost that is less than what you earn with one appraisal:

- Blueprint to Success Training System, the modern training outline and timeline for Free!
 - The Successful Supervisor Course, the updated 2-hour on-line course I created including my secrets in detail, only \$195.
 - On-line Appraisal Form Guides, guides for your Trainee covering the basics of each major form (1004, 1073, 1025, etc.) so you do not have to. Perfect during COVID! Reduced from \$250 down to \$95.
- Check it out today. You and your future All-Star Trainee's will be glad you did!

Brian Ahrens is the founder of the Appraiser Supervisor Resource Center, and the owner of Ahrens Co Appraisal Services, with branches in Seattle, WA, Fort Collins, CO, and Fort Worth, TX, and generating over \$1.6 million in revenue last year. Mr. Ahrens experience spans more than 15 years in the valuations industry. Prior to appraising, he was a residential loan officer and U.S. Peace Corps volunteer. He founded Appraiser Supervisor Resource Center in 2020 in hopes other Supervisory Appraisers could learn from his mistakes training over 15 Appraiser Trainees and utilize the modern training system and resources he developed. Reprinted with permission from WorkingRE (www.workingre.com)

Appraiser Awards/Scholarship

Don't forget ATA's **Regional Outstanding Service Awards**. If you feel someone is deserving of one of the Awards, you can nominate them for an Outstanding Service Award. You can also self-nominate.

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

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

TALCB Board Meeting

Mark your calendar for the next TALCB meeting, scheduled for May 14 at 10 a.m. The website says this meeting will be held at:

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

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 2020-2021 Board of Directors

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