



# Connections

Official Publication of the Association of Texas Appraisers, Inc.

## Mission Statement of the Association of Texas Appraisers

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

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## From the Desk of the President

### Fifth Annual Meeting Recap



Candy Cooke, ATA-G

It is such an honor to be asked to lead this organization. Our organization has really grown over the past few years. We are providing such good education but we are also providing networking opportunities to each and every one of you. Because of the changes to our industry, often occurring daily, we need all of the help we can get to stay on top of these changes. My goal is to encourage everyone to take advantage of the “meetings of the minds” that we schedule each year.

As we heard from some of our experts, membership in a professional organization is seen as a plus should we ever have to go through the investigative process. By being a member of ATA, I would hope that you are learning and growing. This growth should not only be in the appraisal part of our lives but in our business acumen as well as our leadership abilities.

Looking back at our meeting, some things stand out. Starting off, it is so much fun to see everyone as we come in on Friday. The smiles, hugs, slaps on the back and sounds of laughter show how much we have bonded. As we listened to several instructors, we began to settle in. George Harrison’s discussion of the Financial Reform Bill gave us a glimpse of upcoming changes. Jeff Jenson with the FBI gave us more insight into what is happening to the professionals involved in mortgage fraud. And finally Roger Miller, with FACT spoke to us about joining together and fighting for our livelihoods through government channels.

The upcoming year will have other meetings and hopefully new ways to network and send referrals to our members. I look forward to all of it.



### 2010-2011 Board of Directors

Candy Cooke, ATA-G, President	Ken Becker, Director
Michael Braught, Vice President, ATA-R	Bobby Crisp, ATA-R, Director
John Macy, ATA-R, Secretary	Bobby Shafer, ATA-R, Director
Richard Neighbors, ATA-R, Treasurer	Tom Shirley, ATA-R, Past President
Eileen Brown, Director	

## New Board Members

**Richard ( Rick ) Neighbors ATA-R**, is the owner of Texas Real Estate Appraisers in Keene Texas, just south of Fort Worth. He holds the Certified Residential Appraiser Certification from the State of Texas. He is a Member of the Association of Texas Appraisers and sits on the Board of Directors as the ATA's Treasurer. He is also Chairman of the ATA Membership Committee.



Rick is an approved FHA Appraiser on the Lender Selection Roster and a member of Texas Association of Realtors (TAR), National Association of Realtors (NAR), and Texas Real Estate Commission (TREC). His resume includes training from many highly acclaimed sources including Columbia Institute, Leonard Hawes Real Estate School, Continuing Education Institute, Dallas County Community College, Nanci Hawes School of Real Estate, Alamode, Inc., and the Association of Texas Appraisers. Other accomplishments include being a member of the Keene Community Development Corporation for over 10 years, and serving as its Vice President, Treasurer and President. Also he has served as Chairman of the Keene Technology Committee and worked with that committee to bring both Broadband Internet Service and DSL to Keene.

Rick is married to Nancy, his wife of 38 years, and has 2 sons, Nathan and Ryan, both in their late 20's. His hobbies are raising Texas Longhorns, Quarter Horses, and spending time with family and friends.

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**Bobby Crisp, ATA-R** is the owner of Crisp Appraisal Service located in Schertz, Texas (just northeast of San Antonio). He holds the Certified Residential certification from the State of Texas. He is certified to teach the Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation and has taught a variety of appraisal courses (qualifying and continuing education) for the Lincoln Graduate Center, Columbia Institute and Franklin Educational Institute. He has been selected by the Texas Appraiser Licensing & Certification (TALCB) as a member of their Peer Investigative Committee.

He is an approved FHA appraiser on the Lender Selection Roster and is an approved Fee Appraiser for the VA. He is a charter member of the Association of Texas Appraisers (ATA), a member of the Texas Association of Realtors (TAR), National Association of Realtors (NAR), Texas Real Estate Commission (TREC) and has been member of several appraisal organizations. He has received specialized training through George Leonard School of Real Estate, Lincoln Graduate Center, Appraisal Institute, and Columbia Institute. He holds a Bachelor of Science degree from Western States University.

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**Frank Baker, ATA-R** was born and raised just outside of Houston Texas in Sheldon and graduated from Stephen F. Austin State University in 1987 with a BBA. He and his wife, Angela will be celebrating their 23 wedding anniversary this October. He lives in Canyon Lake and has two children, Devin and Mallory. Devin is a sophomore at Texas State University who is there on a football scholarship, and Mallory is a junior at Canyon Lake High School where she plays volleyball.



They are very involved with their church where they have been teaching 12<sup>th</sup> graders for the past couple of years. This year, they are starting a Young Life group at CLHS where they hope to bring more kids to Christ. They enjoy doing mission work with their church and serve at a food bank in New Braunfels sponsored by Communities in Schools.

Frank has been an appraiser for about 10 years, and trained under the infamous Bobby Crisp. He boasts that he owes all of his knowledge of appraising to him. Frank is also a partner in two other companies; a management company and a construction company. He was elected to the school board for Comal ISD in 2005 and is currently in his second term. *"I am very blessed and I feel it is my responsibility to give back to my community which has given me so much. I also look forward to continue serving the ATA as one of your directors."*

## New Officers

At the August 13 Board of Directors meeting, new officers for the association were elected. The officers for 2010-2011 are Mike Braught (Vice President), John Macy (Secretary) and Rick Neighbors (Treasurer). Congratulations to you all.

## New Committees

ATA has formed two new committees, Membership and Program. If you are interested in serving on either committee, please contact Rick Neighbors (Membership) and Bobby Crisp (Program).

## Designation Awarded

**Congratulations to Rick Neighbors**, Keene, who was recently awarded the of Associate of Texas Appraisers - Residential (ATA-R) designation.

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

## Welcome New Members

The president and members of the Board of Directors would like to welcome our newest members, **Phillip Arledge, Karis Crawford, Dennis Crawford** all from Abilene, **Lisa Condra**, Boerne and **Donna Green**, Marble Falls. Welcome aboard!

## New Membership Campaign

Nominate your colleagues for ATA membership! We know our current members are the best possible source for new members who could benefit from all ATA has to offer. Beginning September 1, we will launch our 1<sup>st</sup> ATA Member-Get-A-Member Drive. Here's how the drive works:

1. You can simply provide us with your colleagues' names and contact information and we'll send them a membership information package.
2. You can print membership applications from the website and deliver them in person.
3. You can direct them to join online today!

No matter how you choose to participate, there are great rewards for every new member you recruit!

Whenever someone you refer becomes a member, ATA will thank you with a \$20 gift certificate for use toward your membership dues. This campaign will last six months.



We've made referring colleagues to ATA easier than ever and every time you recruit a new member, you strengthen ATA. A vital and growing ATA means greater recognition of the appraisal profession, improved educational and networking opportunities for all members, and the advancement of appraisal profession statewide.

We look forward to your active participation in our 1<sup>st</sup> Member-Get-A-Member Drive.



## Member Loss



James "Jim" Weaver, Jr, 75, of Lancaster, passed away in Charlton Methodist Hospital in Dallas on December 1, 2009.

James Elmer Weaver, Jr. was born November 27, 1934, in Dallas to James Elmer, Sr. and Virginia West Weaver. He grew up in Dallas and graduated from Sunset High School in Oak Cliff. He was a Lieutenant in the United States Air Force, serving as a test pilot. Jim later moved to Irving, where he worked in the family structural steel business and served as a Jaycee. Jim continued his education and in 1991, at the age of 56, he graduated Magnum Cum Laude from the University of Texas. After moving to Lancaster, Jim worked as a master real estate appraiser, was active with the Lancaster Chamber of Commerce, served on the Planning and Zoning Board and was a Rotarian. Throughout his life he was a true entrepreneur, he founded an export company, a real estate appraisal business and also co-founded The Sporting Life Singles Networking Group with chapters in both Dallas and Ft. Worth. Among Jim's achievements, his greatest was his family. He was a true family man and friend to all he met.

## On-Line Education... Appraisal, Real Estate and much more

ATA has signed an agreement with McKissock to offer on-line education via their referral program. McKissock works with educators, professional associations and various businesses to offer the highest quality professional education to their students, members, employees and customers. With over a decade of experience, they have grown to become one of the leading on-line continuing and qualifying education providers in the country. This gives them the ability to work with their partners to fulfill their specific education needs.



For a list of courses and (industries), click on the McKissock logo on the ATA website home page.

## Exhibitors and Sponsors



The ATA board voted to allow exhibitors and sponsors at their meetings and conference. We will start soliciting exhibitors and sponsors beginning with the 2011 Mid-Year meeting. If you know a company that would be interested in exhibiting or sponsoring, please have them contact [teresa@txappraisers.org](mailto:teresa@txappraisers.org) or direct them to the ATA website.

## Door Prize Winners

The following individuals won door prizes at the Annual Meeting in Fredericksburg. Congrats to you all.

### Friday

Nester Leamon  
Paul Smith  
J. D. Buchwald  
Phil Lumpkins  
Randy Posey  
Raulie Irwin

### Saturday

Lora Render  
Gene Ender  
Wade Jordan  
John Macy  
Quincy Simon  
Joyce Jacobs  
Bobby Shafer  
Renee Latham  
Robert Rundquist  
Mava Jalufka  
George Seidel  
Jay Smith

### \$25 Gift Certificate Winners

Jay Smith  
Ken Pruitt

### Cell Phone Ringing (\$3.00)

Donna Green





# ATA Annual Meeting and Educational Conference in Fredericksburg

*Your future depends on many things, but mostly on you.*

*Frank Tyger*

## USPAP ISSUES

By: Bobby Crisp, ATA-R  
AQB Certified USPAP Instructor #10287  
([crispappraisal@gmail.com](mailto:crispappraisal@gmail.com))



Since September 1, 2010 has brought new appraisal guidelines by Fannie Mae, I thought we might go over some of these items...just so we're all on the same page! You might be asking, "What does this have to do with USPAP? You're talking about Fannie Mae here." Well, remember – if you have accepted an assignment where Fannie Mae guidelines are to be followed, you have a USPAP obligation to do just that! So, they are very much intertwined. Even one of the new sections to Fannie Mae Announcement 2010-09 deals directly with a USPAP issue specifically.



### ***Fannie Mae now requires interior photos for appraisals that include an interior inspection:***

#### ***Section B4-1.2-06***

• interior photographs, which must, at a minimum, include:

- **the kitchen;**
- **all bathrooms;**
- **main living area;**
- **examples of physical deterioration, if present; and**
- **examples of recent updates, such as restoration, remodeling, and renovation, if present.**

<https://www.efanniemae.com/sf/guides/ssg/sq/pdf/sel063010.pdf#page=520>

This policy change is effective for all mortgage loan applications dated on and after September 1, 2010.



I think most appraisers have been taking these photos already. But now, we don't have a choice. I thought I might add – what if your previous FHA assignment gets converted to a Conventional? Here is where I would suggest taking the photos for every assignment...just so you'll have them. Hey, digital cameras have been the norm for quite a few years now. It's no big deal to take the photos.

I know that many appraisers have taken the stance that an FHA appraisal is different from a Conventional appraisal when it comes to "inspecting" the property for an appraisal. I have said all along that they are no different! There has never been a different set of "inspection" rules for FHA compared to VA, Fannie Mae or Freddie Mac. They all want to know the same things. They all want to know if there is a physical deterioration. Now, Fannie Mae is going on record saying they want to know about it. So, how are appraisers going to know that there is physical deterioration, if present, in the crawl space? Well, they are simply going to have to look! What about physical deterioration, if present, in the attic? Again – appraisers are going to have to look! So, I ask the question, "How is an FHA appraisal assignment any different from a Fannie Mae assignment (or Freddie Mac or VA, etc.) when the interior inspection is performed?" Gang – it's about "Condition" of the property. The only way I to know what the Condition of a property is...is to look! And now Fannie Mae wants proof that you looked!

### ***New guidelines on Appraiser Selection:***

#### ***Section B4-1.1-03***

<https://www.efanniemae.com/sf/guides/ssg/sq/pdf/sel063010.pdf#page=504>

Although the Uniform Standards of Professional Appraisal Practice (USPAP) allows an appraiser who does not have the appropriate knowledge and experience to accept an appraisal assignment by providing procedures with which the appraiser can complete the assignment, **Fannie Mae requires that lenders only use appraisers who have the appropriate knowledge and experience, and does not allow the USPAP flexibility.** Consequently, the Selling Guide has been updated to state that **appraisers who lack the requisite knowledge, experience, and access to appropriate data must not be utilized.**

- The Selling Guide has also been updated with regard to the lender's use of third-party vendors, such as appraisal management companies (AMC), to clarify that
- neither the Home Valuation Code of Conduct (HVCC) nor Fannie Mae requires the use of a third-party vendor;
  - lenders are ultimately responsible for representations and warranties related to the value, condition, and marketability of the subject property;
  - and lenders must hold the AMC responsible for complying with Fannie Mae's requirements.

All updates and clarifications are effective immediately.

*New guidelines for Selection and Use of Comparable Sales:  
Section B4-1.4-16*

<https://www.efanniemae.com/sf/guides/ssg/sq/pdf/sel063010.pdf#page=560>

There is new verbiage regarding the use of Foreclosures, Short Sales and Builder Sales as Comparable Properties. There is new verbiage regarding what Fannie Mae considers to be an acceptable "Data Source" and what is a "Verification Source".



**Examples of data sources** include, but are not limited to, a multiple listing service (MLS), deed records, tax records, realtors, builders, appraisers, appraiser's files, and the Internet.

Information used to verify the data is obtained from a "verification source." **Examples of verification sources** include, but are not limited to, the buyer, seller, listing agent, selling agent, and closing documents in certain situations. Regardless of the source(s) used, there must be sufficient data in order to understand the conditions of sale, existence of financing concessions, physical characteristics of the subject property, and whether it was an arms-length transaction.

When comparable sales data is provided by parties that have a financial interest in either the sale or financing of the subject property, **the appraiser must verify the data with a party that does not have a financial interest in the subject transaction.**

All updates and clarifications are effective immediately.

Seeing that the State of Texas is a non-disclosure state, there is an issue with the above guideline that says "the appraiser must verify the data with a party that does not have a financial interest in the subject transaction." This is not new to Fannie Mae. It's been in their report forms (1004, 1025, 1073, etc.) since they were published in March 2005. In Texas, because of our non-disclosure status, verifiable data can only be obtained from interested parties. In non-disclosure states, data cannot be verified by a party that does not have a financial interest in the subject transaction.

Example comment for an appraisal report:

**ITEM 10 to CERTIFICATION STATEMENT:** The appraiser attempted to adhere fully with the requirements set forth in Certification Item 10 and believes the sources used provided credible information, but strict adherence was not possible in the normal course of business. In this state and local jurisdiction the non-disclosure status of law prevents the appraiser from any published non-interested party data other than that which is printed through the private source of Multiple Listing Service (MLS).

**Market Conditions Addendum to the Appraisal Report (Form 1004MC)**

In Form 1004MC, in order to provide the most accurate depiction of the "Months of Housing Supply" as of the effective date of the appraisal, the "**Total # of Comparable Active Listings**" should be based on a specific point in time. For example, when completing the "Current – 3 Months" column for "Total # of Comparable Active Listings," the number should reflect the listings on the most recent date in the 3-month period (which is also the effective date of the ap-

praisal), and not the cumulative number of listings for the entire 3-month time period. Then, when completing the “Months of Housing Supply,” the number for the “Total # of Comparable Active Listings” is divided by the absorption rate, which provides an accurate depiction of the existing housing stock as of the effective date of the appraisal. (Using a cumulative number of listings during the “Current – 3 Month” time period may result in an artificially high number for the “Months of Housing Supply.”)

If data is available for the previous time periods, such as “Prior 4 – 6 Months” and “Prior 7 - 12 Months,” the “Total # of Comparable Active Listings” should be based on the most recent day in each of those time periods. For example, in the “Prior 4 – 6 Months” column, the “Total # of Comparable Active Listings” should reflect the listings on the last (most recent) day in that time period. Likewise, in the “Prior 7 – 12 Months,” the “Total # of Comparable Active Listings” should reflect the listings on the last (most recent) day in that time period.



### **Effective Date**

These clarifications are effective immediately, except for the calculations related to Form 1004MC, which may require appraisers to change their technology. Lenders should encourage appraisers to perform these calculations immediately, but must require appraisers to use the calculations for all mortgage loan applications dated on and after September 1, 2010.

So, what does this 1004MC stuff actually mean? Well, I know it doesn't sound like it, but it's simple once you break it down. Fannie Mae wants to know how many houses had a “For Sale” sign in their yard on 3 specific dates during the past year. These dates equate to

- 1) the effective date...that number goes in the “Current – 3 Months” section
- 2) 3 months and 1 day prior to the effective date...that number goes in the “4–6 Months” section; and
- 3) 6 months and 1 day prior to the effective date...that number goes in the “7-12 Months” section.

That's all there is to it!

I have been in contact with the designers of the San Antonio MLS system (connectMLS). Turns out, the San Antonio MLS system can and DOES do this calculation for all the reporting periods described above. They have the formula built in the “Reports” tab under “Market Conditions Addendum”. The designers said the new Fannie Mae guidelines will be ready as of September 1, 2010. So, San Antonio area appraisers should not be saying “my MLS doesn't provide that information”....because it does!

Those of you that utilize other MLS systems, I suggest that you speak with them or their designers to see if your system addresses or will address this issue.

This is a lot to think over....and it seems that every time we turn around, there are more new rules...more new laws....

If we are going to keep abreast of all the changes that are taking place, we are going to need communication amongst ourselves. Sitting by yourself at your desktop with a cup of coffee and reading emails just isn't enough.

I hope I've given you some...**Food for thought!**

*Bobby*





## Greetings from Ken Becker, ATA-R



Greetings ATA members! Its amazing how Spring sprang and Summer raced by. If you are like Debbie and I, we try to rationalize going on as many little side trips as possible. It usually helps to plan some weekend get-a-ways. Events such as helping our son move to a new apartment in Dallas or attending one of our daughter's plays in Abilene become weekend adventures that give us a little more stamina to work till we can retire! Sometimes we even volunteer to help our best friends move their kids to new apartments in other towns.

We've figured out that having fun by visiting new places keeps us going and satisfies the part of us that makes us want to see and try something different from our daily routine. I hope that all of you who attended out Fredericksburg meeting enjoyed the weekend. I was happy to see the great turn out. I was especially pleased to see spouses and family members come along to mix business with pleasure!

It's my hope that you and yours are transitioning into fall as pleasurable as possible. With a few prayers it will cool down and maybe we will receive a little fall rain. Again, we loved having you come visit us in Fredericksburg close to our home. Let's make it a new trend to plan some of our meetings in some of your favorite gathering places close to home. Debbie and I are ready for a new adventure!

### 2010-2011 Dues

If you haven't already paid your 2010-2011 dues, don't forget to pay them soon.



### 2011 Mid-Year Meeting

The dates for the mid-year meeting are February 25-26 in New Braunfels. For those members who are also licensed real estate practitioners, Friday morning we'll be offering the 3 hour MCE Ethics course required for real estate license renewal . We plan to offer a Regression Analysis course on Friday afternoon and Report Writing on Saturday. All the meeting details with be posted on the website soon and registration information will be in our December issue of the *ATA Connections*.

SAVE THE DATE

COMING  
UP

**ATA's Mid-Year Meeting—February 25-26, 2011**

**McKenna Events Center, New Braunfels, TX**

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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.



## Fiscal Year 2010-2011 Budget

	<u>Budget 08-09</u>	<u>Actual 08-09</u>	<u>Budget 09-10</u>	<u>Actual 09-10</u>	<u>Budget 10-11</u>
<b>Income</b>					
Designation Fees	250.00	100.00	100.00	75.00	100.00
Interest	0.00	175.12	0.00	103.43	150.00
Meeting Fees		12,245.00		13,590.00	13,500.00
Membership Dues	11,500.00	9,050.00	10,000.00	11,675.00	12,000.00
Misc. (Exh/Spon)	0.00		0.00	0.00	500.00
Pins, Membership	20.00	10.00	10.00	0.00	10.00
<b>Total Income</b>	<b>11,770.00</b>	<b>21,580.12</b>	<b>10,110.00</b>	<b>25,443.43</b>	<b>26,010.00</b>
<b>Expense</b>					
Bank Fees	15.00	50.00	15.00	0.00	50.00
BoD Expenses	1,000.00	850.00	1,000.00	735.00	1,000.00
Equipment	500.00	543.76	500.00	393.98	500.00
Executive Director	3,600.00	3,600.00	4,800.00	5,300.00	6,000.00
Incorporation Costs	0.00		0.00	5.00	0.00
Meeting Expenses*	1,000.00		1,000.00		
Door Prizes		194.18		347.48	300.00
Meeting Materials				1,975.00	300.00
Rooms & Meals**		5,530.77		6,490.32	7,000.00
Speakers		3,293.00		6,975.00	7,000.00
Supplies				28.89	
Mtg. Exp. - Other ***				75.00	500.00
<b>Total Meeting Expenses</b>	<b>1,000.00</b>	<b>9,017.95</b>	<b>1,000.00</b>	<b>15,891.69</b>	<b>15,100.00</b>
Miscellaneous****	100.00	117.63	100.00	230.00	500.00
Pay Pal	280.00	258.36	390.00	234.55	400.00
Postage****	25.00	31.00	30.00	42.47	200.00
Supplies	100.00	71.83	100.00	106.83	100.00
Website	300.00	250.00	300.00	427.37	1,325.00
<b>Total Expense</b>	<b>6,920.00</b>	<b>14,790.53</b>	<b>8,235.00</b>	<b>23,366.89</b>	<b>25,175.00</b>
<b>Net Income</b>	<b>4,850.00</b>	<b>6,789.59</b>	<b>1,875.00</b>	<b>2,076.54</b>	<b>835.00</b>

\*Meeting figures previously budgeted as a loss under expenses. 2010-2011 budget will list income and expenses

\*\*This figure includes \$810 for February 2011 meeting deposit in 2009-2010 Actual and Projected columns.

\*\*\*Includes expenses to market Houston 2010 meeting in 2010-2011 Budget

\*\*\*\*This figure includes printing and postage to actively pursue new members in 2010-2011