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Connections

Official Publication of the Association of Texas Appraisers, Inc.



Ian Martinez, ATA-R
ATA President

Greetings fellow ATA Members:

It is such an honor for me to begin this new chapter of service in the Association of Texas Appraisers. I would like to thank the entire ATA membership

for allowing me the opportunity to serve on this Board of Directors. It has been an enlightening experience and a true pleasure. I am also humbled by the confidence of the Board for granting me the privilege to serve as the current President.

I would also like to encourage every member reading this to consider how you can serve in this excellent organization.

It has been said that "...when organization and education interact with each other, they strengthen each other, they are mutually supportive." I believe that is certainly true of the ATA. It is the foundation of our mission as an organization, and it has been our consistent goal.

As an organization, we continue taking progressive steps to carry on that support.

At the beginning of August, we held our 13th Annual Meeting and Educational Conference in Arlington, TX. It was such a wonderful success, that some attendees described it as our best meeting ever. If you missed it, I hope you make plans to join us for our Mid-Year Meeting in New Braunfels on February 15th and 16th, 2019.

Some of the Annual Meeting highlights included:

Offerings of the 2018-2019 National USPAP Update course, as well as a TREC Legal II course.

At 9:00 AM on Friday August 3rd, the Board of Directors convened for the morning session of the semi annual board meeting to discuss ATA organizational business including: financial reports, membership and designation reports, future educational course topics, upcoming ATA meetings and course offerings, as well as other industry meetings and conferences.

Since the ATA is represented by the NAA at The Appraisal Foundation Advisory Committee (TAFAC), we also received the latest updates from the meeting held on June 7, 2018, that was attended by our representative, Mike Brunson. Most notable was discussion brought up by the ATA regarding an item in Advisory Opinion (AO) -3. It was reported that there was significant consideration regarding this issue and that further clarification may be forthcoming.

ATA Committee updates were also discussed, including reports from the Professional Standards Committee, Program Committee, Bylaws Committee, Membership Committee, and Nominating Committee. All committees reported accordingly and are progressing well. One special highlight was the decision to initiate regional socials with the goal of getting to know our fellow professionals and introducing more Texas appraisers and appraiser trainees to the benefits of ATA membership.



ATA 2018 Appraiser of the Year, Anna De-Moss, ATA-R from Houston, TX

Upcoming Industry Meetings:

- Sept. 28—AQB Public Meeting, Raleigh, NC
- Oct. 19—ASB Public Meeting, Washington, DC
- Oct. 19-22—AARO, Washington, DC
- Nov. 1-3—Appraiser Fest, San Antonio, TX
- Nov. 8-10—TAF Board of Trustees, Palm Springs, CA
- Nov. 30—TAFAC Meeting, Washington, DC
- Feb. 15-16—ATA Mid-Year Meeting, New Braunfels, TX
- May 3—AQB Public Meeting, Denver, CO
- May 3-5—AARO, Denver, CO
- Aug. 9-10—ATA 14th Annual Meeting and Education Conference, Georgetown, TX

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From the President (con't)

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In accordance with The ATA Bylaws Article IX, a proposed change to the bylaws was sent to the membership on June 29th. The proposed change stated: *In the event that the Nominating Committee does not have a slate of at least four members, any member may volunteer or nominate a candidate at the General Membership Meeting at which directors will be elected.* This change was approved by the Board of Directors. After a very productive session, the morning session adjourned.

Soon after, the conference was underway with the Welcome and Association Updates, followed by an informative presentation entitled TALCB and Appraisal Profession - 2018. We would like to thank the presenters, Jeff Strawmyer and Mark Lee for the informative discussion of updates at TALCB.

That afternoon, the ATA General Membership meeting assembled, then reviewed and discussed the organizational business that was on the morning agenda of the ATA Board of Directors meeting. During the meeting, the election of three new board members was held to replace three members who had fulfilled their terms.

The ATA would like to thank outgoing members: Stacey Cartwright, ATA-R, Kim Mitchell, ATA-R and Luis De La Garza for their valuable service as

board members. The membership elected 3 new board members and one alternate member. Congratulations to Dennis Crawford, ATA-R, Cathy Harper, and Steve Kahane, ATA-R as new board members, and Roy Thompson as alternate member. All business having been completed, the meeting then adjourned.

The afternoon session of the Board of Directors meeting convened immediately following, which was attended by the newly elected board members. At that time the Board elected new officers. Congratulations to: Cathy Harper, our new secretary; Steve Kahane, ATA-R, our new Treasurer; and Ken Pruett, ATA-R our new Vice President. After discussion of additional business was completed, the meeting adjourned and Board Members joined the networking reception that was already in progress.

The conference continued on Saturday morning with a panel discussion about mentorship resulting from TALCB disciplinary action. Many thanks to the participating panel members: Greg Reynolds, Jamie Wickliffe, ATA-G, Pam Teel, ATA-G and Bobby Crisp, ATA-R. Your discussion was very insightful and beneficial.

During the lunch hour, outgoing board members were recognized for their service to the ATA. Curt Myrick, ATA-R, having fulfilled his term as President, was also recognized for his outstanding leadership and generous service. The new Board of Directors

were installed, and the newly elected officers and incoming president were sworn in to office. As before, the Board will continue to work hard to serve the ATA membership.

The conference resumed Saturday afternoon with Jared Preisler's presentation entitled Your Responsibilities: AO-37, Data and Technology.

We are grateful to Mr. Preisler for taking time out of his schedule and sharing his knowledge on this subject.

With that, the educational conference ended and the 13th Annual Meeting came to a close.

Based upon the positive feedback of membership, it was another successful conference; a successful interaction of organization and education, each supporting the other and serving to strengthen the ATA.

Jan Martinez



ATA 2018 North Texas Outstanding Service Award Winner, Jamie Wickliffe, ATA-G

New and Designated Members

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

Nelly De La Garza, Laredo
Patrick Delaney, Prosper
Phillip Donaldson, Lakeway
Marcos Garcia, Austin
Richard Hemry, Flower Mound
James Make, Coppell
Kari Straach, McKinney
Carles Webb, Cypress

Welcome!

Congratulations to those who were recently awarded designations:

Slade Cooper, ATA-R
Laurie Fontana, ATA-R
Daniel Stadnick, 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 Join Us link and download the Designation Application.

Welcome New Board Members



Dennis Crawford, ATA-R- Certified Residential Appraiser located in Abilene, Texas. He is an approved VA and FHA appraiser and is a member of the Texas Association of Realtors (TAR), National Association of Realtors (NAR), and the Texas Real Estate Commission (TREC). Dennis is also a past-president of ATA.

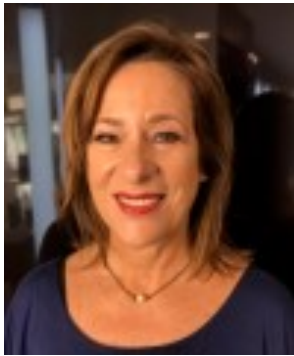
Dennis was born and raised in Midland, Texas and moved to Abilene in 1987. He is married to Karis Crawford who also is a Certified Residential Appraiser. They have two children and five grandchildren. Their son Ronny lives in Midland and has three children, 2 sons and a daughter, of which the oldest, his daughter attends Texas Tech in her senior year. Their daughter Shandon also lives in Midland and has two daughters. His interests are his grandkids, family ancestry, gardening, boating, and watching college football.

Now that both kids are almost out of the nest, Cathy enjoys taking motorcycle trips with Randy.



Steve Kahane, ATA-R is a certified residential appraiser in Cypress, TX. After moving from Chicago to Texas 16 years ago, he transitioned from commercial to residential appraising and has valued properties ranging from \$1 to over \$100 million. He is a member of the National Association of Appraisers and Association of Texas Appraisers and was the recipient of ATA's 2015 Outstanding Service Award for the Houston region. He

has advocated on appraiser's behalf to the Appraisal Foundation, Appraiser Qualifications Board and Texas Appraisal Licensing and Certification Board. He has presented seminars to hundreds of Houston Realtors® about appraising real estate and authored numerous articles about appraising for trade publications. He specializes in litigation consulting and residential mortgage valuations.



Cathy L. Harper is a State Certified Residential Real Estate Appraiser. She was born and raised in Detroit, MI but got to Texas just as soon as she could (1989).

Cathy Harper was previously enlisted in the USN working in Aviation Electronics, followed by continuation of Aviation Electronics as a contractor to the USN. She started appraising in 2003,

achieving State Certification in 2005.

Cathy has been married to her husband Randy for 29 years, currently living in Corpus Christi TX.

She works at her Appraisal business as an independent Appraiser. Cathy believes our organization can help us all be better at what we do by participating in relevant, live continuing education and sharing information with our peers and those that are more experienced and knowledgeable.

She is looking forward to serving the ATA to help promote our profession. She believes we can accomplish more as a unified profession, supporting one another.



(Alternate Director) **Roy Thompson** is a Licensed Real Estate Appraiser from God's country, Burnet Texas. Roy lives there with his wife, Tamara Thompson, a fellow appraiser and member of ATA. They have one son (a senior engineering student at Abilene Christian University) and a house full of animals they spoil like children. Roy is active in his local church congregation and he loves Jesus.

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

2018-2019 ATA Board of Directors



Hybrid appraisals - How dumb do they think we are?



Steve Kahane, ATA-R

Raise your hand if you accept 1004 URAR residential appraisals with four day turn times for \$160. No hands? What if you didn't have to do the 1004

MC Addendum or take comp photos? Still No? Let me try and sweeten the deal, \$160 is the low end of the range offered by this client. They are willing to go all the way up to \$195. I'm going to assume nobody has raised their hand yet.

As crazy as this sounds, the AMC for the nation's largest mortgage lender is offering these fees, sort of. In early July 2018, they sent an email to their appraiser panel offering two "products"; a property inspection for which they are paying \$60-\$70 and an appraisal report for fees between \$100-\$125. Each has a two day turn time. The advantages of doing the inspections, they say, is that you are done with your part "before you leave the property". They estimate 30-40 minutes for the inspection, but that does not appear to account for commute time to and from the property,

scheduling, or a dozen other things that might add time to the process. A friend of mine called them to clarify what was expected of a \$60 inspection. Does the inspector verify the physical data in tax records (gla, bedroom and bath count, etc.)? Does the inspector provide a sketch? They hadn't really thought that stuff through. They assumed sketches were available online

The second "product" is a modified 1004 using the data, sketch and photos from the inspection. What could go wrong? When the gla differs between tax records and the inspection, who does the client call, the inspector or the appraiser? If the appraiser has questions about the property condition do they call the inspector or make an assumption? They hadn't thought of that either. The advantage of this appraisal product, they say, is that there's no driving, no fuel costs and no miles on your vehicle. Basically, the advantage is not having all the awful driving related stuff they want the \$60 fee to cover. In one email, they are saying how terrible driving around doing inspections is, while offering you \$60 to do it.

I don't do work for this AMC but I have friends who do. None of them have heard any more about these products since. I suspect they didn't receive a lot of positive feedback. Had they contacted appraisers about making some extra money doing

property inspections for \$60-\$70, I suspect they might have had at least some interest. It's possible, but less likely, that if they sent a separate email offering abbreviated 1004 appraisals without inspections, the MC addenda or comp photos for \$100-\$125 they might have had a few takers. But when they advertise the inspection for \$60-\$70 and the report for \$100-\$125 in the same email, it was too easy for appraisers to put 2 and 2 together, or in this case \$60 and \$100.

I understand, and to some extent agree with, the idea behind hybrid appraisals. As a business model it makes sense to focus the appraiser on the valuation analysis and let a trainee or someone else gather and enter the data. But this is not a new idea. Fannie and Freddie have allowed qualified trainees to inspect properties for some time. The new twist is calling it a hybrid and offering half the price for the same valuation in half the time. How dumb do they think we are?



Thank you Curt Myrick, ATA-R for your service as our first two-term president. We appreciate all you did for the Association!

Volunteers for Appraiser Fest

The ATA will be exhibiting at Appraiser Fest (Nov. 1-3) in San Antonio.

We are looking for volunteers to help staff our booth.

If you are interested in staffing the ATA booth, please email us asap at info@txappraisers.org.

ATA's Website-Did You Know?

Did you know you can:

- Print a copy of your membership card
- Add a picture

- Upload a bio
- Select counties you appraise in (which is helpful to people looking for appraisers)

There is also a members-only section that lists your discounts and special offers on appraisal products and services. When you have a minute (soon), please log on and update your record.

Professionals Bill by the Hour



Dustin Harris

“But that’s the way I have always done it” is not just an appraiser thing, it is a human thing. In general, change is hard for people, and really, it

makes sense because there is safety in routine and security in the familiar. However, no one who ever achieved great success did so by saying, “I think I am going to do the exact same thing today that I have been doing forever.”

I recently found myself in need of an employment contract for one of my new employees. Due to our negotiations, it was clear that the contract I was using (and had been for so long it smelled of stale coffee and Idaho dust), was not going to fit the bill. Furthermore, I am old enough to know when something is beyond my skill set. Writing a new contract with everything I needed it to include, while trying to ensure it was in compliance with local, state and federal laws, was just not in my wheelhouse. I needed a professional!

Accordingly, I turned to a labor and employment attorney for assistance. Frankly, I did not know any lawyers who did this kind of work, so I did what any self-respecting Information Age junkie would do—I Googled it (searched online and asked around). In a short time I had a list of two–three credible candidates. Now I am typically cheap as dirt (which isn’t a very effective simile with appraisers

who understand how valuable dirt really is), but I didn’t even think to ask about price or fees when I was calling around. Frankly, it was not much of a consideration to me. “What do you charge?” was not a question that seemed appropriate at the time. Whatever I ended up spending on a good contract would be returned in multiples by satisfying a good employee and myself and by avoiding other problems down the road including possible litigation. In other words, I was looking for the qualified professional, not the cheapest.

So it is when we are looking for any type of valuable service; we go to a professional and rarely do we decide solely on price. When was the last time you looked at your doctor bill and switched because she was charging too much? I have no idea what my financial advisor earns per hour but I know I will never switch. The service and value he provides far exceeds whatever commission he takes. Attorneys, accountants, financial advisors, doctors, consultants and others have something in common: they work in billable hours. If you ask any of these professionals what they earn per hour, they would be able to tell you without even thinking about it (if they chose to). They are professionals and they work based on what they are worth. Is this true for you?

Years ago, I took my two assistants and we travelled to four cities to present a two-day workshop for appraisers called Go Create Some Value. It was a packed house full of appraisers in every city we visited. The subject was how to stop looking at their appraisal work as a “job” and begin seeing it as a “business.” During that workshop, I would go around the room and ask each appraiser individually if they knew what they made per hour. The percentage of “yes” answers was never greater than 15 percent in any city. Less than 15 percent of the appraisers nationwide could answer that very basic question. The

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TALCB Corner

Mark your calendar for the next TALCB meetings, scheduled for Oct. 12 and Nov. 16 at 10 a.m. at the Stephen F. Austin Building, Room 170, 1700 North Congress, Austin, TX.

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

If you can't make the meeting in person, it will be broadcast live on the TALCB website.



Professionals Bill by the Hour (con't)

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first step to seeing your appraisal office as an actual business and recognizing yourself as a professional is to know what your hourly billings are.

It is a known fact that most appraisers have not had a lot of formal training in accounting or how to run a business. Appraisers are usually talented and skilled technicians but need some assistance when they put on that CEO hat. Yet, more and more appraisers are seeing their work as a profession and not just a job. More and more appraisers are learning how to read a balance sheet, a profit/loss statement and calculate gross income, hard/soft costs and what their actual net take-home is. An ever-growing number of appraisers are not just doing an amazing job at valuing houses but also learning how to value themselves. Part of the process is understanding that what you bill per hour is what separates the workers from the professionals.

Knowing what you bill per hour also makes the bidding process much easier. In my circle of connections, I see more and more appraisers who are no longer looking at the fee for each assignment only but translating the fee into dollars per hour. Another way of putting this is that, the appraisal fee by itself may not tell the whole story. Allow me to give you a

couple of examples of how this plays out in our office.

I work a very diverse area with more unique than homogeneous properties. It is not uncommon to get multiple calls per day from clients who start out with, "I got an interesting one for you and I need to find out what your fee is." In fact, a large percentage of my work begins in a similar fashion. No problem, we have a procedure for that. Those in my office who take phone calls know roughly what I earn per hour net and what we need to bill per hour gross for each assignment to get to that net. They also have a fairly good idea as to how many man hours a particular assignment will take given the details. It does not take them long to answer bid requests. Often, but not always, the process involves



a short consultation with me. It is not unusual, due to the complexity of some assignments, to be upwards of thousands of dollars. If we get the job great. If we don't, we do not stress over it. There is plenty of work happening for appraisers right now.

On the other side of the coin, a seemingly low fee does not always translate into low billable hours. A smaller scope of work can dramatically reduce your man hours on an assignment and allow you to bill accordingly. The key is to know what your time is worth and not be afraid to ask for it.

Do you know what you are worth per hour? Do you think of yourself as a professional? What are some things you can do to increase your worth (and thus your billable hourly rate)? The valuation profession is changing. It looks different now than it did three years ago and it will look even more different three years from now. As appraisers, it is time to see ourselves as professionals and to demonstrate that to our clients, customers and the world. In terms of payment for what we do, it is time to stop looking only at the fee and begin seeing the assignment in terms of billable hours like all the other professionals.

About the Author:

Dustin Harris is a successful, self-employed, residential real estate appraiser. He has been appraising for over 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 blog is read by over 20,000 appraisers nationwide and he facilitates several appraiser membership groups both online and in person. His free podcast is listened to by thousands of appraisers each week and can be downloaded on iTunes and Stitcher Radio. He and his wife reside in Idaho with their four children. He loves playing in the outdoors and watching movies indoors.

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.

ATA 2018-2019 Board of Directors

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Laurie Fontana, ATA-R, Director

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