



Connections

Official Publication of the Association of Texas Appraisers, Inc.



From the President

Well...we did it! We finally made it to December! I want to start off by personally wishing everyone a very Merry Christmas and hope you have a safe and happy New Year. While our economy has gone absolutely bonkers, the ATA has remained strong and is definitely having a growth spurt! Last year at this time, we consisted of 83 members and now we are standing strong at 121!!! (Editor's Note: While we were up to 121 members before the new fiscal year, we have dropped back to 94 members since some members have not yet renewed for the 2008-2009 fiscal year.) It looks like our little baby is not a baby anymore! This has been such an awesome year and I just want to thank each of you for helping us grow over the past 12 months. Your smiling faces, wonderful personalities, and your abilities to chit chat have made us who we are today. Times have been difficult for so many people in our country during this "economic crisis" and it's my wish that we can all stay strong and hang in there during these tough times. And let these times be a reminder that we should be thankful for every day that we have and every job that we get as well. The strong will survive, and we are definitely a strong group of people (or at least stubborn).

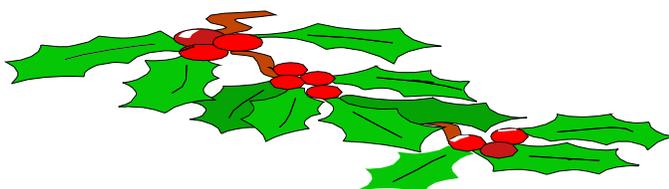
I'm looking forward to seeing all of you at our next meeting in New Braunfels on February 13 and 14. Yes....it is Valentine's weekend but why not make it a romantic weekend in beautiful New Braunfels? When given lemons, make lemonade....and then try a glass of wine after that!

Bridgett

Happy Holiday Wishes



Whether you are celebrating Christmas, Hanukkah or some other December holiday, the Board of Directors would like to wish everyone a joyful celebration. May you also have a happy, healthy and prosperous New Year.





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Designations Awarded

Congratulations to Virginia O’Dell, Houston who was recently awarded the Associate of Texas Appraisers-General, ATA-G designation and to James Morris, Austin, who was awarded the Associate of Texas Appraisers-Residential, ATA-R designation.

If you are interested in applying for a designation with the ATA, go to our website www.txaappraisers.org and click on the “Membership” tab, where you will find the Designation Application, which includes information on designation requirements.



Mid-Year Meeting & Educational Conference

Make your plans today to attend the Mid-Year Meeting and Educational Conference to be held at the Holiday Inn, New Braunfels on February 13-14, 2009. You will find the proposed agenda for the meeting on the following page. Please note that while we have applied for ACE and MCE credit, we have not yet received confirmation on this. We don’t anticipate a problem getting approval of credit for continuing education and will send out an e-mail as soon as we receive word of approval. You can use the registration form on the last page of the newsletter to register by mail. Or visit our website www.txappraisers.org , click on “Membership” tab, and register online with your credit card or PayPal.



Room rates for the meeting are \$69 for Single, Double or Double/Double room. Refer to Association of Texas Appraisers when making your reservations at (830) 625-8017. Our block of rooms will only be guaranteed until January 14 so I suggest you make your reservation as soon as possible. After Jan. 14 the hotel will only honor our quoted rate if rooms are available.

We’ll be planning a group dinner on Friday evening either at Mamacita’s or Montana Mike’s Steakhouse. Hope to see you there!!!

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.

Mid-Year Meeting & Educational Conference

Following is the proposed agenda for the ATA's Mid-Year meeting to be held in New Braunfels on February 13-14. Approval of this meeting for ACE and MCE credit has been applied for and is pending. If approved, this meeting will provide 3 hours of ACE for Friday afternoon, 7 hours of ACE on Saturday, and 7 hours of MCE on Saturday. As soon as we receive confirmation of approval, we will send an e-mail to all our members. Additionally, on Friday morning we will be offering the three hour ethics course for real estate licensees.

Friday Morning:

Ethics Course for Real Estate Licensees

Bernie Boarnet, Instructor for Columbia Institute

Friday Afternoon:

Coastal Erosion and Its Effect on Property Values

Angela Sunley, Beach and Dune Team Leader for the Coastal Protection Division
Texas General Land Office

Texas Water Issues

David Welsch, Executive Manager, Business Development & Resource Management
Guadalupe-Blanco River Authority

Flash Flood Alley – Flooding Issues in Central Texas

Documentary Film Produced Flood Safety.com

Saturday:

A Brief Look at the Appraiser's Role in the Housing Crisis

Diana Jacob, AQB Certified USPAP Instructor

Update on the Texas Veterans Land Board

Jim B. Mickler, Land Specialist
Texas Veterans Land Board

The Mineral Estate

Raulie Irwin, Jr.

Texas Appraiser Licensing & Certification Board Update

Deloris Kraft-Longoria, Investigator
Texas Appraiser Licensing & Certification Board

Expert Witness and Courtroom Testimony

Raulie Irwin, Jr.

Using More Analytics and Trend Analysis In Your Appraisal Reports

Jeff Bradford, Founder and CEO
Bradford Technologies

Appraising Manufactured Homes

Panel Discussion: Bobby Crisp, Diana Jacob, Renee Latham and Frank Carns

USPAP ISSUES

Marketing Time vs. Exposure Time
and the New Fannie Form 1004MC
By: Bobby Crisp
AQB Certified USPAP Instructor



It seems that every time I'm in a classroom, there is a discussion that appraisers always bring up - the difference between Marketing Time and Exposure Time.

This issue is now more important than ever since Fannie Mae has introduced their new Form 1004MC that will become mandatory on April 1, 2009 for all appraisal reports being delivered to Fannie Mae.

In the Neighborhood Section on Page 1 of the URAR, appraisers are asked to discuss "Market Conditions (including support for the above conclusions)." Appraisers are asked to give support for their conclusions regarding Location, Built-up, Growth, Property Values, Demand/Supply and Marketing Time. With the present economic situation across the country, Fannie Mae must feel that appraisers are not providing enough information. The new Fannie Mae Form 1004MC will require appraisers to report more detailed data and information regarding market conditions. But, this is something that we should already be doing.

This is a Fannie Mae issue...so, what does USPAP have to do with this? For every real property appraisal, Standards Rule 1-2(c)Comment states "*When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion.*" Statement 6 (remember Statements have the full weight as a Standards Rule) discusses reasonable exposure time.

Exposure time is defined as: the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to occur prior to the effective date of the appraisal.

USPAP does not have a requirement to develop marketing time...but, Fannie Mae, Freddie Mac, FHA, and VA do! When accepting an assignment that requires the development of marketing time, then this becomes part of the appraiser's Scope of Work...which makes it part of USPAP.

Advisory Opinion 7 is provided by the Appraisal Standards Boards (ASB) offering advice on Marketing Time Opinions.

Marketing time differs from exposure time in that it occurs after the effective date of the market value opinion. It is related to, yet apart from, the appraisal process. Therefore, it is appropriate for the section of the appraisal report that discusses marketing time and its implications to appear toward the end of the report after the market value conclusion. It is appropriate for the appraiser to discuss the impact/value relationships on marketing time and contrast different potential prices and their associated marketing times with an appraiser's market value opinion for the subject property.

Reasonable marketing time is an opinion of the amount of time it might take to sell a property interest at the concluded market value level during the period immediately after the effective date of an appraisal.

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USPAP Issues (Continued from Page 4)

With new reporting requirements being made by the new Form 1004MC, the appraiser's Scope of Work will be modified. Appraisers will be asked to report on things such as:

Absorption Rate (total sales divided by number of months)

Example: 100 sales sold over the past 12 months = an absorption rate of 8.33);

Total number of Active Listings;

Months of Housing Supply (total active listings divided by absorption rate);

Median Sales Price;

Median Comparable Sales Days on Market;

Median Comparable List Price;

Median Comparable Listings Days on Market;

Median List-to-Sales Price Ratio;

Financial assistance prevalent?

All of these with time frames of "Current to 3 month", "4-6 months" and "7-12 months".

Although market time is not directly addressed in USPAP, the fact that Fannie Mae now requires a new form to be added with detailed information regarding market conditions changes the Scope of Work for these types of assignments....in turn, making it a USPAP issue. This means that the communication of appraisals has just changed...for some, it's a significant change!

Food for thought!!

Bobby Crisp

Facts For Thought

When preparing to write my article, I knew I wanted to discuss a topic that was affecting the members of ATA on many levels. The obvious, of course, would be the economy but I decided since many members of ATA have experienced times similar to these firsthand they didn't need a study on our current hardships. I decided to address a related dilemma we as Americans (and appraisers) face daily - health coverage.



Those who work for large companies that provide health coverage may not see the urgency of the issue but I guarantee you to those who do not, it is a major obstacle.

As small business owners, adults and/or parents and grandparents, healthcare is something that affects all of us. At a time when diabetes, heart disease and cancers of all types seem to be running rampant, plans that will provide quality healthcare are desperately needed.

According to a survey in 2004-2006, " the majority of persons under age 65 in the United States had private coverage (67.8%) and a much smaller percentage were insured through Medicaid or SCHIP (State Children's Health Insurance Plan) or other types of public coverage (13.2%) , and 16.6% were uninsured." Although children were less likely to have private coverage, they were much more likely to have some sort of public coverage resulting in a lower percentage of children than adults who were uninsured (9.3% compared with 19.6%).

According to the survey, an average 9% of children and almost 20% of adults are uninsured and it only makes sense that these numbers have and will continue to rise due to the skyrocketing amount of layoffs that are

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Facts for Thought (Continued from Page 5)

occurring. The people losing their jobs are also losing health coverage for themselves and their families, if they even had any to begin with. It seems to me some changes are in order.

The same survey had data available on 41 states. Nationwide, the proportion of individuals under age 65 who were uninsured for at least part of the year ranged from 10.4% in Hawaii to 31.9% in Texas. Among children, the percentage of whom were uninsured ranged from 3.7% in Massachusetts to 18.7% in Texas. This data shows us that this is an even bigger crisis in Texas than in other states. While Hawaii and Massachusetts were lower than the national average, Texas was above average on uninsured adults as well as children. So often a family, such as my own, is affected by this because we do not make enough to pay the premiums that have skyrocketed recently but make too much money (Ha) to qualify for public coverage. Where does that leave the majority of struggling families?

Besides families who lack coverage you may be surprised by the number of people who suffer from disease. In estimates done by the Centers for Disease Control and Prevention, the number of people that suffer from diabetes in the U.S. in 2002 was 18.2 million with 13 million people being diagnosed and 5.2 million being undiagnosed. This 2002 estimate has, I am sure, only grown since then. Additionally, heart disease and stroke are, respectively, the first and third leading causes of death in the U.S. They are the principal causes of cardiovascular disease and death and are also major causes of disability. It is estimated that 1 of 3 American adults has high blood pressure or hypertension. Faced with these facts we need to find ways to help the uninsured.

I believe that there is a better way to deal with this problem. Other countries have put public health plans to work for their people. It is time to look to others as well as ourselves to become a long sustaining civilization not just a 'great one'. We are still a relatively young nation with kinks to work out. I personally believe first and foremost we need to build a plan around prevention not just treatment. So many that are on public plans are just treated with numerous drugs rather than educated on healthy lifestyles. The cost to treat them will be much lower if we can spread and enforce prevention. If nothing is done about this on a personal and public level we will be a nation poisoning our future.

I believe that if we could find a way to provide at the minimum regular well check-ups for children, regular gynecological check-ups and mammograms for women, similar screening for men and colonoscopies for all adults, and educate people on prevention we could be a much healthier and happier nation. We already know that prevention and early treatment is the key to avoiding bitter battles with these diseases and cancers.

Recently many people were divided over the presidential election but I believe one thing we can all agree on is that as a country we are up against some very important issues. The bubble certainly has burst (in more ways than one). All the issues from the market, health coverage, disease prevention, social security, unemployment, and energy sources need to be addressed now, for too long they have been swept under the rug until it has come to a point that we can no longer ignore them. Although it seems overwhelming (because it is) I have always considered myself to be an optimistic person. I hope that as individuals refocus on savings and the accumulation of wealth rather than debt, they also take the time to get involved. I suggest to all to visit a few very informative websites that can provide some good info. One good bi-partisan website is www.dividedwefail.org. Or you might check www.change.gov, which is the website that lays out all of Barrack Obama's proposed policies and plans for many of these issues. Regardless of who anyone voted for, he will soon be our president and whether you agree or especially if you disagree, it is important for you to educate yourself on his policies and find ways to make this a government that works for it's people. As Tom Daschle, recently named Secretary of Health and Human Services Nominee, explained, they invite everyone to visit and make their own suggestions. They would like everyone to relay in their own words "what is broken and how to fix it". We as the people know what is broken better than anyone and we as a nation united with open minds hold the tools that are needed to fix it.

By: Eileen Brown, Secretary



How dare you question my appraisal!

How many times have you said that line? Verbally or just in our minds, we've all said it probably more times than we could count. But that question in itself poses another question, "Are you explaining yourself in enough detail that the "non-appraiser" reading your report can understand it?"

We've all received the phone calls with ludicrous requests from underwriters. "I need one more comp on the same street, similar condition, same square footage, same age, and that sold yesterday." Of course that's an exaggeration, but I know you've received similar calls wanting something more that they assumed you overlooked originally. But let's examine this further.

"Maaayyyybe, just maaayyyybe" (Jean Girard, "Talladega Nights"), we do leave something out. We appraisers are very proud people and when others question our report, we get defensive (I know, I'm the only one that has this problem). But, back to the original question, "are you going into enough detail that a phone call by the underwriter is unwarranted?"

My appraisals are living documents. I'm changing my reports constantly, and especially after our semi-annual meetings. I want to make my reports so thorough that I never hear from anyone on that report again. The following are a couple of examples to explain what I'm talking about. Are you explaining why you had to leave the neighborhood for comparable sales (and not because none would make value)? You left the neighborhood because there have been no sales in there in the last six months, that's why. Did you tell them that?

Another change I've made recently has been explaining what an "ag exemption" is when I put that after the real estate taxes on the first page. Remember, the underwriter reading your report may have been born and raised in Los Angeles, and may barely know what livestock is much less an agricultural exemption. If you've got a septic tank, are you telling them that this is common and typical for the area and that no public sewer is available? Remember, this is the same person that doesn't know what a cow is, so explain it. If you always only include three comps in your reports and you are always getting phone calls to give one more comp, try utting four or five. Really, it's not that much more work. And the possibilities go on and on.

My point is, be open minded when an underwriter questions something in your report. It could be that you are not explaining yourself very well, and that you could head off future phone calls by just explaining things upfront. Time is money and if you always have to readdress appraisals from the past, you are not maximizing your time wisely. Also remember, they hired you to describe the property, telling them whether it's typical for the area or not, and determining market value so that they can make an educated decision as to whether or not to loan money on this property. You are the artist here. Make your canvas self explanatory.

And if it turns out that it was a stupid question after all, then you can call them a "moron".

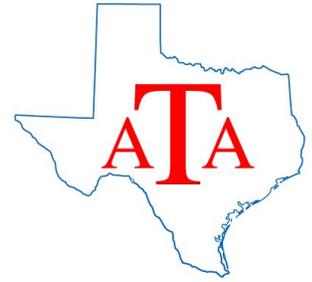


By: Frank Baker, Director



Association of Texas Appraisers

Mid-Year Meeting & Educational Conference
Holiday Inn, New Braunfels
February 13-14, 2009



Meeting Registration Form

Name: _____

E-mail: _____

Address: _____

Phone: _____

Mail Registration and Payment To:

Member Fri p.m. & Sat.	\$ 75
Non-Member Fri p.m. & Sat.	\$150
Lunch Tickets for Guests	\$ 15

Association of Texas Appraisers
Michael Braught, Treasurer
207 Rio Vista Drive
Georgetown, TX 78626



Member Friday a.m. MCE	\$ 25
Non-Member Friday a.m. MCE	\$ 35

OR Pay and Register Online At:

Total Due \$ _____

www.txappraisers.org

(Click on "Membership" tab, then go to "Pay Dues & Fees Here" at bottom of page)

For further information, contact
Gale Pospisil (830) 629-2447 or
Michael Braught (512) 686-0677.



Registration form and payment must be received by Feb. 10. No refunds after Feb. 10.

NOTE: Approval pending for ACE on Friday afternoon and Saturday and MCE on Saturday.

Membership List and Unpaid Dues



A current list of members will be available on our website www.txappraisers.org by Dec. 22. If you are not listed on the membership list at that time, then we have not received your 2008-2009 membership dues as of Dec. 17.

If you still need to pay your dues, you can send a check marked "Membership Dues" and made payable to "Association of Texas Appraisers" to Gale Pospisil, Exec. Dir., 6 Mission Drive, New Braunfels, TX 78130. Or pay online by visiting our website, clicking on the "Membership" tab and clicking on the "Pay Dues and Fees" tab at the bottom of the page. Dues must be paid before the February meeting to receive "Member" rate shown above.