



# Connections

*Official Publication of the Association of Texas Appraisers, Inc.*

## Come on Down To The Fourth Annual Meeting & Educational Conference

Make your plans now to attend the Fourth Annual Meeting and Educational Conference to be held August 7-8 at the Holiday Inn Airport Hotel and Conference Center in Corpus Christi.

Friday afternoon ATA member Candy Cooke will ask the question: “Are you ready to answer consumer questions about the latest in green real estate?” According to Candy widespread acceptance of green technologies is driving consumer demand for information—they want you to be knowledgeable about environmentally friendly home improvements, housing features, and building practices. Green real estate is a fast-growing, constantly changing part of the industry and keeping up with the latest materials, programs, standards, and techniques can be overwhelming. But this three hour course (ACE credit pending) will provide an opportunity for you to become more knowledgeable about this growing issue.



Friday afternoon will also include the General Membership Meeting and election of three new directors. (See article later in the newsletter for the Nominating Committee’s report.) And as usual, there will be an informal dinner get together Friday evening at The Astor Restaurant, which is located right next door to the Holiday Inn. This restaurant was established in 1957 and has great steaks and seafood at a reasonable price. And their green goddess dressing is to die for!

Saturday we’ll be offering **Fannie Mae Today, No. 116**. This 8 hour course is approved for both ACE and MCE . Course materials include a 114-page text prepared specifically for the course, including copies of specific guidance from Fannie Mae and two case studies plus a hands-on exercise using the 1004MC. This course is designed to give the practicing appraiser the confidence necessary to thrive in an increasingly competitive world of AMCs and increased requirements. You’ll hear about where we are and how we got here; The New Market Conditions Form 1004MC; The Home Valuation Code of Conduct; and the 2009 Fannie Mae Appraisal Guide. Columbia Institute is bringing in one of their top instructors to teach this class, Amelia Brown from Memphis, TN. According to Bobby Crisp “you guys are gonna love this girl.”



Bring your family and take advantage of all the amenities offered at the Holiday Inn. Guest services include free wireless high-speed internet, 24-hour business center, free parking, Atrium Cafe (where kids eat free), Dolphin Lounge, outdoor sundeck, and fitness center with indoor pool and hot tub.



Rooms have been recently renovated and include TV with CNN, Startz, ESPN and in-room pay movies, in-room coffee maker, hairdryer, AM/FM alarm clock radio, iron and ironing board, and room service. Reference the Association of Texas Appraisers when making your hotel reservations.

Don’t miss the education, the fun, or the networking. Turn to the last page of this newsletter for Meeting Registration Form and information about hotel reservations. Come on down and have a great time!!



Bridgett Blankenship  
President  
361 777-1200



Tom Shirley  
Vice  
President  
830 609-3629



Candy Cooke  
Director  
512 925-7329



Frank Baker  
Director  
830 964-4972



Michael Braught  
Treasurer  
512 686-0677

Eileen Brown  
Secretary  
512 694-9112



Bill Render  
Director  
210 493-1816

Bobby Shafer  
Director  
361 575-8444



## Officers & Directors 2008-2009

John Macy  
Director  
281 242-8863



Bobby Crisp  
Past President  
210 651-3291



## Designations Awarded

**Congratulations** to Wade Gibson, Devine, who was recently awarded the Associate of Texas Appraisers-General, (ATA-G) designation and to Ed Shuman, Houston; Buster Sherry, San Antonio; and Frank Baker, Canyon Lake, who were awarded the Associate of Texas Appraisers-Residential, (ATA-R) designation.

If you are interested in applying for a designation with the ATA, please go to our website [www.txappraisers.org](http://www.txappraisers.org) and click on the "Membership" tab, where you will find the Designation Application, which includes information on designation requirements.

## Words of Praise

The ATA newsletter is sent to a few appraisers in other parts of the U.S. (former NAMA members and friends who remain interested in what is happening with the ATA). We recently received the following e-mail from Richard Reece, a long time friend and highly respected appraiser who lives in Marina del Rey, CA. Thought those of you who know Richard might enjoy reading his note.



*Hi Gale,*

*Thanks for the recent copy of the ATA newsletter. You guys really have it all together at the Association of Texas Appraisers. The quality of your conference speakers was terrific and I also enjoyed reading your newsletter that is full of helpful quality information from folks like Bobby and Diana - both very gifted teachers.*

*The newsletter is very well done. Your appraisers are served very well by your ever-improving Association. Informed and properly motivated appraisers are good appraisers and it strikes me that the ATA is composed of caring people with both attributes. Way to go ATA.*

*Y'all come to California and teach us a few things.*

*Richard Reece MSA  
[rreece41@yahoo.com](mailto:rreece41@yahoo.com)*



**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.**

## USPAP ISSUES Appraisal Questions

By: Bobby Crisp  
AQB Certified USPAP Instructor #10287



Over the past couple of months, I have received several emails and phone calls about different USPAP items and issues. I thought they were good questions that might be of interest to the ATA membership. Instead of one specific topic, I have wrapped several of these together into this column with the hope of addressing issues that may be of concern to many.

HVCC and USPAP: As of April 1, 2009, the HVCC was set in place and has probably impacted you all in one way or another. Many AMCs have been contacting appraisers asking them to join or sign up with their company/organization. A question has come up that appraisers are being asked to comply with the HVCC.

We all know that the HVCC was implemented by Fannie Mae, Freddie Mac, FHFA and the New York Attorney General. The idea was to provide a Code of Conduct for loan originators to adhere to regarding loans being sold to Fannie or Freddie. The idea was to aid in appraiser independence and protect public interests. So why are appraisers being asked to comply with HVCC?

You have heard the old adage “if you are not part of the solution, then you become part of the problem.” What if there are lenders that are not following the HVCC? What happens if a mortgage broker ignores the HVCC and orders an appraisal on their own anyway? What if you are asked to pick up payment at the door? What are the appraiser’s responsibilities here?

If an appraiser receives an appraisal request, it comes with Assignment Conditions. It may be that FHA protocol is to be followed, or to provide two comparable sales that closed within the past 90 days, or to submit a comparable active listing, etc. If the loan is to be sold to Fannie Mae, the appraisal has Assignment Conditions...comply with Fannie Mae guidelines, which means the HVCC applies.

Advisory Opinion 30 (AO-30) addresses Failure to Adhere to Assignment Conditions. On line 73, it states “An appraiser who represents that an assignment is or will be completed in compliance with applicable assignment conditions and who knowingly fails to comply with those assignment conditions violates the ETHICS RULE.” It goes on to say “An appraiser who unintentionally fails to comply with or fails to recognize those assignment conditions violates the COMPETENCY RULE.”

In order to be competent, the appraiser must read, understand, and adhere to the HVCC when appraising a property that is to be sold to Fannie Mae or Freddie Mac. Once an appraiser has gained competency, it is the appraiser’s responsibility to comply with HVCC as it is an Assignment Condition (for Fannie and Freddie loans).

E&O INSURANCE and USPAP: Lenders are asking appraisers for a copy of their E&O insurance. Are appraisers required to have E&O insurance?

USPAP does not address Errors & Omissions insurance nor does any other guide or protocol that I’m aware of. If a client or lender is requiring E&O insurance, then it is specific to that client/lender. The State of Texas does

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## USPAP Issues (Continued from Page 3)

not require appraisers to have E&O insurance. Therefore, it is a business decision on the appraiser's part to have (or not to have) E&O insurance.

RE-APPRAISING A PROPERTY and USPAP: I have received some phone calls asking me about having to report on previously appraised properties. Let's say that you have appraised a property two years ago for a purchase. You have just received a new assignment to appraise the same property for a refinance. Is it true that appraisers are to state in their report that they previously appraised the subject in the past?

This is one of the new changes to the upcoming 2010-2011 USPAP document. (*Editor's Note: Don't forget that ATA will be offering the USPAP Update Course in February, 2010, in New Braunfels.*) If the appraiser has performed any services on the subject property within the three year period immediately preceding acceptance of the assignment, as an appraiser or in another capacity, it must be disclosed to the client.

Here's the best part - If an appraiser has agreed with a client not to disclose that he or she has appraised a property, the appraiser must decline all subsequent assignments that fall within the three year period. This is also addressed in the April 2009 Q&A Bulletin sent out by The Appraisal Foundation. But, until January 1, 2010, there is no such requirement in USPAP.

Food for thought

Bobby Crisp

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### A Sad Loss

ATA members were saddened by the recent death of one of our members. We wish to extend sincere condolences to the family of Glenn Joines of Victoria.

Glenn David Joines, 60, passed away on Saturday, May 2, 2009, at his home. He was born Sept. 22, 1948, in El Campo, to the late Marvin Karl and Barbara Wofford Joines and grew up in Francitas.

Glenn was in the clothing business for 15 years and was most recently a real estate appraiser for the last 15 years. He joined the ATA in 2007 and had been a regular at ATA meetings until his recent illness.



Survivors include his wife of 35 years, Claudia Terhune Joines; daughter, Lauren Lee Joines of Houston; sister, Paula Joines of Victoria; brothers, Trent Joines and wife Laura of Victoria, Gary Joines and wife Pam of Blessing; and numerous nieces and nephews.

## Way Back When...



Well, how has everyone been doing? It has been more than two months since we started using the Market Conditions Addendum (MC form), which leads me to think about how our work has become not only easier (tongue in cheek), but much more thorough. How is your stress level? When the industry changed in the past we always hoped for the best, which usually meant either higher fees or increased productivity through technology. Remember the tractor feed appraisal forms? Who remembers the typist typing all day long, reviewing the reports, and then having “white-out” all over the report if you chose not to have it just re-typed?

And of course the photos! Running to the one-hour processor and having your pictures developed in triplicate – and the photo bill! My first digital camera cost nearly \$1,000. It was great. It had a 10X zoom that allowed me to zoom right in on shingles to tell FHA, “See, the edges are curling. I don’t care what the review appraiser says, I’m right”. That camera paid for itself in the first three months, which illustrates how high the photo bill was. It had the 3/4 inch diskette memory and I could take enough pictures for about two houses on one. I carried a box of diskettes in the car – it was great – but I now have a memory stick that holds thousands of images on a



camera that is barely worth more than \$150 and fits in my pocket. I forgot to mention that when I began appraising for HUD, I hand wrote the report, submitted the hand drawn field copy of the floor plan, used a pencil, and it was a one page form with carbon paper. If there was a change to be made, the underwriter used a red pencil, sent it back to us, and we then made the change with a blue pencil. The underwriter was more prone to actually making a change back then.

I’m sure everyone takes a walk down memory lane every now and again, but I do quite often these days. I don’t wish for the days of having a typist, running to the photo shop, and hand delivering our reports to our clients. However, in regards to delivering the reports, there is something lost in business these days because we never meet anyone we do work for anymore. There was an appraiser I worked with at my first office, who provided my initial training, who refused to get a pager. Remember those? They would beep or vibrate if you had an expensive one. The appraiser said, “If anyone needs me they can leave a message on my answering machine and I can call them back.” Only doctors had pagers back then, so we were tuff stuff! I sure miss the handshake and personal interaction. I still have a close relationship with a few of the old guard in the lending industry and I keep in touch with processors and loan officers with whom we used to enjoy having the personal contact. Today is so impersonal. Work is easier to an extent. I don’t have a postage expense anymore; haven’t used Fed-Ex to deliver a “must have” report the next day in probably 10 years; and I’ve finally accepted and love the Internet and e-mail. Who doesn’t type their own reports? MLS is no longer on heat sensitive paper connected to a phone line or even MLS books.



### **Stress! Who has that?**

Here’s an excerpt from an Internet article under the section “Nations Housing” by Kenneth R. Harney and titled “Fannie Mae and Freddie Mac’s new rules are raising appraisal costs, critics say”. “Reporting from Washington – How about this scenario the next time you refinance or apply for a mortgage: The real estate appraisal that used to cost you \$325 now cost \$450, even though the appraiser doing the work is getting only \$175 or \$200”.

This article went on to try to explain how beneficial this new system was to everyone. It ended this way, “As to appraisers’ complaints about fees, Rich Kuegler, a vice president at MDA Lending Services, a national

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appraisal management company, said his firm (an AMC) offers them the ability to have a steady stream of work, training and support. In other words, appraisers can expect to make up in volume what they're sacrificing per assignment."

I don't know about you but with the new MC reporting meaning additional time and most appraisers already working a pretty full schedule of six or seven days a week now, how can we take on more volume? I would wager that not one appraiser was ever consulted before any of these new rules were dreamed up. I appreciate the Market Conditions Addendum and the evolution of technology but I sure do miss the old days. As Ellen Glasgow, a Pulitzer Prize winning American novelist, said "All change is not growth, as all movement is not forward."

**Some food for thought.**

*Accept that some days you're the pigeon, and some days you're the statue.*

*Never put both feet in your mouth at the same time because then you won't have a leg to stand on.*

*When everything's coming your way, you're in the wrong lane.*

*You may be only one person in the world, but you may also be the world to one person.*



**Have an awesome day and know that someone has thought about you today ... I did.**

By John Macy, Director



## STOP - LOOK NOMINATING COMMITTEE REPORT



The Nominating Committee which includes Immediate Past President Bobby Crisp, President Bridgett Blankenship, and Vice President Tom Shirley has finalized their work and are pleased to announce that the following individuals have been nominated to run for election to the ATA Board of Directors at the business meeting to be held August 7 in Corpus Christi.

Ken Becker, Kerrville, Member No. 06011  
Don Brillhart, Alice, Member No. 06049  
Bill Funk, Houston, Member No. 0067  
David Kellogg, San Antonio, Member No. 007077

Michael Braught, Georgetown, Member No. 06004  
Candy Cooke, Buchanan Dam, Member No. 06050  
Raulie Irwin, Goliad, Member No. 07087

There will be three director positions to fill during the election as the terms of Bridgett Blankenship, Michael Braught, and Candy Cooke will be expiring. The Nominating Committee is delighted to be able to provide the members with a wide choice of qualified members from which to choose. Of course, nominations can also be made from the floor during the meeting. However, if you wish to nominate someone at that time, please be sure to check with that person to be sure they are willing to be nominated.

Thanks to all the above members who have agreed to serve if elected and good luck during the elections!

**Proposed Budget  
Fiscal Year 2009-2010**

	Budget 08-09	Actual to 6/1/09	Est. Year End	Budget 09-10
<b>Revenue</b>				
Membership Dues	\$11,500	\$8,150	\$8,350	<b>\$10,000</b>
Designation Fees	250	75	75	<b>100</b>
Membership Pins	20	5	5	<b>10</b>
<b>Total Revenue</b>	\$11,770	\$8,230	\$8,430	<b>\$10,110</b>
<b>Expense</b>				
Bank Fees	15	\$ 15	\$ 15	<b>\$ 15</b>
Director Fees	\$ 1000	450	950	<b>1,000</b>
Equipment	500	544	544	<b>500</b>
Executive Dir.	3,600	3,000	3,600	<b>4,800</b>
Meetings Net (Inc. Less Exp.)	1,000	(2,958)	(2,000)	<b>1,000</b>
Miscellaneous	100	54	60	<b>100</b>
Pay Pal	280	169	290	<b>390</b>
Postage	25	30	30	<b>30</b>
Supplies	100	45	65	<b>100</b>
Website	300	100	300	<b>300</b>
<b>Total Expense</b>	\$6,920	\$ 1,449	\$ 3,854	<b>\$ 8,235</b>
<b>Net Income</b>	\$4,850	\$ 6,781	\$ 4,576	<b>\$ 1,875</b>

**Notes:**

**Membership Dues:** As of June 1 we have 106 members. Some paid \$100 and some paid \$50 half-year prorated amount. Because some members pay their dues in August before the end of the fiscal year, it appears that actual dues are low. In the past I have tried to go back and determine which dues paid in August were for coming fiscal year but this is rather time consuming. Therefore this year I'm switching to showing the actual amounts collected in this fiscal year. The result is that this makes it look like dues were significantly down in fiscal year 2008-2009. However, in the future we will get a clearer picture of money collected in the current fiscal year.

**Equipment:** Major equipment purchased in 2008-2009 was speaker system and associated hardware.

**Executive Director:** Recommend increasing by \$100 per month.

**Meetings Net:** The figure shown here is net profit or loss after deducting meeting expenses from meeting revenue. Number is shown in parenthesis because we had a profit rather than a loss. While we made money at our February, 2009, meeting, we are likely to have to underwrite part of the cost of the February, 2010, USPAP Update course. Therefore, it is recommended that we budget for a loss rather than a profit.

**Pay Pal:** We continue to have more people pay their dues and meeting registration by Pay Pal so an increase in this amount is suggested. Increase is based on approximately 1/3 more collections via Pay Pal.



# Association of Texas Appraisers

**Fourth Annual Meeting & Educational Conference  
Holiday Inn, Airport, Corpus Christi  
August 7-8, 2009**



## Meeting Registration Form

Name: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

\_\_\_\_\_

### Mail Registration and Payment To:

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

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



Total Due \$ \_\_\_\_\_

\*\* Saturday lunch is included in your registration fee. Only add \$15 if you are bringing a guest.

### **OR** Pay and Register Online At:

**For further information, contact  
Michael Braught (512) 686-0677  
mbraught@suddenlink.net**



[www.txappraisers.org](http://www.txappraisers.org)

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

**Registration form and payment must be received by Aug. 4. No refunds after Aug. 4.**

## Don't Forget to Make Your Hotel Reservations!!

### Come on Down to the

**Holiday Inn Airport Hotel and Conference Center  
5549 Leopard Street; Corpus Christi, TX  
(361) 289-5100**



Call today to reserve your room at the lovely Holiday Inn, Airport. A block of rooms has been reserved for ATA members at \$85 per night for king or double. Reservations must be received by 7/23/2009. After this date reservations will be accepted on a space and rate available basis only.

