

appraiser **focus** magazine

To be or not to be a mentor

There's a glaring lack of young appraisers entering the field. Now, it's more important than ever that seasoned appraisers consider extending a hand to trainees.



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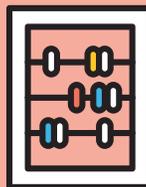
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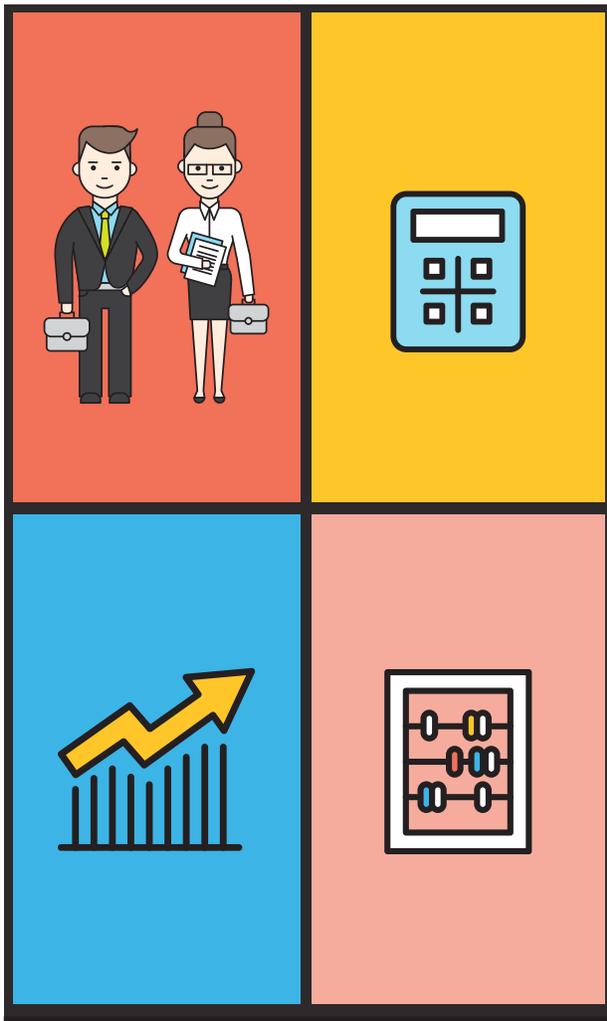
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Cathy Putegnat, MNAA

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Meet the Team

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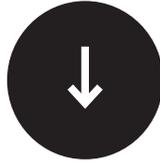
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A NOTE FROM THE PRESIDENT



What a year! The NAA has been very busy helping improve the profession. Our excellent team continues to amaze me.

Shortly after creating the Appraiser Relief Fund (ARF) at the end of 2020, I called Teresa Walker, NAA's administrator, and told her I had an idea. Here's our conversation:

Me: *Teresa, I have an idea*

Teresa: *Will you quit thinking up ideas?!*

Me: *I want to host an auction at our annual conference and have the proceeds go into the ARF.*

Teresa: *You mean ACTS 2022?*

Me: *Yes, but also ACTS 2021.*

Teresa: *You're killing me. But OK, maybe we can pull it off. A live auction or a silent auction?*

Me: *Yes, and yes. And let's add a 50/50 raffle!*

Teresa, the NAA Board, and a few volunteer members did an amazing job coordinating the auctions, not only at 2021/2022 ACTS, but also at the 2021 Appraisal Summit.

At the 2021 Appraiser's Conference and Trade Show (ACTS) we raised \$11,000 and an additional \$14,000 at the Appraisal Summit. At the 2022 ACTS conference ARF pulled in another whopping \$14,159. As of this writing, there have been \$62,862.85 in donations and the NAA has helped 11 appraisers with almost \$18,000 in assistance. We should all be extremely proud of appraisers helping appraisers. A very special thank you to the following for organizing and running the auctions and 50/50 raffles.

- Blair Dingeman, MNAA
- Malinda Griffin, MNAA
- Barry Phillips, MNAA
- Laurie Egan, MNAA
- Sierra Alden
- Jason Covington, MNAA

The 2021/2022 ACTS conferences were both huge successes with record attendance. We had a deep-sea fishing event and awarded the following trophies:

- 2021 Largest Fish: Ken "Big Fish" Williams, MNAA
- 2021 Smallest Fish: Jean McCarty, MNAA
- 2021 No Fish (a minnow isn't really a fish): John Dingeman, MNAA
- 2022 Largest Fish: Ken "Big Fish" Williams, MNAA

- 2022 Smallest Fish: Bryan S. Reynolds, MNAA
- 2022 No Fish (but caught other stuff): Cheryl Dejno, MNAA

Participants enjoyed their catch at a local restaurant.

Preconference continuing education classes were well attended. The conference itself received great reviews featuring a variety of sessions from attorneys, regulators, Fannie Mae and other industry leaders. One of the conference's highlights was a mock trial with a judge wearing a robe and carrying a gavel.

At the 2021 ACTS conference, NAA celebrated its 10th Anniversary with a dinner that included local Mississippi food and music. Over 100 attendees joined us for the festivities. During this event, I presented the founding members of the NAA with plaques. Teresa Walker was also given a special award for her many years of dedication and support to the association. A good time was had by all!

NAA recently created an Appraiser of the Year Award. The membership will nominate individuals and the Board will choose the recipient. The award will be presented during the Annual ACTS Conference. The 2022 Appraiser of the Year award went to Marty Wagar, MNAA. A special award was created for an individual who continually gives to the profession and the 2022 Presidents Award was presented to Jeff Bradford. These presentations were made during the luncheon in Charleston. Mr. Bradford and Mr. Wagar gave impromptu, heart-filled acceptance speeches.

The 2022 ACTS conference ended with a golf scramble with several teams hitting the course. Trophies were given for the following:

- 3-way tie for Lowest Score - Jason Covington, MNAA - Joanne Grace Apostol, MNAA - Mark Skapinetz, MNAA
- Longest Drive - Bruce Bugno, MNAA
- Closest to Pin - Mark Skapinetz, MNAA

The door of opportunity has been closed for years to trainees and those who want to enter the profession. There is great news on the horizon. The new Practical Application of Real Estate Appraisal (PAREA) program is being developed by a several providers and some lenders are once again allowing trainees to play a significant role in the appraisal process.

NAA has continued to encourage the use of trainees by lenders and supported the creation of easier pathways to a career in real property valuation. NAA has created a membership level for those aspiring to become an appraiser. The Associate Member category was added, and we currently have 85 members. We also created the Appraiser Trainee Committee to provide ongoing support for these members and future appraisers.

This committee planned and executed the first Trainee/Supervisor Support Session at the 2021 Appraisal Summit. There were approximately 80 attendees ranging from current trainees, appraisers and those interested in becoming a trainee. After a day of informational and motivational speakers, there was a job fair with eight companies participating. The job fair provided an opportunity for those considering entering the profession to visit with companies looking to hire trainees. The second Trainee Day was during the 2022 ACTS conference and included a diverse group of aspiring appraisers. There was also a breakout session for trainees as well as a breakout for supervisors or those wishing to become a supervisory appraiser.

At the November Board of Directors meeting, the board approved a change to our Sponsor Member level. If a company joins as a "Sponsor Member," any credentialed employee who works for them can join as a designated member for a discounted rate.

We are also forming a new Outreach Committee. This committee will consist of members from our Communications, Membership, Appraiser Trainee and Board of Governors committees. Its mission will be to work with State Coalitions to reach out to high schools and colleges/universities promoting the appraisal profession.

The 2021 Appraisal Summit was a huge success. There were pre-conference education classes, a Trainee Day, conference sessions, vendors and plenty of networking. The conference began with a panel discussion of bias from Dr. Sam Henderson, Melissa Bond, Amelia Lovorn and Jim Park. (I directed Martin Wagar, chair of NAA's Professional Conduct Committee, to create a task force for investigating the bias claims.)

There is a new meeting space for appraisers, users of appraisal services and just those interest in discussing topics of valuation. The ClubHouse is a free app available on most smartphones and it allows individuals to get in on the conversation. John Dingeman and I created a club

called Real Estate AppraisalTalk and although this is not a NAA sponsored room, you will find many leaders of NAA and members frequent the club. You also never know who might drop by. We have had representatives from Fannie Mae, Freddie Mac, the ASB, ASC, investigators, software vendors, real estate agents, and a valuer from Sydney Australia. Come join the conversation. Regularly scheduled rooms include:

Mondays for Trainee Talk, 3:00pm CT, Barry Phillips, MNAA

Tuesdays with Tim, 3:00pm CT, Tim Anderson, MAI, MNAA

Wednesdays with Bryan and John, 4:00pm CT, Bryan Reynolds, MNAA & John Dingeman, MNAA

We hope that you will join us in Las Vegas at the Appraisal Summit, Sept. 24-27, 2022. This event continues to grow each year. We have so many good things planned. If you have any questions, email info@naappraisers.org.

Once again, we'll have the ARF Live and Silent Auctions. If you would like to donate an item or service or volunteer to help with this event, please email Blair Dingeman (blair@dingeman.com) or Malinda Griffin (malindagriffin@gmail.com).

We've selected the Holiday Inn Downtown Sacramento as our 2023 location for ACTS. The dates are April 1-4, 2023. Our state host organization, Real Estate Appraiser Association (REAA), is busy helping our coordinator plan special events for our attendees. Stay tuned for details.

Be safe and we hope to see you soon! ■



Bryan Reynolds, MNAA
President, NAA

Connect with me about how to get involved with the NAA. Reach me at bryan@reynoldsappraisalservice.com.

ON THE COVER
To be or not to be a mentor



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Timothy C. Andersen, MNAA

8 Market value versus market price



Timothy C. Andersen, MNAA, has been a real estate appraiser and consultant since 1986. He has SRPA and MAI designations and is an AQB Certified USPAP instructor. Andersen is an active member of NAA, an affiliate member of

the Association of Texas Appraisers and an adjunct instructor at the Columbia Institute. Previously, he had a real estate brokerage specializing in high-end condominiums. He earned a master's degree in real estate appraisal from The University of St. Thomas in Minneapolis.

Jeff Bradford

10 Desktop appraisals are forcing appraisal bifurcation



Jeff Bradford is the CEO of Bradford Technologies, Inc. He was voted Valuation Visionary in 2014 by the Collateral Risk Network recognized by the Mortgage Bankers Association and was named a Tech All Star for his work in bringing

analytics into the appraisal process. Today, Bradford is focused on harnessing the power of big data analytics and deep learning to expand appraisers' opportunities and support their valuations. He holds Masters' degrees in engineering and computer science and has an MBA. In 2022, Bradford was presented with NAA's 2022 President's Award and voted Valuation Visionary.

Cathy Putegnat, MNAA

12 To be or not to be a mentor



Cathy Putegnat has been a Certified Residential Appraiser for 21 years. She has held certification in relocation appraisals and on the VA panel for 14 years. Currently, she is working with three trainees.

Rebecca Jones, MNAA

18 Watch your language... appraisers can be Realtors, too!



Becky Jones started her career in Real Estate in 1986 in Cleveland, Ohio, and moved to New York in 1990 where she continued in Real Estate. In 1990, Becky made a change into the Appraisal side of the business in which she has

remained to this day. Becky is trained in and has performed home inspections and has held several commendable positions within the Real Estate Community. She started her teaching path in 1995 at the local level.

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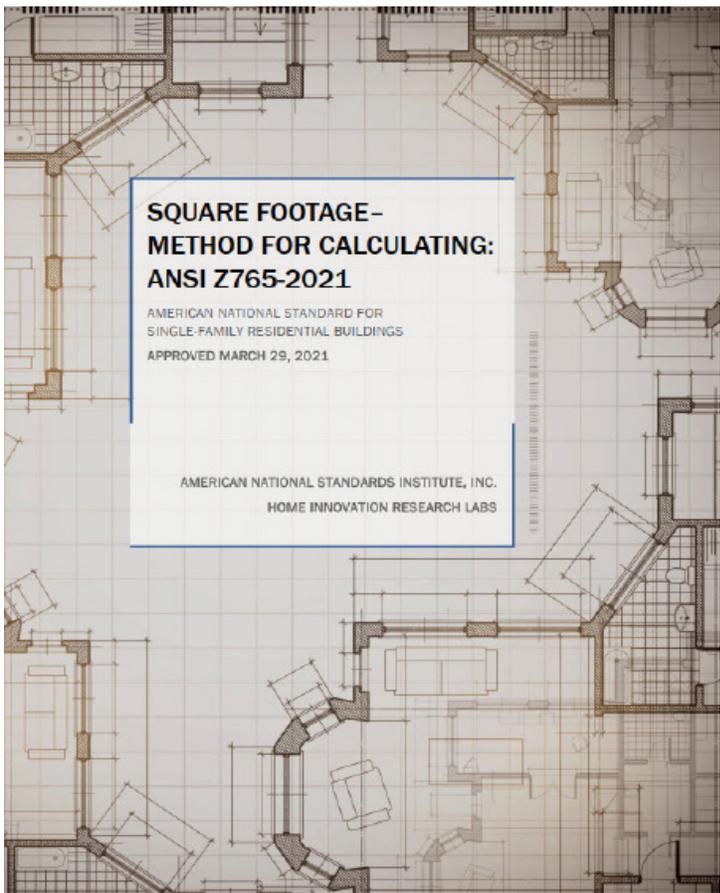
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FOCUS ON VALUE

Timothy C. Andersen, MNAA
Real Estate Appraiser and Consultant



NAA's Mission UNITE: Bring appraisers together to advocate for positive change.

"Appraisers must start to ignore the influence of non-realty items."

Market value versus market price

Why appraisers should take note of this difference



SOME APPRAISERS MAY NOT UNDERSTAND the differences between *price* (a verifiable fact) and *value* (an opinion to be developed). This is because appraisers generally do not factor out of sales prices atypical and non-traditional closing costs. Fannie Mae recognizes standard and typical closing costs, but not *non-standard* and *atypical* closing costs. Fannie Mae assumes that "the [sales] price represents the normal consideration for the property sold *unaffected* by special or creative financing or *sales concessions* granted by anyone associated with the sale." (The italics have been added for emphasis.)

When a seller pays \$5,000 toward a buyer's closing costs, is that not a "sales concession granted by anyone associated with the sale"?

HERE'S MERRIAM-WEBSTER'S DEFINITION:

Concession

- The act or an instance of conceding (as by granting something of a right, accepting something as true, or acknowledging defeat)

- The admitting of a point claimed in an argument
- Something done or agreed to usually grudgingly in order to reach an agreement or improve a situation

Is not such a concession the same as reducing the sales price by \$5,000? Those in the brokerage community will point out that it was the concession that consummated the sale and purchase. This is true to the brokerage community, yet irrelevant to appraisers. Why?

A real estate broker's compensation stems from the gross purchase price, sales concessions notwithstanding. The lender charges their fees based on the loan amount, thus incenting the broker and the lender to get the price as high as possible, the intrinsic value of the property notwithstanding. Is conceding \$5,000 in closing costs not an admission the parties have inflated the sales price by that amount so the seller nets the same dollars at closing of escrow? That \$5,000 inflation accrues solely to the benefit of the broker and the lender. It does not go into the buyer's or the seller's pocket. It is "magic money," existing solely by illusion, sleight-of-hand, and the agreement between

the parties. Magic money is not fungible.

Since that \$5,000 accrued solely to the benefit of the brokers and lender, how, per the definition of real property, is it possible to conclude a \$5,000 sales concession is part of a property's *market value*? A sales concession accrues neither to the seller nor the buyer (although it is present for the buyer's benefit). A sales concession does not accrue to the real property, nor does it meet the definition of real property. If it is not a component of market value, why do appraisers include it in their analyses of market value?

Sales concessions over and above typical and standard closing costs are not a component of market value. Therefore, the appraiser deducts them from the sales price of the property on the first line of adjustments on the 1004 Form. Thus, a \$200,000 sale with \$5,000 of sales concessions becomes a \$195,000 sale for further comparison, analysis and adjustment purposes.

It is true that Fannie Mae allows for standard and typi-

cal closing costs. However, it allows for these when that allowance is "for costs that are normally paid by the sellers as a result of tradition or law in a market area; these costs are readily identifiable because the seller pays these costs in all virtually sales transactions."

Therefore, Fannie Mae is *not* considering non-standard and atypical closing costs in its allowance for standard and typical closing costs. However, not to deduct non-standard and atypical closing costs goes against the definition of market value, Fannie Mae guidelines, as well as USPAP (which does *not* allow for non-realty items as a component of the appraiser's opinion of market value).

Is it a time for appraisers to meet the requirements of their clients' commissions and provide an opinion of market value (which refers solely to the real property), rather than opinion of *market price* (which can include the influences of non-realty items such as financing)? If that time is not now, when will that time be? ■

"A sales concession does not accrue to the real property, nor does it meet the definition of real property. If it is not a component of market value, why do appraisers include it in their analyses of market value?"

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Jeff Bradford
Bradford Technologies
Founder/CEO



"We encourage AMCs that choose to not manage inspections to suggest their appraiser panel members create their own teams."

Desktop appraisals are forcing appraisal bifurcation

But for those willing to adjust, opportunity lies ahead



BY THE TIME YOU READ THIS, lenders will have started ordering the new desktop appraisals. These are appraisals intended to be completed in the office using primarily MLS and public record data. On the surface, they seem similar to a drive-by appraisal (2055) without the drive-by part. But the GSEs threw in a wrinkle by requiring a "floorplan" of the property.

A typical sketch is a drawing of the property outline. A floorplan is a drawing of the property including the interior walls with all rooms labeled. So where are you going to get a floorplan if no one visits the property? Good question!

Looks like a property inspection is needed. But this is a desktop appraisal, you say. If an inspection is performed, isn't that a regular 1004? Maybe, or it might be a "hybrid" appraisal. It's all a little confusing.

The bottom line is that a floorplan is required and someone is going to have to create it and the GSEs prefer that it not be the appraiser, hence the term "desktop" appraisal. Desktops are the first to come out of the appraisal bifurcation testing the GSEs have been conducting as part of their Appraisal Modernization initiative.

To be clear, appraisal bifurcation is when one party performs the inspection and another party performs the analysis and completes the appraisal report. Let's consider what bifurcation means in practical terms. When you split a process is it necessary for the two parties to be coordinated? Do they need to talk to each other? Trust each other? Have the same competency expectations? It's safe to say that the two parties will probably not match up exactly and may in fact have different goals if they work for different companies.

What this means is that coordination is going to be critical if bifurcation of the appraisal process is going to be efficient. Someone has to manage, schedule and train the "third-party inspectors." They may also have to train the appraiser on what to expect and how to review and score property data from different sources. Who is the "someone" that will be managing the third-party inspection panel? It will most likely be an AMC.

This brings us to an unintended consequence of appraisal bifurcation: the bifurcation of the AMC's management responsibilities. The AMC, if it is to have an efficient appraisal production process, must also bifurcate into a manager of inspections and a manager of appraisals. It must coordinate the inspection and the appraisal processes so that one flows into the other without delays. As you might imagine, this can get complicated very fast, especially when you throw in differing lender requirements, different appraisal requirements, different inspection requirements and not least of all, human error and inspection issues.

If they decide to manage both processes, on whether to bifurcate or not, imagine the decision the AMCs will have to make.

If AMCs decide to manage both processes internally, it will require a huge expenditure. They have to either acquire or develop the technology needed to coordinate two distinct national work groups into a cohesive organization that can produce valuations faster than the traditional process.

One alternative to undertaking this additional management responsibility is for AMCs to partner with national inspection companies and only deal with the coordina-

tion of delivering the inspection data to the appraiser. This option has its pitfalls, in that the AMC has little to no control over the third-party inspectors. This may result in more inefficiencies including higher costs and longer turn times versus opting to control the entire inspection-appraisal process, which is more costly to set up, but more efficient in the long run.

The third alternative for AMCs is to not take on the responsibility of providing inspections, but to simply continue managing appraisers and allow the appraisers to figure out on their own, how to get “third party” floorplans for their desktop appraisals.

Large AMCs will bifurcate their business into managing and coordinating inspections and appraisers. Others will partner with inspection companies. What can an AMC that chooses not to add an inspection service to their business do to compete?

If the AMC and appraiser continue to produce appraisals in the traditional sense, they will probably both lose out. What if the appraiser starts to bifurcate processes at the office level and takes a team approach to producing appraisals? Can the appraiser be competitive? The answer is, of course, yes.

Teams always beat individuals and cohesive, local “ap-

praiser-led” teams will always beat a team of “third-party” individuals. Here’s an example of the power of teams: At Ford, a team produces a F-150 pickup every 53 seconds. Think of that for a minute as another one rolls off the assembly line. With desktop appraisals opening the door for bifurcated or appraiser-assisted appraisals, those who implement a team approach can achieve dramatic improvements in efficiency and production of appraisals.

This path puts the appraiser at the center of the appraisal process instead of sidelining them into the “analysis-only” bucket. It ensures the appraisal company will continue to receive the full fee. And it should open up opportunities for trainees as the “appraiser assistant” to gain the experience needed to become certified appraisers.

At Bradford Technologies, we believe appraiser-led teams can outperform teams of “third parties.” We have developed Team Appraising technology and will continue to refine it to empower appraisers, trainees and assistants to work more cohesively. We encourage AMCs that choose to not manage inspections to suggest their appraiser panel members create their own teams. The introduction of desktop appraisals is an opportunity for appraisers to once again start using assistants and regain the efficiency and productivity they once enjoyed. ■

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- Timothy C. Andersen, MAI, MSc, CDEI, MNAA



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To be or not to be a mentor

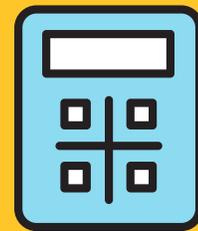


Cathy Putegnat, MNAA
Certified Residential Appraiser

There's a glaring lack of young appraisers entering the field. Now, it's more important than ever that seasoned appraisers consider extending a hand to trainees.



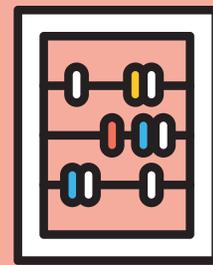
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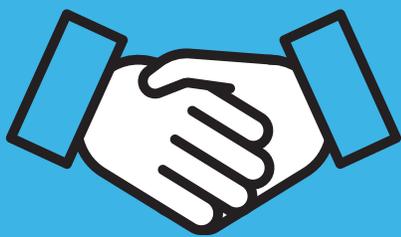
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Education



Building Relationships

It's not uncommon for appraiser trainees to have rough experiences with their supervisors. **It takes time to learn the work**, everyone is busy with their daily tasks, and it can be hard to find the patience required to train an up-and-comer.

Unfortunately, I commonly hear how hard it is for a trainee to find a mentor these days. I recently took on a trainee who had spent two years trying to find someone who was willing to offer their time and expertise to help him learn the ropes of the trade. Two years. That is wasted time for this young professional, and it's an emerging trend that amounts to a loss for our industry as a whole.

The appraisal profession has suffered from a serious lack of new recruits for years now, making it more important than ever that experienced appraisers take the time to train the newbies.

But it's not just for the benefit of a new recruit – being a mentor has real, tangible benefits for the mentor himself. Mentors report that the work enhances their confidence in their skill sets, helps develop an increased self-awareness, improves their listening and communication skills, and exposes them to new and different perspectives that benefits their approach to their work.

MY WINDING PATH FORWARD

For many young appraisers starting out in the field, finding the right mentor can be a challenge. I found my own mentor in a very roundabout way, which highlights how random the

Twenty years ago, we were buying our home in Colorado and my husband said to me, “Someone was paid good money to tell us how much our home was worth. You should look into becoming an appraiser.” Three months later, I had my license as a trainee and I was on the hunt for someone to train me.

Luckily, I already had a contact – our son’s soccer coach was an appraiser. I worked with this supervisor for several months, during which time I learned a few things about how to measure a house and what things to look for when inspecting a home. But I soon realized that this person was not the right fit for me, as I found some of his practices to be ethically questionable; I moved on quickly.

After many calls to appraisers that flat out turned me down, I finally found someone to help me along this career path I had chosen. And lucky for me, I found a great appraiser, a man who I not only came to call my mentor, but my friend. He had been in the business since before I was born, I think, having started well before licensing was even a thing. How grateful I was to find him and to have him mentor me through this journey.

And so my mission is to pay it forward. I do not proclaim to be an expert on training a trainee, apprentice, appraisal assistant, or whatever your state calls them these days, but I have trained a few appraisers in the past. Because I know what I know – and I know what I don’t know – I reached out to a few others for some thoughts on being a mentor and being a trainee in this field. Here’s what I learned.

DECIDE YOUR WHY

If you are a seasoned appraiser and are considering becoming a mentor, do some research before you commit. Talk to others who have trained, or are currently training, to see what they really like about being a mentor and how they have benefitted. Mentoring is not for everyone, it takes a special set of skills and patience to teach. Think about what’s required and if you would be up to the task.

This is what I call “deciding your way.” Why take on a trainee?

- Maybe your why is that you need help with your work load.
- Maybe your why is that you want to give back to the appraisal community.
- Maybe your why is that you love to teach and share your knowledge.

RESEARCH STATE-SPECIFIC REQUIREMENTS

Contact your state appraisal board to find out what the state requirements are for taking on the role of official supervisor. Most states, if not all, will require you to take a class in order to obtain your certification as a supervisor. There are several options for online classes that include your state-specific requirement information. Understanding what your state requires as a supervisor as well as what the state requires for your trainee is an important first step.

FINDING THE RIGHT TRAINEE

Before you commit to anyone, interview a potential trainee.

CONSIDER THESE QUESTIONS:

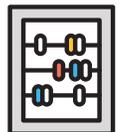
- How might your personalities work together?
- What are their long-term goals?
- What motivated them to become an appraiser?
- What are their thoughts on staying with the company after they are licensed or certified? Do they have a desire to stay on or do they plan on starting their own businesses?

All of these questions will lead to important conversations that you should have upfront before any commitment is made. And don’t forget to give them the opportunity to interview you.





If you are a seasoned appraiser and are considering becoming a mentor, do some research before you commit. Talk to others who have trained, or are currently training, to see what they really like about being a mentor and how they have benefitted.



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Appraiser Focus is always looking for dedicated appraisers who care about the future of this profession.

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appraiser focus
magazine



Giving back to the appraiser community comes in many forms, this is one in which our knowledge, gained through experience and training, can be passed along to others.



GETTING STARTED

Once you do begin to work with a trainee, make sure you start with a plan in place, and that you are consistent with that plan. Make sure your trainee fully understands each step as you move through the plan. One of the things I heard a lot while talking with appraisers for this article was how many supervisors did not explain WHY they were doing things.

From a trainee: *“I wish I was taught more of the why’s instead of the do’s. My supervisor was more of a ‘Here, do this then you’ll do that,’ but never took the time to explain why. Therefore, I have a lot of trouble with verbiage in my reports in the narration parts because sometimes I don’t know how to explain why I came up with what I came up with.”* – Susie Veljanoski Emig

From a supervisor: *“I think the most important thing I’ve said to my trainees is to never let me get away with saying ‘because that’s the way we’ve always done it’ as an explanation to their questions.”* – Dori Davis

Also, remember that not all trainees learn at the same pace or pick things up as quickly or as easily as you might expect. Know what your plan is during the process if you have a trainee that is struggling in a certain area. Maybe even have an arrangement with a trusted colleague who can help in the mentorship if a tricky subject requires a fresh approach.

I also suggest having regular (weekly or bi-monthly) interviews with your trainee to talk about how they feel they are progressing. Have open discussions with them regarding their progress, what the next steps are, and what they can expect from you as a mentor. Take this opportunity to amend your methods if needed and be open to constructive criticism.

WHAT’S THE EXIT STRATEGY?

There are two schools of thought regarding what happens when a trainee has received their license or certification.

OPTION 1: Staying for the long haul

Not all newly licensed or certified appraisers want to start their own business, which is why it’s important to discuss long-term goals upfront. Mentorship does not have to stop when a trainee is certified. I love what one appraiser said about this:

“I’m speaking as a former trainee who is now working for their mentor after certification. I am smart enough to realize that, while I have that certification, I still have a lot to learn. I’m thrilled that my former mentor is still willing to share his knowledge with me. Contributing revenue to his company is how I’m repaying him for that as well as for his time and patience when I was a trainee. Bottom line is that loyalty is a two-way street.” – Renee Glover

ONE APPRAISER ASKED ME, “WHAT CAN I DO SO THEY WANT TO STAY?” HERE ARE A FEW SUGGESTIONS.

- ▶ Pay them well. Pay them appropriately.
- ▶ Treat the trainee with respect. Although they may be employees, treat them like partners.
- ▶ Create an atmosphere in which they want to stay. Set up a win-win business model that works for both of you. It is ok to criticize the report, but don’t criticize the appraiser personally. Turn mistakes into learning opportunities.
- ▶ Set expectations up front.
- ▶ Teach them how to run a business so they understand that the fee paid on the engagement letter is not the fee that goes into the appraiser’s pocket. It is important for the trainee to understand how to run a successful business and that there are costs associated with running a business.
- ▶ Find out what the trainee is naturally talented at and help them become successful in doing those tasks.
- ▶ Create a strong business so there is plenty of work to go around. Look at options outside of the lending industry for work opportunities.



OPTION 2: Moving on

Not all newly licensed or certified appraisers will stay with the mentor for the long haul. Some will move on to open their own businesses and we should encourage them in that if that is the path they decide to take. If we have done our job as a mentor, we have helped them learn what running a successful appraisal business looks like. Our job as a mentor is not just about teaching them how to appraise, but how to be a successful and productive member of the appraisal industry.

IN CONCLUSION

If you are deciding whether now is the time to become a mentor to one of the many, many trainees out there looking for a good mentor, remember this: We are all where we are now because someone took the time to teach us. Giving back to the appraiser community comes in many forms, this is one in which our knowledge, gained through experience and training, can be passed along to others. ■

OPINION OF VALUE

Rebecca Jones, MNAA
Appraiser and Realtor



NAA's Mission **PROVIDE:** Offer services designed to benefit our membership.

Watch your language... appraisers can be Realtors, too!

Let's get along, because we all have lots to share

I HAVE TAKEN UP THE BANNER OF EDUCATING my fellow Realtors and appraisers in the MNAA family, because guess what I've learned – many appraisers are Realtors too! So Realtors, before you start talking smack about appraisers, you might want to watch your language. Many appraisers are Realtor too! So please, let me shout this from the rooftops: Stop separating out us! Many appraisers are part of the Realtor family, and that's to everyone's benefit.

I'm on a mission, an exhausting one, to make this known among members of our profession. On my mission, I have been bullied on social media, removed from volunteer committee work on legislation helping Realtors, and gotten lots of eye-rolling (which I can see on Zoom meetings, people!).

But I will not give up. My appraiser family generally does not understand that we are part of the larger Realtor family, a family that is powerful and can enhance our valuation work. We must begin to recognize our commonalities. Broker members must put down any negative talk about appraisers, and appraisers must stop thinking Realtors are evil incarnate.

What is a Realtor? No, that term is not synonymous with being a real estate agent, as some of my fellow bloggers



have reported inaccurately. My simple term when trying to educate in a classroom or social media is appraisers are part of the Realtor's "club" and there are rules for all members. This club is a choice. Membership is not a requirement of our certification whether you are an agent or a broker. Your state credentialing department or commission does not require you to be a Realtor. Rather, you choose to be a Realtor. That choice requires education, passing an exam, experience working under a supervisor or broker, and an application with a fee. If your supervisor or broker is a member of the club, you are extended the requirements by some "club rules."

But in order to service your clients, membership in the club has some advantages, like Big Data, which is the keeper of the information or data that is required for us appraisers to produce a credible and non-misleading report.

Under USPAP's Competency Rule, the appraiser must be competent to complete the assignment credibly before agreeing to accept that assignment.

THIS COMPETENCY RULE REQUIRES:

- ▶ The ability to properly identify the problem to be solved;
- ▶ The knowledge and experience to complete the assign-

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ment competently; and

- To recognize and comply with, laws and regulations that apply to the appraiser or the assignment.

Per the Oxford English Dictionary, one definition of Knowledge is “facts, information, and the skills acquired by a person through experience or education, the theoretical or practical understanding of a subject.” Where do appraisers find these facts? Traditionally appraisers find many of them through the local MLS.

The formation of the MLS began in the late 1880s, when real estate brokers gathered at the offices of their local association to share information about property they were trying to sell. They agreed on compensation with other brokers, and created a tool to help listing brokers find cooperative brokers working with buyers to sell their homes.

NAR’S 2021 HANDBOOK ON MULTIPLE LISTING POLICY STATES THAT A MULTIPLE LISTING SERVICE IS:

- A facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and customers and the public
- A means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law)
- A means of enhancing cooperation among participants
- A means by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and

customers

- A means by which participants engaging in real estate appraisal contribute to common databases

We appraisers who are also Realtors are required to have the necessary knowledge to appraise a property credibly. To obtain this knowledge, we subscribe to our local MLS. For many of us, that subscription requires membership with the local Realtor association of board.

So, this point is clear: appraisers need access to the local MLS to obtain the data, facts and knowledge to complete an appraisal competently and credibly, thus to meet the ethical requirements of USPAP’s Competency Rule, a step Realtors do not take. In addition, the National Association of Realtors can be a cool club if you choose to take part!

My story with NAR started in mid-90s when I was president of my local association. (Yes, I held only an appraiser certification). This gave me exposure to the Realtor family at local and state levels, and what I found there I liked. I still a volunteer today.

DESPITE THE BULLYING I HAVE UNDERGONE, THESE ARE MY TOP THREE REASONS TO CONTINUE TO VOLUNTEER MY TIME TO MY FELLOW REALTORS:

- Rooms full of people smarter than I
- I love to learn, and my life’s mission is to share those nuggets of knowledge with others.
- I love my volunteer world because of the relationships I have, and the ones I am building. These are deep relationships based on our common passion for the appraisal/real estate professions.

I have had the privilege to meet many professionals, celebrities and politicians from all over this nation and even from different countries. This is simply because I chose to become involved in my local, state and national associations. Some people call it networking. By my involvement in NAR launched a 25-plus year span of education and volunteerism, during which time I have accrued priceless nuggets of knowledge that have helped me evolve personally and professionally. I encouraged all my fellow NAA members to consider how they might benefit from getting involved. ■

RESOURCES FOR APPRAISERS

The Realtor Property Resource (RPR) national property database, offers commercial and residential reports and data.

narrpr.com

NAR publishes data on pending home sales, existing home sales and surveys such as the Appraiser Trend Study.

nar.realtor/research-and-statistics

NAR’s media/communications team promotes real estate appraisal and real estate education to other Realtor/appraiser members.

nar.realtor/newsroom



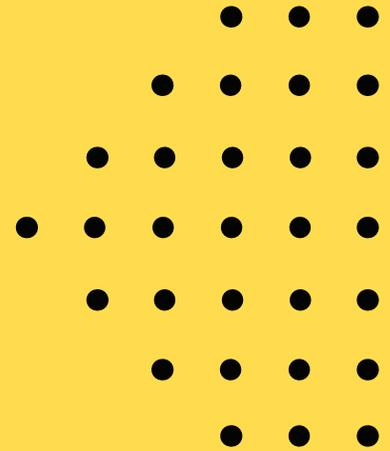
NAR advances public policies and candidates that build strong communities, protect property interests, and promote a vibrant business environment.

Check out Political Advocacy at nar.realtor/advocacy

2022

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