

Southern NJ Chapter of the Appraisal Institute

August 2018 Edition

Bonnie L. Longo, MAI, SRA, Editor; Lisa Weiss, Writer

President's Message *By Albert Crosby, MAI*

At the end of July, Chapter Vice-President Charles McCullough and I attended the Appraisal Institute Regional meeting as well as the National conference, both held in Nashville. Both events were informative, and I appreciate the chapter sending me to learn more about our profession as well as the future of our organization. Other chapter members also attended the National meeting including Joe Heenan, Meghan Payne, and Josh Garretson; it was nice seeing them at the events.

More than 550 real estate professionals from around the world attended the 2018 Appraisal Institute Annual Conference, held at the brand new downtown JW Marriott. It featured world-renowned keynote speakers, nearly 30 breakout sessions on trend-setting valuation topics, networking opportunities for industry professionals, an exhibit hall featuring cutting-edge products and services, and an awards ceremony honoring the valuation profession's best and brightest.

The keynote speakers were mountain climber and best-selling author Alison Levine and residential appraiser and author Don Gossman, SRA. Levine served as team captain of the first American Women's Everest Expedition, climbed the Seven Summits and skied to the North and South Poles. She is the author of "On the Edge: Leadership Lessons from Everest and Other Extreme Environments," a New York Times bestseller. Gossman worked with the FBI and U.S. Attorney's office to break up a mortgage fraud ring in Kansas City, Missouri. He is the author of "My Client the FBI" and is a national speaker on appraisal compliance and standards and was very interesting to listen to.

The 2018 Appraisal Institute Annual Conference featured more than two dozen breakout sessions on a wide variety of challenging and relevant topics, including insurance appraisals, evaluations, litigation support, residential adjustments, special purpose properties, quality control, analysis techniques, market analysis, federal and state appraisal policies, automated valuation models, environmental risk, and waivers, exemptions and threshold levels.

I urge everyone to consider attending next year's conference, which will be held July 22-24 in Denver, Colorado.

Congratulations Michael Descano, MAI

Effective June 7, 2018 Michael A. Descano earned his MAI designation. Michael, who is the Principal Appraiser/Owner of M. Descano Real Estate Solutions located in Cherry Hill, NJ, is a Certified General Real Estate Appraiser in both NJ and PA and is experienced in the valuation of a wide variety of commercial, industrial, residential, and agricultural use properties.

Michael has served the chapter in many capacities including board member, chair of programs, chapter secretary, and currently serves as the chapter treasurer. Michael is the fourth generation Descano in the real estate business. His Great Grandfather was one of the first Italian-American Real Estate business owners in the Delaware Valley, owning a full service real estate office located at Broad and Reed Streets in Philadelphia, PA. Michael is proud to say quality service is a tradition passed down through the generations and he strives to keep this tradition alive!

Congratulations Joshua Garretson, MAI, AI-GRS

Effective June 6th, 2018, Joshua D. Garretson, MAI, has earned his AI-GRS designation. Joshua has worked as an appraiser specializing in agricultural real estate in Southern New Jersey for over 10 years. He graduated from Pennsylvania State University with a Bachelor of Science in Finance and a minor in Economics. He joined the Appraisal Institute when he began his appraisal career in 2007 with Farm Credit East, formerly First Pioneer Farm Credit. Now a Senior Appraiser at Farm Credit East, Joshua specializes in valuing land and agricultural properties throughout Southern New Jersey. He has also appraised various other specialized property types including cold storages, food processing facilities, apartments, and office buildings. In addition to valuing real estate, he is also responsible for the management of all collateral in the branch portfolio, which includes a variety of vehicles, machinery, specialized equipment, and other chattel. He handles the ordering and reviewing of outside appraisals for the branch, and completes appraisal reviews in Farm Credit East's offices throughout the northeast.



In addition to the MAI designation, Joshua also has an Accredited Rural Appraiser (ARA) designation with the American Society of Farm Managers and Rural Appraisers (ASFMRA).

Joshua has served the Southern New Jersey Chapter as a director, Vice President, President, and he is current serving as the Past President. He is also on the Appraisal Institute's National Admissions and Designation Qualifications Committee and Governance Structure Project Team.

2019 Election Results

The individuals elected to serve as chapter officers and directors in 2019 are as follows:

President: Charles A. McCullough, MAI, AI-GRS

Vice President: Michael Descano, MAI

Treasurer: Joseph V. Heenan, MAI, SRA

Secretary: Mary Fox, MAI

Director through 2021: Meghan Payne, MAI

Director through 2021: Susan Roettger, MAI

Director through 2019: Steven Bartelt, MAI, SRA, AI-GRS

Director through 2019: Michael S. Sapio, MAI

Director through 2020: Ryan Phillips

Director through 2020: Kathleen Turley

Past President: Albert Crosby, MAI

Thank you to those who participated in the election process and showing support of your chapter leadership!

Member Benefit: FUEL

Underwrite your next direct-cap or DCF appraisal with FUEL, a state of the art cloud-based platform powering the next generation of valuation, forecasting, and transactions for CRE. With FUEL, access is instant by any internet connected device. Appraisers can quickly create direct-cap and DCF with 100% assurance on calculations. There is nothing to install. Anyone can share models with the click of a button. Recipients don't need a licensed copy of FUEL to



access the models. Users can even work together on the same models at the same time. Calculations are instantaneous and accurate. And, FUEL is as beautiful as it is powerful thanks to its intuitive, industry-driven design. Learn more about [FUEL](#). [Sign-up here](#) for your free 30-day trial and discounted \$99/month AI rate (regularly \$149/month).

Member Benefit: Cowtown Rodeo

We will be sponsoring a sign in the arena at the Cowtown Rodeo for the 2018 season. Our sign will be seen by 35,000+ Facebook fans, broadcast regionally on TV plus seen in-person by thousands of spectators each rodeo

week. The rodeo is held every Saturday night now through September 29. Please let us know if you receive any inquiries after people see our sign at the rodeo!

2018 UPCOMING EVENTS

www.myappraisalinstitute.org/education/southernNewJersey

CONFIRMED 2018 DATES: Register now!

September 7: USPAP 7hr Update @ the DOT

September 10: A Day of Valuation, a 7-hour seminar w/Vince Dowling @ the DOT

September 13: Joint meeting w/Philadelphia Chapter, 5-8pm, Pyramid Club, 1735 Market St., Philadelphia

October 12: NJ Regs...2 hr class mandatory once a cycle, SJ Tech Center @ Rowan University

October 25: Last dinner meeting of the year! Adelphia Restaurant, Deptford

November 2: Business Practices and Ethics, SJ Tech Center @ Rowan University

November 29 & 30: Yellow Book class, SJ Tech Center @ Rowan University

If you have classes/seminars/speaks suggestions, please contact Lisa --- we want to offer what you need!

NJ Appraiser Bd: CE Requirements for 2018-2019 Biennial Renewal

<http://www.njconsumeraffairs.gov/rea/Pages/CE-Requirements-for-Upcoming-2018-2019-Renewals.aspx>

As a condition of renewal, licensees are required to obtain at least 28 credit hours of approved continuing education for each biennial renewal period subsequent to licensure/certification or 14 hours of continuing education if initially licensed or certified in the first six months of the second year. If initially licensed or certified during the last six months of the second year, no continuing education is required. Credits may not be carried over to another renewal period. You must retain documentation to verify all claimed CE credits for a period of not less than four years.

As a condition of renewal, licensees must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established by the AQB. Do not send course documentation with this form.

All licensed and certified real estate appraisers shall be required to complete a two hour course on New Jersey law and rules governing the practice of real estate appraising. The course at a minimum shall include: the origin and history of the Real Estate Appraisers Act, the Board composition, scope of practice, mixed practice conflicts of interest, continuing education requirements and criteria, temporary visiting certificates, trainee and supervisor requirements, appraisal reporting and common deficiencies, and the complaint process.

News from Across the Bridge... PA Passes BPO Law

Pennsylvania Gov. Tom Wolf on June 29 signed HB 863, legislation that allows the state's real estate brokers, associate brokers and salespeople to provide broker price opinions. The law takes effect Aug. 28 and places significant restrictions on brokers, associate brokers and salespeople and limits the situations under which they may perform BPOs.

The law defines a BPO as "an estimate ... that details the probable selling price of a particular parcel of real property and provides a varying level of detail about the property's condition, market and neighborhood, and information on comparable sales."

Previously, BPOs were not recognized under Pennsylvania law, and the preparation of comparative market analyses was limited to helping consumers determine an asking/offering price for real property or to secure a listing agreement with a seller.

Under HB 863, brokers, associate brokers and salespeople are limited to performing BPOs for financial institutions in conjunction with properties owned by the institutions after unsuccessful foreclosure auctions, modifications of equity credit lines, short sales and portfolio evaluations. More importantly, they are explicitly prohibited from preparing BPOs for use in mortgage loan originations, eminent domain, tax appeals, bankruptcy or insolvency proceedings, divorce & equitable distribution, litigation and estate settlement.

Brokers, associate brokers and salespeople must obtain education on the preparation of BPOs in order to perform them, and must have completed at least three hours of continuing education on BPO topics during the current or preceding two-year license period. Additionally, salespeople must have been licensed for at least three years prior to preparing BPOs and each BPO must be co-signed by their broker or associate broker. The law also outlines the minimum contents of a BPO and specifies that compensation due salespeople for a BPO be paid only to their affiliated broker.

The bill is the result of several years of negotiations on behalf of all stakeholders, including the Coalition of Pennsylvania Real Estate Appraisers, an entity founded and led by representatives of the state's 4 Appraisal Institute chapters. Prior to the law taking effect, the Pennsylvania State Real Estate Commission must enact rules detailing the qualifying and continuing education requirements for brokers, associate brokers and salespeople before they can provide BPO services. View a copy of [HB 863](#).

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now have a chapter page:
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Chapter - Appraisal Institute**



Appraisal Inst. Opposes Effort to Reduce Risk Management for SBA Loans

On July 20, the Appraisal Institute announced its opposition to proposed federal legislation that would reduce the requirements for appraisals in major Small Business Administration loan programs.

The Appraisal Institute objects to the provisions of H.R. 6347, the 7(a) Real Estate Appraisal Harmonization Act, and H.R. 6348, the Small Business Access to Capital and Efficiency Act, both of which would adjust upward the real estate appraisal thresholds for SBA loan programs. An appraisal threshold is the amount of a real estate transaction above which an appraisal is required. H.R. 6347 and H.R. 6348 would link the SBA appraisal threshold level to the threshold level established for commercial real estate by the federal bank regulatory agencies. Earlier this year, those agencies doubled the commercial real estate appraisal threshold level to \$500,000. The SBA appraisal threshold level, which is set by statute, currently stands at \$250,000. If the legislation were enacted, SBA loans for commercial transactions below \$500,000 would no longer require an appraisal.

The Appraisal Institute expressed its "strong concerns" in [a July 19 letter](#) to Reps. Steve Chabot, R-Ohio, and Nydia Velazquez, D-New York, the chair and ranking member, respectively, of the House Committee on Small Business. The Appraisal Institute noted the risk to taxpayers.

"Current SBA requirements do not include a requirement for the performance of evaluations where an appraisal is not required by the agency," the Appraisal Institute said in its letter. "This is a dangerous omission given (the) wide latitude granted to non-banks and non-profit organizations in ordering appraisals within the SBA program, where collateral valuation policies and procedures are likely not to be as robust as those of federally regulated institutions and where concerns about the independence of the appraisal process may be paramount."

Like an appraisal, an evaluation contains sufficient information & analysis to support the financial institution's decision to engage in the transaction. Evaluations can be prepared by appraisers, but they also may be prepared by others with real estate knowledge and experience.

"(A)n evaluation requirement should also be included," the Appraisal Institute's letter said. "Given the risks involved in SBA lending, we believe this should also include incentives for SBA lenders to utilize appraiser-prepared evaluations by providing regulatory relief to appraisers providing such services. While this would not eliminate our concern about increasing taxpayer risk, it would help to lessen it."

The bills were introduced on July 12 and favorably reported to the House on July 18. Read the [Appraisal Institute's letter](#). Read [H.R. 6347](#) (sponsored by Rep. Dwight Evans, R-Pennsylvania) and [H.R. 6348](#) (sponsored

by John Curtis, R-Utah). Learn more about [SBA's 7\(a\) loan program](#) and its [504 loan program](#).

Comprehensive Exam Prep

Gary DeWeese, MAI, and an instructor for the Appraisal Institute for more than 20 years, is offering his Comp Exam prep material for sale. The cost is \$300 for the Income, \$150 for the Sales, \$150 for the Cost/HBU and \$150 for the General module material. If you purchase the first 3 modules, the General module material is free. The material is based on multiple choice type problems with detailed solutions illustrated. The material is electronically delivered the same day as ordered. For more information about the material, to read student reviews, and learn how to order go to www.garydeweese.com or contact Gary directly at garydeweese@comcast.net or 925-216-8751. *The materials were developed by Gary DeWeese and are not sponsored or endorsed by the Appraisal Institute.*

Appraisal Institute Joins 29 Groups to Promote Real Estate Careers

In mid-July, the Appraisal Institute joined 29 real estate industry organizations, representing more than 10 million jobs, in announcing a ground-breaking collaboration to highlight diverse career paths within the real estate sector.

The first initiative of this collaboration is a new website entitled [Careers Building Communities \(www.CareersBuildingCommunities.org\)](http://www.CareersBuildingCommunities.org), which allows visitors to navigate through the scores of career paths across all sectors of real estate. For the first time, students in high school, college, technical programs and community colleges can explore possible career pathways within real estate by taking an interactive quiz and discover career opportunities. As the industry seeks to fill millions of jobs, this site serves as an all-inclusive resource for students, educators, career changers & other stakeholders to explore the unlimited opportunities in the field of real estate.

"As the nation's largest professional association of real estate appraisers, the Appraisal Institute is highly active in identifying and recruiting the next generation of valuation professionals," said Appraisal Institute President James L. Murrett, MAI, SRA. "We're pleased to join other real estate industry leaders in this important effort to attract potential appraisers to the vibrant and vital profession of real estate valuation."

Careers Building Communities' 29 collaborating organizations are:

- American Institute of Architects
- American Resort Development Association
- American Society of Interior Designers
- American Society of Landscape Architects
- Appraisal Institute
- Associated Builders & Contractors, Inc.
- Associated General Contractors

- Association of Foreign Investors in Real Estate
- BOMI International: Independent Institute for Property and Facility Management Education
- Building Owners and Managers Assoc. Intern'l
- CCIM Institute
- Construction Management Assoc. of America
- Construction Specifications Institute
- CoreNet Global
- Counselors of Real Estate
- CREW Network
- Institute of Real Estate Management
- International Council of Shopping Centers
- International Facility Management Association
- International Interior Design Association
- Mortgage Bankers Association
- NAIOP: Comm.Real Estate Developm't Assoc.
- National Apartment Association
- National Assoc. of Real Estate Investment Trusts
- National Multifamily Housing Council
- The Real Estate Roundtable
- Realtors Land Institute
- Society of Industrial and Office Realtors
- Urban Land Institute Worldwide.

News From National ...

Online Education: Learn at your own pace anytime, anywhere. Top-notch Appraisal Institute courses and seminars come straight to your desktop with online education! Learn from any computer anywhere, whenever you have time. It's easy, convenient and a great way to get the education you want. Click-through URL: <http://www.appraisalinstitute.org/online>



National Scholarship information can be found here: <http://www.aiedtrust.org/pages.asp?id=5>

Schley Elected 2019 Appraisal Inst.Vice President

Rodman Schley, MAI, SRA, of Denver, was elected 2019 Appraisal Institute vice president by its Board of Directors in Nashville. Schley's one-year term will begin Jan. 1, followed by one year each as president-elect, president and immediate past president. He will serve on AI's Executive Committee and the policy-making Board of Directors all 4 years. He also will chair the Finance Committee in 2019 and the National Nominating Committee in 2022.

"I am truly honored to have been elected vice president of the Appraisal Institute and look forward to serving my

fellow valuation professionals across the country and around the world,” Schley said. “I’m excited to help guide the organization on its path to future success.”

In 2002, he founded Commercial Valuation Consultants, Inc., which was acquired by BBG in 2016. Schley wrote the book “Finding Your Fortune in Repossessed Real Estate,” and is the creator and host of a national PBS/Create TV television show “Urban Conversion,” which educates about maintaining environmentally friendly, sustainable lifestyles in urban settings.

Schley serves nationally on the Appraisal Institute Board of Directors as Region II vice chair, and is a member of the Strategic Planning Committee and the Governance Structure Project Team. He previously served on the National Nominating Committee. He attended AI’s annual LDAC conference as a participant (2013-15), and was selected as a discussion leader (2016), vice chair (2017) and chair (2018). He also has served as president of the Colorado Chapter. He received the Appraisal Institute Education Trust’s Y.T. and Louise Lee Lum Award, given in recognition for the distinguished contribution to the furtherance of the high ideals of the profession of real estate appraising and practices.

Uniform Standards of Professional Appraisal Practice

(USPAP) USPAP class participants need to purchase & bring to class their own copies of this book from the Appraisal Foundation. We will NOT provide the USPAP document as part of the course materials; we only supply the student manual published by the Appraisal Institute.



TIP LINE: Share Your Issues

The Appraisal Institute’s Washington office wants to know if AI professionals have relationships with critical policymakers, or are aware of a burgeoning issue of opportunity or concern. Please contact any member of the AI Government Relations Committee or Washington office staff with more information.

- Bill Garber, director of government and external relations, 202-298-5586, bgarber@appraisalinstitute.org
- Scott Dibiasio, manager of state and industry affairs, 202-298-5593, sdibiasio@appraisalinstitute.org
- Brian Rodgers, manager of federal affairs, 202-298-5597, brodgers@appraisalinstitute.org

New Appraisal Institute Book Examines Changes in Real Estate Market

When market volatility creates problems, real estate appraisers must develop a deeper understanding of the valuation process and a greater ability to handle a wide

variety of assignments, according to a new book published by the Appraisal Institute.

“Valuation by Comparison,” second edition, by Mark R. Ratterman, MAI, SRA, examines common pitfalls that appraisers encounter when searching for data. The book also presents online research tips that can help practitioners find information in markets where data is scarce, inconsistent or misleading.

“Valuation by Comparison” explores creative techniques that appraisers can use to understand market behavior and produce logical, well-supported opinions of value.

“Valuation by Comparison,” second edition (ISBN: 9781935328735) is a 163-page spiral-bound book. It is available for \$50 (\$40 for Appraisal Institute professionals). Call 888-756-4624 or [order online](#).



Appraisal Institute Releases Guide to Residential ‘Green’ Addendum

In mid-June, the Appraisal Institute released a guide to complete and use the organization’s “Residential Green and Energy Efficient Addendum.”

This guide helps appraisers, real estate agents, energy and green raters, lenders, builders, the secondary mortgage market and sustainability organizations understand how each section of the addendum applies to valuation and marketing of the property.

Since its release in 2011, “The Residential Green and Energy Efficient Addendum” has gained ever-increasing acceptance as a tool to communicate the high-performance features of a home. The addendum is mapped to the Real Estate Standards Organization and the Mortgage Industry Standards Maintenance Organization to allow the data to be transferred to the MLS and secondary mortgage market portal. The most recent version of the [addendum](#) is 820.05, which is available in PDF format at no charge on the Appraisal Institute’s website. The 820.05 Residential Green and Energy Efficient Addendum [Detailed Instructions](#) document should be used along with this guide. Individuals who should complete the addendum include the builder, energy or green rater, architect, solar installer, or a combination of these professionals. Appraisers can complete the addendum if they have all the necessary documentation and adequate knowledge of the project.

“The addendum affects how a valuation professional might use facts to implement a meaningful comparable sales search to arrive at a market value comparison,” said

Appraisal Institute President James L. Murrett, MAI, SRA.
"The Appraisal Institute encourages professionals to use
this guide to help successfully complete the addendum."

Download the Appraisal Institute's "[Guide to the
Residential Green and Energy Efficient Addendum.](#)"

September Joint Meeting

Thursday, September 13

Pyramid Club, Mellon Bank Center, 52nd Floor
1735 Market Street, Philadelphia

\$45, includes cocktails, heavy hors d'oeuvres & 2
hours of CE credits

Cocktail Hour: 5-6 pm; Speaker: 6-8 pm

Join the Philadelphia and Southern NJ Chapters at the
Pyramid club for an exciting evening of networking
and education. Paul Levy, President and CEO of the
Center City District will be our guest and take us
through current and upcoming projects for the CCD
and what it will mean for valuations in the city and
beyond. To register:

[http://www.myappraisalinstitute.org/education/more
_info.aspx?id=45805](http://www.myappraisalinstitute.org/education/more_info.aspx?id=45805)

2018 OFFICERS AND DIRECTORS

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The Appraisal Institute is a global
membership association of
professional real estate appraisers,
with nearly 20,000 members in
almost 60 countries throughout the
world. Its mission is to advance
professionalism and ethics, global
standards, methodologies, and
practices through the professional
development of property economics
worldwide. Organized in 1932, the
Appraisal Institute advocates equal
opportunity and nondiscrimination in
the appraisal profession and
conducts its activities in accordance
with applicable federal, state and
local laws. Members of the Appraisal
Institute benefit from an array of
professional education and
advocacy programs, and may hold
the prestigious MAI, SRPA, SRA, AI-
GRS and AI-RRS designations.

