

Southern NJ Chapter of the Appraisal Institute

August 2019 Edition

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

Seminars at the Shore: SUCCESS!

On June 10 and 11, the Southern New Jersey Chapter sponsored the 15th annual SEMINARS AT THE SHORE at the



Golden Nugget in Atlantic City. The seminars for the annual event were:

- Client Requested Evaluations
- Challenges Within An Appraisal
- Foundations of Valuation: An Inferred Market Study
- Preparing a Fundamental Demand Analysis: Complex Property Assignments



The four seminars were developed and presented by Vince Dowling, MAI, MRICS, SRPA, M.Ed. He is the President of Dowling & Associates, a diversified real estate appraising and counseling firm. He has been engaged in real estate practices since 1977, with a concentration in valuation, evaluation, counseling, feasibility and financial analyses.

Reviews from the event were some of the best the chapter has received in years! The instructor was arguably one of the best we have had the pleasure of working with, and his topics were thoroughly presented, well thought out, interesting and provided lots of useful information. (And the food was delicious, which is always a plus!) Thank you to all

who attended, and make sure you don't miss our next chapter events!



President's Message

Dear Chapter Members,

The Appraisal Institute's annual conference in Denver was attended by 520, a better-than-average attendance. Last year's conference in Nashville had about 500 attendees. Although a portion of the Denver conference centered on two issues: (1) the recent decision by the NCUA (National Credit Union Association) to raise its threshold to \$1,000,000 for commercial appraisals and (2) the North Dakota waiver decision, generally the conference was upbeat. The conference reminded appraisers that work exists in litigation, in eminent domain, and in review. AI is continuing to work against the NCUA decision and the waiver decision.

During one of the general sessions, President Stephen Wagner was joined on the stage by Denver's Big Blue Bear, a costumed human version of the (40'-high, 10,000 pound) icon of the Denver Convention Center, located one block from the conference center's Hyatt hotel. Earlier, we were introduced to Jefferson Sherman, MAI, AI's incoming president.

Attendees had numerous choices of seminars throughout Monday, Tuesday, and Wednesday including litigation, eminent domain related to pipeline easements, acquisition and appraisal review related to stress testing.

Next year's conference will be held in Orlando in August. A sampling of the appraisers I met in Denver: one was from Alaska (where appraisers talk in terms of flying time, not driving time), one from Hawaii, one from Mexico, and renewed my acquaintance with an MAI appraiser from Nashville who is also an engineer, a fellow that I met at an incoming chapter president's meeting in Chicago two years ago. Plan ahead for the August conference!

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

Congratulations Lana Chiappetta, MAI, AI-GRS

On June 5, Lana Chiappetta earned her AI-GRS designation. She was presented her certificate by SNJAI Vice-President Michael Descano, MAI, at Seminars at the Shore.



Lana D. Chiappetta MAI, AI-GRS, MBA has worked as an appraiser specializing in commercial real estate in Southern New Jersey for over 16 years and founded Aspen Valuation Group LLC in 2006. She has valued a wide variety of properties including shopping centers, office buildings, hotels, apartment buildings, wetlands, industrial facilities, religious facilities, daycare facilities, self-storage facilities, land, subdivisions, agricultural properties and recreational facilities throughout the area.

Lana holds a Bachelor of Science in Computer Science and a Master of Business Administration, both from Drexel University. In addition to being an MAI, she is also a licensed NJ Real Estate Salesperson.

Lana has served the Southern New Jersey Chapter as a Secretary, Treasurer and President. In addition, she has served on the Regional Nominating Committee and as Vice Chair on the Appraisal Institute's National Leadership Development and Training Committee.

CONGRATULATIONS, LANA CHIAPPETTA, MAI, AI-GRS!



Congratulations Cynthia Carpenter, MAI, AI-GRS

Last Summer, Cynthia Carpenter earned her AI-GRS designation. She was presented her certificate by SNJAI Vice-President Michael Descano, MAI, at Seminars at the Shore.



Cindy has been active as a commercial appraiser in the New York, New Jersey and Pennsylvania area since 1990. She began her career as a fee appraiser with Anthony Graziano at Atlantic Coast in Toms River and later joined Krauser Welsh and Cirz in Morristown. Looking to utilize her Economics and Finance degree from Fairleigh Dickenson University, she joined First Fidelity Bank in 1993. Through mergers and acquisitions, her career has

included First Union Bank, Wachovia Bank, and now Wells Fargo. This year she celebrated her 25th anniversary with the bank.

Cindy earned her MAI designation from the Appraisal Institute in 2000. She also served the Appraisal Institute as a demonstration report grader. Cindy holds licenses as a State Certified General Real Estate Appraiser in NY, NJ and Pennsylvania.

CONGRATULATIONS, CYNTHIA CARPENTER, MAI, AI-GRS!



Congratulations Taylor Santoro, MAI

Effective June 19, Taylor Santoro earned his MAI designation.

Taylor A. Santoro, MAI has worked as an appraiser specializing industrial real estate throughout New Jersey & Pennsylvania for over six years. He graduated from Wagner College with a double concentration in Finance and Management. He joined the Appraisal Institute when he began his appraisal career in 2013 with Integra Realty Resources working under Tony Graziano, MAI, and Hal Egeland, MAI. Now a Senior Appraiser at KPMG, LLP, Taylor specializes in ASC 805 purchase price allocations for various Fortune 500 Companies. He has also appraised various other specialized property types including timeshares, office buildings, apartment buildings, and mixed-use properties.



CONGRATULATIONS TAYLOR SANTORO, MAI!

A Note from the Nat'l Meeting

By Joshua D. Garretson, MAI, AI-GRS, AI-RRS

This year's Appraisal Institute Annual Conference in Denver was a great time. As in previous years, the chapter offered to pay the registration for a few members and this year I took advantage of this amazing offer!

Denver is a great city and the event was a great opportunity to network with other appraisers and vendors. I saw some old friends and I even won a drawing for a laptop bag! The educational offerings consisted of great breakout sessions and you get to pick which topics you want to attend. The breakout sessions consisted of a variety of

topics and deciding what to take was not easy. Being in Denver, there were also a presentation about Marijuana and its impact on Real Estate. One of the highlights for me was a presentation about Transferred Value, presented by Ted Whitmer. It was about the gap between cost and value the day a building is built and how the value can transfer to something that may not be real estate (such as to a person, to a community, or to an intangible asset, etc.). Ted is an excellent presenter and I'd highly recommend coming to see him for our September Symposium on September 19!

Thanks again to the chapter for covering my registration and I hope to see some of you next year in Orlando!

2019 UPCOMING EVENTS

www.myappraisal institute.org/education/southernNewJersey

CONFIRMED 2019 DATES: Register now!

October 3: Solving Land Valuation Puzzles, NJ DOT (7 hrs)

October 8: NJ Regs, Jimmy's American Grill, Bordentown

Dec. 11: Topics for NJ: New Jersey Regs & Demographic/Economic Trends Affecting Real Estate Demand, NJ DOT (7 hrs)

SAVE THE DATE: September 19 — September Symposium!

SAVE THE DATE: November 14 — Chapter Dinner Meeting & Seminar (2 CE hrs), Adelphia Restaurant

Note: We will be offering USPAP in December (Date TBD)

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

LDAC Summary

By Michael Descano, MAI

It was an honor and a privilege to participate for a second year at the Appraisal Institute's Leadership Development and Advisory Council (LDAC). This is the most rewarding event the Appraisal Institute offers and I strongly encourage our chapter leadership to participate in upcoming years, if possible. Over 100 Appraisal Institute chapter leaders and members from across the country, including Puerto Rico, Hawaii and Alaska, participated in the 2019 lobbying and round table discussions event in Washington DC.

We visited Capitol Hill to discuss appraisal regulatory modernization and housing finance reform. There were four primary concerns this year:

1. State-by-state portability/layering effect

Appraisers often work in many states and are faced with increasing regulatory obligations, including state-by-state background checks for renewals, reciprocity licenses and temporary practice permits in many situations.

2. Federal regulations

Appraisers are regulated by the states, but they also face heavy federal oversight and continually evolving standards and qualifications.

3. Federal agency rules

The federal agencies have issued numerous rules since passage of the Dodd-Frank Act. Recent proposals of great concern include one to quadruple the non-residential appraisal threshold to \$1 million and one that would double the residential appraisal threshold by the federal banking agencies. If these proposals were to become rules, regulatory relief for banks would trump consumer protection and safety and soundness — and merit congressional oversight.

4. Uneven playing field

When appraisals are not required by federal law, many states allow valuation services to be provided by individuals who are not held to the same standard as appraisers. Rigid appraisal standards restrain appraisers from providing competing services for which they are the most qualified to perform.

We also participated in forums facilitated by discussion leaders on key issues including:

1. How do we set ourselves apart and message effectively to clients (the appraiser and the appraisal)? (Discussion Leader: Erik J. Hanson, MAI)
2. Increasing thresholds, alternative products, waivers: how can AI help appraisers adapt to the new environment and position our members to be at the front of the line? (Discussion leader: Lisa M. Meinczinger, SRA, AI-RRS)
3. Education: What is the best way to deliver it? How do we capture more? What are we doing well? What can we do better? (Discussion Leader: Robert L. Moorman, MAI, SRA, AI-GRS)
4. How can chapters maximize value to members? (Discussion Leader: Eric C. Schneider, MAI, SRA, AI-GRS)

Again, I would like to thank the chapter for sponsoring me and I look forward to sharing the information I learned for the betterment of the chapter and our profession. I believe it is our duty and responsibility to take an active role regarding pending legislation that may impact the health and longevity of our profession. Lobbying at a state level as well as on Capitol Hill is necessary. Failure to do so can negativity impact our profession with potentially long lasting consequences.

If you are interested in volunteering for a leadership role or to be involved with the Government Relations Committee, please feel free to contact me, Executive Director Lisa Weiss, or our Government Relations Chair Pam Brodowski, MAI.

Are you on Facebook? We now have a chapter page: "like" us: Southern NJ Chapter - Appraisal Institute



Appraisal Institute Condemns NCUA's Action, Calls for Congressional Oversight

On July 18, the Appraisal Institute vigorously condemned action by the National Credit Union Administration, calling the NCUA's decision to effectively reduce the number of appraisals required for commercial real estate loans irresponsible, radical and dangerous.

"This is an outlandish scenario for anyone who cares about the safety and soundness of the nation's commercial real estate lending system, and it could recreate conditions that led to the financial crisis of the late 2000s," said Appraisal Institute President Stephen S. Wagner, MAI, SRA, AI-GRS. "The NCUA's ill-conceived, damaging decision shows overwhelmingly the need for immediate, rigorous congressional oversight."

The NCUA Board of Directors today quadrupled – from \$250,000 to \$1 million – the appraisal threshold for nonresidential real estate loans. The appraisal threshold is the loan amount below which appraisals are not required. Increasing the threshold would drastically increase the number of nonresidential real estate loans that would not require an appraisal.

"This decision – based entirely on providing regulatory relief – completely ignores the fact that the United States suffered through a financial crisis less than a decade ago," Wagner said. "If anything, current market conditions beg for heightened due diligence by regulated institutions – not a loosening of a fundamental risk management activity."

The federal banking regulatory agencies – the Federal Deposit Insurance Corp., the Office of the Comptroller of the Currency, and the Federal Reserve Board – last year approved increasing the commercial appraisal threshold from \$250,000 to \$500,000. The NCUA's decision could create a regulatory arms race between the agencies and the NCUA.

The NCUA – the agency with the least direct experience in overseeing business and commercial real estate lending – effectively could be driving the appraisal policies for the entire financial regulatory system. The bank regulatory agencies – despite already determining otherwise – will face pressure to establish a corresponding threshold level to the NCUA's level.

Additionally, federal legislation signed into law last December links commercial appraisal threshold levels for two of the Small Business Administration's most popular loan programs to those established by the federal banking regulatory agencies.

"The potential domino effect is chilling," Wagner said. "Everyone involved in this country's commercial real estate industry should be incensed at the NCUA's reckless decision, which potentially places the nation's economy at significant risk."

The NCUA's action would significantly increase the number of credit union loans not requiring an appraisal –

with the proportion exempted rising from 27% to 66%. Last year credit unions made \$67 billion in commercial loans in this country.

"It's clear that the solution is not only increased congressional oversight, but also improvements to the appraisal regulatory structure," Wagner said. "The Appraisal Institute is working with members of Congress and their staffs to bring about meaningful change that will help prevent this type of outrageously heedless public policy making in the future."

2020 Election Results

The individuals elected to serve as chapter officers and directors in 2020 are as follows:

President: Michael Descano, MAI

Vice President: Joseph Heenan, MAI, SRA

Treasurer: Mary Fox, MAI

Secretary: Sherrie Lisa Galderisi, SRA

Director through 2022: Maria Nucci

Director through 2022: Joshua D. Garretson, MAI, AI-GRS, AI-RRS

Director through 2020: Ryan Phillips

Director through 2020: Kathleen Turley

Director through 2021: Meghan Payne, MAI

Director through 2021: Susan Roettger, MAI

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

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

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. Check out the current course listing now:

http://www.appraisalinstitute.org/education/online-education-view_programs.aspx

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.

Appraisal Institute Education and Relief Fund

The AI Education and Relief Foundation (AIERF) is here to help, but we need your assistance. Consider making a donation to AIERF which will assist your colleagues in need of emergency assistance as well as support those seeking assistance in completing their education to become a Designated member through our scholarship program. We



sincerely thank the many of you who have already donated through the [AIERF website](#) or by making a voluntary donation on your 2019 AI Invoice! **If you or someone you know has been affected by natural disaster, medical emergency or other emergency that has occurred, apply today for financial assistance by clicking [here](#). For more information on AIERF Scholarships, [click here](#). To make a donation please click the button below.**

Donate Today

Practicing Affiliates - The Appraisal Institute Education and Relief Foundation is here to help!

The Appraisal Institute Education and Relief Foundation (AIERF) recently established a scholarship for Practicing Affiliates working towards state certification. You may be eligible for a scholarship that will cover the cost of a course:

- [AIERF Practicing Affiliate Course Scholarship](#) (you must be logged in to apply). The scholarship will only pay for the cost of the course, the student is responsible for travel and any other fees.

Applications are due by September 15! The AI Education and Relief Foundation awards scholarships quarterly to worthy Practicing Affiliates. For more information on AI Education and Relief Foundation and scholarships available, [visit our website now](#). Have a question, please email aierf@appraisalinstitute.org or call 312-335-4133.

NJ Appraiser Board: CE Requirements for 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. If you are exempt from this requirement for this renewal period only, please answer “yes” to this question. 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.

Comprehensive Exam Prep

Gary DeWeese, MAI, 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 Inst.*

Appraisal Institute Urges Congress to Address Valuation Issues

The president of the Appraisal Institute encouraged Congress to act on valuation topics during a June 20th hearing on Capitol Hill.

Stephen S. Wagner, MAI, SRA, AI-GRS, told the House Financial Services Committee’s Housing, Community Development and Insurance Subcommittee that the Appraisal Institute supports passage of H.R. 2852, which would allow licensed appraisers to perform appraisals for Federal Housing Administration loans.

“We support this bill because it addresses long-standing concerns about the implementation of pre-existing FHA appraisal requirements, which are unique and differ from those of the GSEs [Freddie Mac and Fannie Mae] and the conventional market,” Wagner’s written testimony said.

Wagner also said the Appraisal Institute supports the intent of draft legislation to address fees established by the Appraisal Subcommittee. The discussion draft would authorize less burdensome formulas for appraisal management company registry fees.

Wagner noted that the discussion draft includes a provision that the Appraisal Institute recommends and strongly supports – to require full disclosure of appraisal management companies’ fees and appraisers’ fees by separating them on the homebuyer’s Closing Disclosure Form. “This provision would ... increase consumer awareness around the appraisal process,” his written testimony said.

Wagner made other legislative recommendations during the hearing, titled “What’s Your Home Worth? A Review of the Appraisal Industry.” They included:

- Remove appraisal from the zero-tolerance bucket under the Truth in Lending Act’s and Real Estate

Settlements Procedures Act's Integration Disclosure rules, known as TRID.

- Establish parameters around rulemaking pursuant to the Economic Growth and Paperwork Reduction Act process.
- Authorize the Appraisal Subcommittee to serve as a “negotiated rulemaking committee” to establish consistent and flexible lender guidelines relating to appraisals that would address issues such as inactive or limited markets where there is an absence of comparable sales.
- Reform the nation’s appraisal regulatory structure by establishing a nationwide licensing system for appraisers, where appraisers could find “one-stop shopping” for appraiser license application and renewals.

Wagner also addressed the subcommittee’s questions regarding whether the Appraisal Institute is concerned by recent proposed regulation from federal financial regulatory agencies to increase the de minimus threshold and ultimately increase the number of transactions that are exempt from appraisal requirements.

“We believe two pending proposals – one involving the federal bank regulatory agencies, and another involving the credit union regulator – would increase risk to safety and soundness of financial institutions and the health of the financial system,” Wagner’s written testimony said. “The agencies are competing over which sector of the financial community can do the least due diligence. Frankly, this is preposterous and should be a concern to all taxpayers, who ultimately pay the bills for failures in our financial system.”

The subcommittee also asked whether there are ongoing concerns that appraiser independence is being undermined. If so, members asked, what more can Congress do to strengthen appraiser independence protections?

“There are multiple influences on the independence of appraisers and the independence of the appraisal process,” Wagner said in his written testimony. “Our members experience pressure in less overt or masked ways from any number of parties to the transaction.”

He also cited lenders’ focus when selecting an appraiser on price and turnaround time instead of quality of service or competence; a lack of resources for federal regulatory agencies; and most banks’ failure to take responsibility of residential appraisal functions and instead rely on appraisal management companies.

[Read](#) Wagner’s written testimony. [Watch](#) a video of the hearing.



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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.

**2018 Appraisal Institute
Chapter Newsletter Award recipient
(medium-sized chapter)**