

# Southern NJ Chapter of the Appraisal Institute

**April 2020 Edition**

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

## AI Asks FHFA to Rethink Non-GSE Appraisal Requirements

The Appraisal Institute was one of four valuation organizations that urged the Federal Housing Finance Agency on April 6 to re-evaluate its current policies on interior and exterior inspection appraisals for refinance transactions not currently held by the government-sponsored enterprises.

“With more of the country ordered to shelter in place, we are hearing from our membership they are increasingly not being allowed to enter the house by the homeowner or are declining to enter the house out of an abundance of caution,” the organizations’ letter stated.

“While most states have treated appraisers as essential workers under stay-at-home orders, some have issued guidance that is unclear and may not allow in-person business operations, including inspections,” the letter stated. “This may deprive homeowners from entire states of opportunities to refinance their mortgage into a lower rate and reduce monthly housing costs, consolidate debt or tap into equity that might tide them over during this crisis.”

The organizations urged the FHFA to consider enhanced assignment conditions that could be added to exterior-only appraisal assignments in order to ease concerns about balance sheet transfer risk.

<https://www.appraisalinstitute.org/file.aspx?DocumentId=2598>



## Garretson: Volunteer of Distinction

**Joshua D. Garretson, MAI, AI-GRS, AI-RRS was named the Volunteer of Distinction for the 1<sup>st</sup> Quarter by the Appraisal Institute.**

The Appraisal Institute’s recognition program honors volunteers for their service to the Appraisal Institute, to the real estate valuation profession and to their local communities.

Recently, Josh was elected to the Appraisal Institute’s Board of Directors serving as a Third Director for the first year, which began in 2020. He has worked as an appraiser

specializing in agricultural real estate in Southern New Jersey for over 12 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.

Josh has served the Southern New Jersey Chapter of the Appraisal Institute as a director, Vice President, President, and as Past President. He previously served on the Appraisal Institute’s National Governance Structure Project Team and is currently serving on the National Admissions and Designation Qualifications Committee. **Congratulations, Joshua D. Garretson, MAI, AI-GRS, AI-RRS!!!**

## President’s Message

Dear Chapter Members,

These past several weeks have been difficult for all of us, impacting both our personal and professional lives. I would like to wish you and your loved ones safe passage through this difficult period. Please take care, try to stay positive, and find some time for having fun and smiling while doing what we can to help flatten the curve. It is challenging operating under the current restrictions; however, I am confident we will get through this together. If the chapter can help you in anyway, reach out --- we’re here for each other!

*Michael Descano, MAI, Chapter President*

## In Memory: Robert Sapio, MAI, SRA

*Following is the obituary posted by Danks-Hinski Funeral Home*

Robert M Sapio, 85 years, of Voorhees, NJ passed away on March 2, 2020. Beloved husband of Helen Sapio (née Dalton). Loving father of Debra Lyons (Al), Robert M. Sapio, Jr., Michael S. Sapio (Karen) and William J. Sapio. Dear brother of Jack Sapio, Joanne Norwood (Bob), Richard Sapio (Rosemary), Michael Sapio (Dorothy) and the late James Sapio (Pat). Cherished grandfather of Kelly, Tommy, Kathleen, Robert M. III, Jackie, Melissa, John, Greyson and the late Katie and great grandfather of 3. Bob owned and operated the Robert M. Sapio Real Estate Appraisal & Consulting, LLC for many years, he was also a member of the Appraisal Institute. Bob was an avid Philadelphia Eagles and Phillies fan. He enjoyed playing softball, woodworking, fishing and boating, and most of all spending time with his grandchildren and great-grandchildren.



Relatives and friends were invited to attend his viewing at the Our Lady of Guadalupe Parish, St. Lawrence Campus, 135 N. White Horse Pike, Lindenwold, NJ 08021. Mass of Christian Burial. Cremation and interment will take place privately. In lieu of flowers, a donation to the charity of the donors choice in Robert's memory would be appreciated.

## Seminars at the Shore

**Coming this Fall! 7 CE hours**  
**Golden Nugget, Atlantic City**  
**Featuring Peter Christensen**

## Agencies Defer Appraisals for Real Estate Transactions

Reprinted from [federalreserve.gov](https://www.federalreserve.gov)

On April 14, the federal banking agencies issued an interim final rule to temporarily defer real estate-related appraisals and evaluations under the agencies' interagency appraisal regulations. The Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency are providing this temporary relief to allow regulated institutions to extend financing to creditworthy households and businesses quickly in the wake of the national emergency declared in connection with COVID-19.

The agencies are deferring certain appraisals and evaluations for up to 120 days after closing of residential or commercial real estate loan transactions. Transactions

involving acquisition, development, and construction of real estate are excluded from this interim rule. These temporary provisions will expire on December 31, 2020, unless extended by the federal banking agencies.

In addition, the federal banking agencies, together with NCUA and the Consumer Financial Protection Bureau, in consultation with the Conference of State Bank Supervisors, issued a joint statement to address challenges relating to appraisals and evaluations for real estate-related financial transactions affected by COVID-19.

The interagency statement outlines other flexibilities in industry appraisal standards and in the agencies' appraisal regulations and describes temporary changes to Fannie Mae and Freddie Mac appraisal standards that can assist lenders during this challenging time. The agencies will continue to communicate with the industry, as appropriate, as this situation evolves.

## Working from Home...on your own

Reprinted from [Staples.com](https://www.staples.com)

I grew up in a big family, one of five children. Our house was always chaotic. It was the proverbial "take a number and wait in line for the bathroom" situation. There were always people around — lots of them.

That's why, when I decided to move out, I wanted to live by myself. And it's been glorious. There's never a line for the bathroom.

I'll admit that sometimes — especially now — I find myself reminiscing about the hustle and bustle of my childhood. While I enjoy living by myself, it can be challenging when you're at home 24/7. Here are some tips to keep you connected when you're working & living alone.

**Establish a Routine** Keep your everyday routine going. For me, it's getting up and going to the gym. While gyms are closed, I still do a little exercise when I get up. Then I eat breakfast, pour my coffee and get ready to start my day. A set routine keeps you focused and in a daily rhythm.

**Set Work/Home Boundaries** The lines between work and life have blurred, especially when you're living alone. There's nobody around to bother you, so it's easy to get caught up in your work life. You can start falling into a trap of logging on earlier and logging off later. It's important to set boundaries and keep your regular work hours.

Maintaining a healthy work-life balance is key.

**Prioritize Family & Friends** Call or FaceTime one friend or family member every day. Discuss your day, your challenges, your feelings, the latest Netflix series — whatever you want. By keeping the lines of communication open, you're getting the daily social interaction that you need. One idea is to set up a virtual happy hour with friends & family. It's a great way to stay connected & end your day.

**Get Fresh Air** When you're cooped up inside all day working or binge-watching TV, it can take a toll. Getting outside and stretching your legs does wonders to help you de-stress and maintain a positive mindset. Take breaks, get moving and get some fresh air.

## Working from Home...with your significant other

Reprinted from Staples.com

For many of us, the prospect of working from home may have seemed like it was ripped from a Hollywood movie script. Sleeping in late. Working from the couch in your PJs. Homemade breakfasts. Spending quality time with your significant other.

By now, after weeks of sharing a workspace with your significant other, you know that those Hollywood dreams are not a reality. Instead, you're trying to get your work done while your partner explains the 47-step process of sharing a screen during a teleconference. And you sit there wondering: "How am I not going to kill you?"

Here are some tips to keep your sanity while working from home with your partner.

**Have a Routine** Keep your routine the same every day, just like you were heading into the office. Wake up at the same time, have your coffee and breakfast together, shower and dress for the day. Your coworkers don't want to see you in your PJs all day — neither does your partner.

**Define Boundaries** Designate a work zone for each of you — just like a cube or office at work. This will help avoid unnecessary conflict and establish boundaries. Share your work schedules with each other at the start of the day to avoid disruption on important deadlines.

**Make Time for Each Other** Set a lunch break where you and your partner can eat together, totally unplugged from work. And when you both have a few minutes in your schedule, take some to connect with each other.

**Designate a Quiet Hour** Every day establish a quiet hour, free from meetings and other distractions. This will give you both time to collect your thoughts and power through projects.

**Take a Breather** When the hours are ticking by slowly and your work-from-home willpower is fading, take a break and walk around the neighborhood. A quick breather will recharge you so you can finish the day strong.

**Keep the Same Work Schedule** Log off at the same time you normally would at the office. It's tempting to get a head start on tomorrow's projects, but instead pocket the time that you would spend commuting and use it productively. Connect with friends and family on video chats, dust off your New Year's resolutions or start a new home project.

## Working from Home...with kids

Reprinted from Staples.com

Switching to a full-time, work-from-home reality has been a challenge for all of us. But for those of us with kids, there's added pressure, chaos and stress. Finding a balance between getting your work done and being there for your kids can be incredibly tough. If you're struggling to find your groove, here are a few tips and tricks to help set you up for success (or at least make things a bit more manageable).

**Create a schedule and communicate** If you're working from home with a partner, see if you can do "shift scheduling." Try to flex your schedule where one of you works while the other spends time with the kids. Can you split up the day into 2- or 3-hour blocks? Or does it make more sense to do a morning and afternoon shift? If you're a morning person, beat the kids out of bed and tackle your inbox. If you're a night owl, use the time after the kids are in bed to finish your to-do list. Once you've set your schedule, keep everyone at home and work in the loop. Setting expectations and staying in communication will help make the transition easier.

**Separate your workspace** It might be tempting to set up shop at the kitchen counter, but chances are you won't get much work done. Create a dedicated workspace away from all the commotion, so you can focus when needed. Also, noise-cancelling headphones are a great way to block out the background noise.

**Prioritize your work** With less time to accomplish the same amount of work, prioritization is key. Set aside 15 minutes at the end of each workday to put together a priority list for the next day. Throughout the day, focus on your list as much as you can. If you have time left over, tackle the other to-dos that may have come up.

**Be flexible** Interruptions will happen. Meetings will change. And tensions even may run high. No matter how much you've planned, there will be conference calls that you have to miss and projects that you need to put on the back burner. Just do your best.

If I've learned anything over the past few weeks, it's to go with the flow, prioritize and enjoy the little things. Case in point, this article was written over the course of three days — instead of a few hours — because, well, kids.

### SNJAI UPCOMING EVENTS

Visit our website for registration links: [www.ai-snj.org](http://www.ai-snj.org)

**2020 DATES** (These dates were postponed from previously scheduled dates, and WILL BE RESCHEDULED!!!)

- Appraisal of Manufactured Homes Featuring Next-Generation Manufactured Homes
- 7-Hour USPAP
- Business Practices & Ethics
- Dinner meeting with the Assessors (usually held in April)

**2020 SAVE THE DATE: Watch for more information!**

**Fall 2020:** 16<sup>th</sup> Annual Seminars at the Shore, Golden Nugget, Atlantic City

**September 24:** 24<sup>th</sup> Annual September Symposium, Golden Nugget, Atlantic City

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

## AI Featured Education: Manufactured Homes: On the Rise in Today's Housing Market

Did you know? 22 million people lived in manufactured homes in the United States in 2017. From 2013 to 2017, manufactured homes shipments increased over 50% and continues to grow. Stay ahead of this growing market trend, learn how the HUD code applies and attain the specific knowledge to help appraise these homes. Register for our upcoming offering in South Jersey when it becomes available!



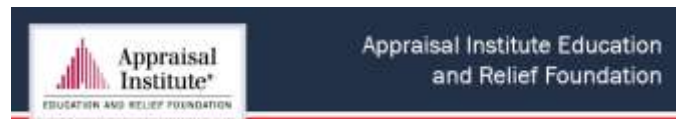
module material is free. The material is based on multiple choice type problems with detailed solutions illustrated. The material is electronically delivered the same day as ordered. For more about the material, read student reviews & learn how to order, visit [www.garydeweese.com](http://www.garydeweese.com) or contact [garydeweese@comcast.net](mailto:garydeweese@comcast.net) or 925-216-8751. *Materials were developed by Gary DeWeese and are not sponsored or endorsed by the Appraisal Inst.*

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## 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: <https://ai.appraisalinstitute.org/nfai2test/eweb/DynamicPage.aspx?webcode=AIEducationSearch>



## AIERF: We Are Here to Help.

As the COVID-19 (coronavirus) pandemic continues to impact a growing number within our communities, the Appraisal Institute Education and Relief Foundation (AIERF) stands ready to provide emergency financial assistance to our colleagues in need. If you or someone you know has been significantly negatively affected by COVID-19, apply today for financial assistance.

**Who we are:** AIERF was born out of the 2018 union of the AI Education Trust and AI Relief Foundation in order to most effectively and efficiently serve real estate appraisal professionals now and into the future. By providing scholarships to AI Candidates for Designation, Practicing Affiliates and college students, funding for the YT and Louise Lee Lum Library and emergency financial assistance to appraisers in need, AIERF continually strives to advance the valuation profession.

**What we do:** Originating with the 2005 Gulf Coast hurricanes, to date more than \$300,000 in emergency financial assistance has been provided to appraisers and other individuals in need – whether natural disaster, medical emergency or other emergency that has occurred.

**How you can help:** The assistance provided by AIERF is made possible through the generous support of individuals within the real estate appraisal profession. By donating, you are assisting your colleagues in need, supporting scholarships, and contributing to the advancement of the appraisal profession overall.

If you have any questions, please email [aierf@appraisalinstitute.org](mailto:aierf@appraisalinstitute.org) or call 312-335-4239.

### 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. The USPAP document is not part of the course materials provided by the Appraisal Institute.

**Scholarships** The Appraisal Institute Education & Relief Foundation offers [scholarships](#). Scholarships are for courses (not exams or Capstone) and do not apply to those retaking a course. If a Candidate needs emergency assistance due to a natural disaster, medical emergency, etc., apply for assistance through the [Appraisal Institute Education & Relief Foundation](#)

### Notice of 2021 VP Candidates and Request for Letters of Recommendation

The Appraisal Institute's National Nominating Committee is scheduled to interview three candidates for the 2021 AI Vice President position during its May 6 virtual meeting. The committee is expected to submit its nomination(s) for the 2021 Vice President at the virtual Board of Directors' May 7-8 meeting. The candidates (listed alphabetically) are Mark R. Linne, MAI, SRA, AI-GRS; Craig Steinley, MAI, SRA, AI-GRS, AI-RRS and Michael V. Tankersley, MAI, SRA, AI-GRS, AI-RRS. AI professionals may view the candidate biographies and questionnaires (log-in required). Letters of recommendation and other written input or comments may be provided by 5 p.m. CDT May 5. Correspondence should be addressed to Stephen Wagner, MAI, SRA, AI-GRS, Chair, 2020 National Nominating Committee, and emailed to Joan Barngrover, Board

## Comprehensive Exam Prep

Gary DeWeese, MAI, an instructor for the Appraisal Inst. for more than 20 years, is offering Comp Exam prep material. 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

Secretary and Special Assistant to the CEO, at [jbarngrover@appraisalinstitute.org](mailto:jbarngrover@appraisalinstitute.org).

### **Brain Activity Expert to Keynote Annual Conference**

The Appraisal Institute announced that Scott Halford – a best-selling author, educator of businesspeople worldwide and national Speaker Hall of Fame inductee – will be the keynote speaker at the 2020 Appraisal Institute Annual Conference in Orlando, Florida. They will host the event Aug. 3-5 at the JW Marriott, Grande Lakes.

Halford focuses on brain-based behavioral science, emotional intelligence, critical thinking and influence. He has been the “Brainy Business” columnist for Entrepreneur.com and is the author of “Activate Your Brain,” a Wall Street Journal best-selling book. He was inducted into the National Speakers Association’s Council of Peers Award for Excellence Speaker Hall of Fame in 2014. He holds the world’s highest earned speaking designation, the CSP – Certified Speaking Professional. He has been a blogger for Huffington Post and authored “Be a Shortcut – The Secret Fast-track to Business Success.” His clients include GE, Google, Bank of America, American Airlines, Medtronic and Western Union.

Attendees of the 2020 Appraisal Institute Annual Conference, with its theme of “Rising to the Challenge,” will encounter informative speakers, [first-rate educational sessions](#), exhibits of the latest valuation products and services, opportunities to connect with colleagues from the U.S. and abroad, an awards ceremony, an off-site reception at [Kings Dining & Entertainment](#), a fun and casual closing night dinner and chances to explore Orlando.

Known as the Theme Park Capital of the World, Orlando offers more than 5,000 restaurants and over 150 golf courses. The Orlando International Airport is about a 20-minute drive to the heart of the tourism district, and was ranked best in its class by J.D. Power & Associates two years in a row. Beyond theme parks, Orlando also features a wide variety of outdoor attractions, nightlife, arts and culture, and shopping.

Learn more about the [Appraisal Institute Annual Conference](#), and get the latest updates on Twitter via [#AIConf20](#). They has hosted the Annual Conference in Las Vegas; San Diego; Indianapolis; Austin, Texas; Dallas; Charlotte, North Carolina; Nashville, Tennessee; and Denver, averaging more than 500 attendees annually and featuring accomplished speakers addressing the timeliest, most relevant topics in real estate valuation plus exhibitors of cutting-edge valuation products and services.

## **Automated Valuation Models Need More Reliability: Appraisal Journal**

Since automated valuation model vendors use varying methodologies, valuation professionals should use caution when relying on AVM data, according to an article published in The Appraisal Journal.

The Appraisal Journal is the quarterly technical and academic publication of the Appraisal Institute. The materials presented in the publication represent the opinions and views of the authors and not necessarily those of the Appraisal Institute.

“Principles for Calculating AVM Performance Metrics,” by Hans R. Isakson, Ph.D., Mark D. Ecker, Ph.D., and Lee Kennedy, demonstrates that the calculation of performance metrics is not standardized and tends to overstate AVM reliability. AVMs also neglect to follow best appraisal practices in selecting comparable properties. The authors show that AVM reliability would improve if well-recognized valuation principles were implemented.

Read “[Principles for Calculating AVM Performance Metrics](#)” in the Winter 2020 issue of The Appraisal Journal.

“Long-Term Leases: Rent Reset Analysis,” by Tony Sevelka, MAI, SRA, AI-GRS, examines the process of periodic rent resetting where there is a long-term lease. The analysis in such assignments and the ultimate opinion of value depend on the property right to be valued, as indicated in the lease language. The article summarizes a sample of rent reset cases, and explores solutions to rent reset valuation challenges.

“Revisiting Market Value and Market Rent,” by David C. Lennhoff, MAI, SRA, AI-GRS, and Richard L. Parli, MAI, explores the evolution of appraisal’s fundamental terms, market value and market rent. The components of each term are discussed, and the ramifications of vague phrasing are illustrated, with revised definitions proposed.

## **NJ Appraiser Board**

Please remember to regularly check the NJ State Board of Real Estate Appraiser's website for any changes. Link: <https://www.niconsumeraffairs.gov/rea/Pages/default.aspx>

## **Hire an Appraiser to Help Choose Home Renovations: Appraisal Inst.**

In a March press release, the Appraisal Institute encouraged homeowners to choose their renovations wisely to maximize potential return on investment.

“Making the right upgrades may greatly increase the homeowner’s chance of a timely sale, not to mention maximizing their profit,” said Appraisal Institute President Jefferson L. Sherman, MAI, AI-GRS. “The right upgrades also can drive up surrounding property values, improving the value of homes across a neighborhood.”

Sherman shared that some home improvements may be “over-improvements,” which can seriously detract from the value of a home, especially if the projects go above and beyond community norms.

“Real estate appraisers have the local market knowledge required to gauge how an improvement may affect a home’s value,” Sherman said. “While they can’t make guarantees, appraisers can use their expertise and

experience to help homeowners make wise decisions about which improvement projects to take on.”

According to Remodeling magazine’s most recent [Cost vs. Value report](#), the projects with the highest expected return on investment are manufactured stone veneer, garage door replacement and minor kitchen remodel. Other projects with potential payoffs, according to the report, are siding replacement, window replacement and deck addition.



Sherman advised homeowners upgrading elements of their home to ensure that their property meets community standards, reflects neighborhood norms and complies with local housing codes.

He also noted that homeowners may find it best to hold off on big renovations if they’re unsure how long they will be in their home. “The longer a homeowner stays in a property, the greater the opportunity for a return on investment,” Sherman said.

By purchasing an energy-efficient product or renewable energy system for a home, the owner may be eligible for a federal tax credit based on EPA-established guidelines. (See the [complete list of eligible products](#), including program expiration dates.)

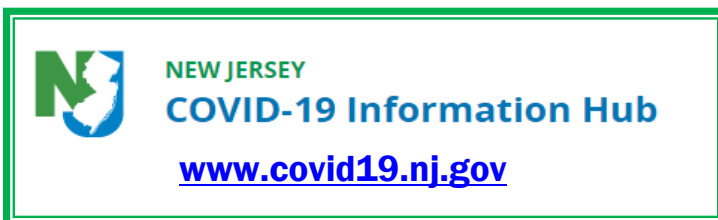
Unlike real estate agents or brokers, appraisers have the expertise to perform a feasibility study, in which an appraiser analyzes a property, weighs the cost of rehabilitation and provides an estimate of the property’s value both before and after the improvement. Qualified and competent appraisers, such as Designated Members of the Appraisal Institute, provide homeowners with the confidence to make necessary remodeling and renovation decisions that could be smart choices financially.

## SAVE THE DATE!!!!

The **September Symposium** has a new location!  
Thursday, September 24, 2020  
Golden Nugget, Atlantic City

TOPIC: State of the Industry: Land Use in NJ

We’re sure you’ll find it’s going to be an EXCELLENT seminar you won’t want to miss!



**"The greatness of a community is most accurately measured by the compassionate actions of its members." – Coretta Scott King**

## 2020 OFFICERS AND DIRECTORS

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The Appraisal Institute is a global membership association of professional real estate appraisers, with nearly 18,000 members in almost 50 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)**