

Southern NJ Chapter of the Appraisal Institute

June 2020 Edition

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

President's Message

Fellow Chapter Members,

By now we are over two months into the COVID-19 state-mandated stay at home orders. Saying these past weeks have been challenging, or difficult, is somewhat of an understatement. I hope you are managing to stay positive and are preparing for the re-opening of the state.

According to the Governor's office, we are currently in Stage 1 (relaxed restrictions on low-risk activities if safeguarded appropriately), and based on current trends, we may be transitioning to Stage 2 by June 15th. Stage 2 will allow additional activities including outdoor dining, limited in-person retail, limited personal care including barber and hair salons, youth summer programs, some in-person clinical research/labs, limited fitness/gyms, and some in-person government services; the Motor Vehicle Commission may open prior to June 15th.

There is a light at the end of the tunnel, and based on the planned re-opening of our state, that light is starting to come into focus. Based upon discussions with various real estate professionals, I am optimistic that we will see a solid flow of valuation-related work as the state re-opens.

Please stay safe and I hope we can all continue to do our part to flatten the curve and avoid a spike in COVID-19 cases through the re-opening of our state.

Michael Descano, MAI, Chapter President



Our May chapter ZOOM Meeting went very well. Later in the month, we held a ZOOM Happy Hour, which gave people the opportunity to try out the platform prior to educational offerings, as well as discuss the news of the day. We hope you join us for the next ZOOM meeting/happy hour!

Nat'l Nominating Committee Nominates Steinley as 2021 AI VP

Craig Steinley, MAI, SRA, AI-GRS, AI-RRS, of Rapid City, South Dakota, was nominated for 2021 Appraisal Institute vice president by the AI National Nominating Committee at its May 6 meeting, which was held via videoconference due to the coronavirus pandemic.

National Nominating Committee Chair Stephen S. Wagner, MAI, SRA, AI-GRS, submitted the committee's nomination to the AI Board of Directors at its May 7 meeting. Board members may file petitions for additional nominees in accordance with the Appraisal Institute Bylaws. The AI Board of Directors is expected to elect the 2021 vice president at its Aug. 5-6 meeting.

The 2021 vice president will serve as the Appraisal Institute's 2022 president-elect, 2023 president and 2024 immediate past president, in addition to chairing the Finance Committee in 2021 and the National Nominating Committee in 2024.

Steinley is serving his sixth year as a member of the AI Board of Directors and previously has served as chair of the Audit Committee. He also has served on the Strategic Planning Committee, Professional Liability Insurance Program Committee, Professional Standards and Guidance Committee, and Governance Structure Project Team. He participated three years in the Leadership Development and Advisory Council conference, was president of the Wyoming and Western South Dakota Chapter for two years, and is an education developer and instructor for the Appraisal Institute.

Steinley also served as 2018 president of the Association of Appraiser Regulatory Officials, and he currently is the secretary/treasurer of the Professional Association of Appraisers of South Dakota.

He is principal of Steinley Real Estate Appraisals and Consulting in Rapid City, South Dakota, and is a state-certified general appraiser and an Appraisal Qualifications Board-certified USPAP instructor. He primarily provides litigation support services. Steinley earned a master's degree in mathematics and bachelor's degrees in mathematics and in computer science from the South Dakota School of Mines and Technology.

Seminars at the Shore

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

Credit unions can now also delay appraisals until 4 months after a mortgage closes

NCUA passes own version of federal banking rule
From housingwire.com

Federal banking regulators last week moved to allow banks to delay getting an appraisal on a property for as many as 120 days after a mortgage closes, and now, credit unions can do the same thing.

In order to “allow credit unions to expeditiously extend liquidity to creditworthy households and businesses in light of recent strains on the U.S. economy as a result of the National Emergency declared in connection with coronavirus disease,” the National Credit Union Administration will allow credit unions to postpone obtaining an appraisal until four months after a mortgage closes.

The move comes shortly after the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency changed their rules to allow for banks to push appraisals out as much as four months.

The NCUA followed suit last week, approving a “substantially identical” policy to the one passed by the federal banking regulators. The NCUA Board unanimously approved the interim final rule last week that allows a credit union to “temporarily defer certain appraisals and evaluations for up to 120 days when other alternatives are not available and when the appraisal or evaluation would delay the closing of the residential or commercial real estate loan transaction.”

The NCUA’s policy was published in the Federal Register on Tuesday, making its policy official as well.

As with the bank rule, the credit union rule only applies to loans held in credit unions’ portfolios.

Loans sold to or guaranteed by the Federal Housing Administration, Department of Housing and Urban Development, Department of Veterans Affairs, Fannie Mae or Freddie Mac will still require an appraisal before closing, per each agency’s or company’s rules.

And just as the banking regulators did, the NCUA cited a need to ensure liquidity in the mortgage market as a reason for making this change.

“Due to the impact of COVID-19, businesses and individuals have a heightened need for additional liquidity,” the NCUA said in its rule.

“Being able to quickly access equity in real estate could help address this need. However, government restrictions on non-essential movement and health and safety advisories in response to the National Emergency declared in connection with COVID-19, including those relating to social distancing, have led to complications with respect to performing and completing real property appraisals and written estimates of market value needed to comply with federal appraisal regulations,” the NCUA continued. “As a result, some borrowers may experience delays in obtaining funds needed to meet immediate and near-term financial needs.”

Therefore, the regulator is moving to allow credit unions to postpone getting an appraisal for 120 days.

But just as with the bank rule, credit unions are not permitted to waive an appraisal entirely. They are only allowed to delay it. Credit unions are also directed to ensure sound underwriting practices on the loans in question.

“Under this interim final rule, deferrals of appraisals and written estimates of market value will allow for expeditious access to credit. The deferrals, which will be temporary, are offered in response to a National Emergency,” the NCUA said. “Credit unions that defer receipt of an appraisal or written estimate of market value are still expected to conduct their lending activity consistent with safe and sound underwriting principles, such as the ability of a borrower to repay a loan and other relevant laws and regulations.”

The rule changes will expire on Dec. 31, 2020. For much more on the NCUA’s policy, [click here](#).



**EDUCATION VIA ZOOM
REGISTER TODAY!**

Business Practices & Ethics (June 8)

https://ai.appraisalinstitute.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg_evt_key=61F6041C-170F-4A20-90EE-F91479408B54

7-Hour USPAP (June 10)

https://ai.appraisalinstitute.org/eweb/DynamicPage.aspx?webcode=EventInfo&Reg_evt_key=DB2FDDF3-F692-4D7C-9C12-5D65D0FC3564

Record U.S. Expansion Likely Undone by COVID-19

Housing Expected to Slow Due to Increased Consumer Caution, Financial Uncertainty
From fanniemae.com

The longest economic expansion in U.S. history has likely come to an end amid the unprecedented impacts of COVID-19, according to the [latest commentary](#) from the Fannie Mae [Economic and Strategic Research \(ESR\) Group](#). With consumers staying home, many businesses shutting, and

household financial stress growing, the ESR Group now projects back-to-back quarters of negative real GDP growth in the first half of 2020, meeting the commonly accepted definition of a recession. The updated forecast includes expectations of a historically large contraction in the second quarter of approximately 25% annualized amid sizeable declines in employment, consumer spending, and business investment. While full-year 2020 output is expected to contract 3.1%, the ESR Group anticipates a growth rebound of 4.8% in 2021. Risks to the forecast remain skewed heavily to the downside, with the length and magnitude of virus-related shutdowns ultimately determining the likely contraction's severity.

The ESR Group also expects housing to slow significantly in the months ahead, despite starting the year in a strong position. Declines in purchase mortgage originations and new for-sale listings are indicative of the caution being demonstrated by homebuyers and sellers, due in part to financial and social uncertainty. As a result, the ESR Group is forecasting a sharp decline in total home sales and housing starts in both the second quarter and all of 2020. However, the low interest rate environment should continue to support refinance activity this year, which the ESR Group now projects to account for 56 percent of total mortgage originations volume.

"The historically rapid decline in economic activity, the accompanying employment loss, and our limited, though improving, understanding of COVID-19 make this a particularly challenging forecast environment," said Doug Duncan, Senior Vice President and Chief Economist, Fannie Mae. "Our baseline forecast of a 3.1 percent contraction in real GDP in 2020 acknowledges the economic downdraft and, considering the unprecedented monetary and fiscal policy responses, suggests a solid-but-incomplete recovery exiting 2020. The variability around this forecast is wide, and is dependent on the incidence, severity, and duration of the virus, as well as the response of the public and policymakers to new information. In the background and contributing to the economic stress is the drop-off in demand and the negotiations over supply constraints in the oil industry."

"Amid job losses and employment stability concerns, we expect the housing market to also experience a downside shock," Duncan continued. "In our view, the negative shock will apply to both the home purchase and rental markets. On the demand side, early indications are that the purchasing benefit of lower interest rates are being offset by the downturn in employment. On the supply side, the number of listings is falling, as those with homes to offer may either be hesitant to allow strangers to tour their home or worry that the lack of demand is placing downward pressure on the sales price they might otherwise receive. On net, the expected effect is about a 15 percent decline in home sales in 2020, translating into a decline in purchase originations from \$1.28 trillion in 2019 to \$1.11 trillion in 2020. On the flip side, compared to 2019, refinances are

expected to pick up in 2020 by approximately \$400 billion to \$1.41 trillion."

Visit the [Economic & Strategic Research](https://www.fanniemae.com/economic-strategic-research) site at [fanniemae.com](https://www.fanniemae.com) to read the full April 2020 Economic Outlook, including the Economic Developments Commentary, Economic Forecast, Housing Forecast, and Multifamily Market Commentary. To receive e-mail updates with other housing market research from Fannie Mae's Economic & Strategic Research Group, please [click here](#).

HUD Extends Appraisal Inspection Options Until June 30

The U.S. Department of Housing and Urban Development announced May 14 that it has extended the Federal Housing Administration's single-family exterior-only or desktop-only appraisal inspection options until June 30, enabling appraisers to limit face-to-face contact during the coronavirus pandemic. The guidance is included in Mortgage Letter 2020-14.

SNJAI UPCOMING EVENTS

Visit our website for registration links: www.ai-snj.org

June 8: Business Practices & Ethics on ZOOM

June 10: USPAP 7-hr Update on ZOOM

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

- Appraisal of Manufactured Homes Featuring Next-Generation Manufactured Homes

- Dinner meeting w/ Assessors (usually in April)

2020 SAVE THE DATE: Watch for more information!

Fall 2020: 16th Annual Seminars at the Shore, Golden Nugget, Atlantic City

September 24: 24th 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 Benefit: Verisite Mobile Appraisal Solutions

Exterior Inspection by Appraiser | Homeowner Takes Interior Photos

Use as Exhibits/Addendums to Drive-By and Desktop Appraisal Products

AI Professionals: Use Verisite for Free for the Month of June Then get a discounted rate of 25% going forward.

 VERISITE | MOBILE APPRAISAL SOLUTIONS

Created by Appraisal Firewall, non-AMC residential and commercial appraisal software connecting appraisers directly with their clients. With the new appraisal flexibilities

announced by the GSEs, Desktop and Drive-by appraisals are becoming more prevalent during the Covid-19 pandemic. The Verisite mobile property inspection and appraisal tools promote social distancing, so appraisers and homeowners stay safe. The Verisite mobile app allows homeowners to take interior property photos themselves, then transfer photos and descriptions to you. Verisite is ideal for both Residential and Commercial appraisals.

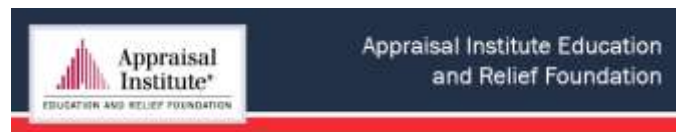
Verisite at a Glance

- Verisite is a mobile app that homeowners install on their mobile devices to gather interior property data.
- Verisite walks the homeowner easily through taking the required pictures and providing descriptions. Homeowners can answer any questions you need answered.
- Once all data is gathered, Verisite securely sends it back to you for review.
- The information is formatted within the Verisite Photo Report deliverable in PDF or HTML format.
- You can download all pictures and descriptions.
- The report includes photos, descriptions, maps of the subject, pinpoints where all photos were taken, and more.

Fraud Prevention

- Mobile apps like Verisite are the only solution for true mobile appraisal fraud prevention.
- Verisite separates the photos taken on the smart phone from the pictures taken within the app.
- All pictures taken in the Verisite benefit from geo-location and 3D room validation features so no pictures can be manipulated.
- Verisite verifies that all photos are taken at the subject property with default geo-location functionality.
- Verisite pinpoints the location of all pictures taken on a map of the property.

For more information and to try Verisite for free, [click here](#).



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 or call 312-335-4239.

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 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 or contact 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>

SALE! The Appraisal Institute is offering a 15% discount for on-demand online CE through June. AI online courses are available the same day you sign up. Take a look at



AI's education catalog with over 35 discounted courses to choose from! Use code 15ONLINE when registering. Offer ends June 30, 2020. Learn more: <http://ow.ly/URkR5QzHwTN>.

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](#)

Appraisal Institute Releases 2019 Annual Report
The Appraisal Institute announced April 24 that its 2019 Annual Report is available online, and includes financial information, highlights of last year's accomplishments and other important information.
https://www.appraisalinstitute.org/assets/1/7/AI_2019_Annual_Report.pdf

Appraisal Institute Announces Cancellation of 2020 Annual Conference in Orlando The Appraisal Institute announced May 18 that, due to the coronavirus pandemic, it has canceled its 2020 Annual Conference, which had been scheduled for August in Orlando, Florida.

"The Appraisal Institute's top priority for this event is the health, safety and well-being of its professionals and other attendees. AI's leadership decided that the fluidity and severity of the pandemic prevented the necessary assurance that the event could be held safely," according to the emailed announcement.

Additionally, the Joint Region Meeting scheduled for Aug. 2 in Orlando will not take place in 2020, and the AI Board of Directors meeting set for Aug. 5-6 in Orlando now will be held virtually.

An announcement of the site and dates for the 2021 Appraisal Institute Annual Conference is expected in the coming weeks.

Landscaping Can Have Major Impact on Property Values: AI

The Appraisal Institute advised homeowners that improving their property's landscaping can result in a significant return on investment when selling the home.

Standard lawn care services recover 267% of the project cost at resale, according to the [2018 Modeling Impact Report: Outdoor Features](#) by the National Association of Realtors. The NAR report also revealed that landscape maintenance and tree care recover 100%

of the project cost when selling the home, and installing an irrigation system recoups 86% of the cost.

"A home with lackluster landscaping or an exterior in desperate need of a fresh coat of paint will likely be unappealing to prospective buyers and ultimately could affect the home's potential resale value," said Appraisal Institute 2020 President Jefferson L. Sherman, MAI, AI-GRS. "Appraisers can offer ideas for homeowners to enhance their homes' landscaping and therefore to potentially boost their sales price."

The Appraisal Institute encourages homeowners to consider these four simple landscaping improvements:

- Keep the design updated and in line with comparable properties in the area.
- In arid climates, install landscaping that requires little or no water to maintain.
- In markets with year-round hot climates, plant trees in a place where they block the sun.
- Remove weak, old or damaged trees planted too close to a home or building as they could pose dangers to the home's structure.

***Larger tree root systems that extend underneath a house can cause foundation uplift and can leech water from the soil beneath the foundation, causing the structure to settle and sink unevenly. They also can compromise an underground drainage system.

***According to the [International Association of Certified Home Inspectors](#), trees that are too close to buildings also may be fire hazards.

Homeowners can learn more about how landscaping may influence property values by contacting a local Designated Member of the Appraisal Institute in the organization's [Find an Appraiser](#) directory.



NJ Appraiser Board

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

Appraisers Can Help Courts, IRS Navigate Conservation Easements, New Book Says

Governmental and judicial entities' expanded oversight of the real estate appraisal process makes it imperative that those involved in valuing easement-encumbered

properties demonstrate their competence to the Internal Revenue Service and the courts, according to a book published at the end of April by the Appraisal Institute under a licensing agreement with the Land Trust Alliance.

“Appraising Conservation and Historic Preservation Easements,” second edition, by Richard J. Roddewig, JD, MAI, CRE, FRICS, and Charles T. Brigden, MAI, CRE, FRICS, is a landmark text for appraisers, land trusts, historic preservation organizations, tax professionals, attorneys, and state and federal agencies involved in the creation, donation and valuation of easements.

Relying on their extensive experience in this specialized area of valuation, the authors describe in detail the techniques applied to analyze the effect of easements on property value and examine the changes in public policy regarding conservation and preservation that have occurred in recent years.

“The Appraisal Institute is proud to join with the Land Trust Alliance in presenting this important text,” Appraisal Institute President Jefferson L. Sherman, MAI, AI-GRS, wrote in the book’s foreword.

The first edition of “Appraising Conservation and Historic Preservation Easements,” published in 2011, gave real estate appraisers the tools needed to understand and analyze the effect of easements on property value. This updated edition builds on that foundation, exploring the expanded oversight of the appraisal process by governmental and judicial entities reviewing easement donations. Using case studies and actual court cases, the book examines in detail the many valuation issues relating to easements and the pitfalls that appraisers may encounter as they undertake these complex and controversial appraisal assignments.

“Appraising Conservation and Historic Preservation Easements,” second edition is a 646-page soft cover book and also is offered as a PDF. It is available for \$85 (\$75 for Appraisal Institute professionals). Call 888-756-4624 or [order online](#).

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!



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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)



NEW JERSEY
COVID-19 Information Hub
www.covid19.nj.gov