

HRAI Review

The Hampton Roads Chapter of the Appraisal Institute

Q2 June 2024 Edition

CONGRATULATIONS!

On March 29, Claire Nolte, MAI, SRA, earned her AI-GRS designation! The prestigious Appraisal Institute designations (MAI, SRA, AI-GRS and AI-RRS) are widely recognized credentials of distinction among those who dominate the valuation profession. The AI-GRS membership designation is held by professionals who provide a range of services in all types of commercial real property appraisal review. Congratulations, Claire Nolte, MAI, SRA, AI-GRS!



meet, please let us know! Don't forget to mark your calendars for the 2024 Hampton Roads Real Estate Symposium presented by the Hampton Roads Chapter of the Appraisal Institute and the Hampton Roads REALTORS Association. This will held on Tuesday, Oct. 22, 2024, 8am-4:30pm. It's the perfect event to not only obtain some CE, but also to network! This will undoubtedly be a stellar event. Be sure to register early when the opportunity arises to ensure your spot!

That is all for now. Be busy, take care, and talk to you soon!

Pearl Ibarra, SRA

2024 Hampton Roads Chapter President

(Pictured: Pearl and Sandy Adomatis, SRA, 2024 Appraisal Institute President)

President's Message



My fellow members:

Greetings All! We are now in 2024 Q2. I hope all of you are manageably productive while also planning to spend quality time with your families as we head into the summer!

On, May 15-17, Mike Edwards (Past HRAI President) and I were in Washington, DC for the

Appraisal Institute's Leadership Development Advisory Council (LDAC). There were about 140 National, Regional, and Chapter leadership from all over the country who attended this event. The time was spent in discussion groups generating ideas for a well attended National Conference in 2025, what National can do to help energize Chapter education, what appraisers can do to help foster public trust in our profession, and what National can do to provide or encourage business development ideas for our membership. Mike and I along with Wesley Woods (Past President of VCCAI) met with staff at Senator Tim Kaine's office to pitch the Portal for Appraisal Licensing (PAL) Act which would modernize the real estate appraisal licensing system for real estate appraisers similar to regulatory structures enacted in other industries, such as insurance and mortgage originators.

Our HRAI Chapter Committee Chair, Betsy Hughes, is busy seeking a location for our HRAI 3Q Chapter Meeting to be held on the Peninsula. For our Peninsula members who know of a more fun and casual location where we can



The Appraisal Institute is helping lead an Appraiser Diversity Initiative with Fannie Mae, Freddie Mac, and the National Urban League. Find more here:

<https://www.appraisalinstitute.org/advocacy/appraiser-diversity-initiative>

Student Affiliate Membership to the Appraisal Institute is FREE!

Why Become a Student Affiliate?

- No Annual Dues
- Meet appraisal experts and learn about the appraisal field
- Access to the prestigious Lum Library
- Affiliation with a local chapter, where you can network with appraisal professionals and explore career opportunities
- Discounts on Appraisal Institute education and publications
- Complimentary Subscriptions to the award-winning Valuation magazine and The Appraisal Journal
- The possibility of earning an AI designation
- Access to many additional [AI Benefits](#)

Questions? admissions@appraisalinstitute.org

(312) 335-4111

Appraisal Institute Member Benefit Spotlight #1



Investor Survey is a digital hub that provides real-time data that helps drive better CRE decisions and analyses. Track the trends that matter to you with access to in-depth information related to capitalization and discount rates, as well as other cash flow assumptions. For a limited time, we are offering an exclusive promotion to Appraisal Institute professionals. As a new subscriber, you can unlock the potential of Investor Survey at a special rate, allowing you access to this trusted source of CRE data gathered from a cross-section of active investors. Learn more about PwC Investor Survey and the wide array of [Appraisal Institute resources and discounts](#).

Benefit Spotlight #2

Xena Workwear was founded by Ana Kraft, a female engineer who was frustrated with the terrible fit and bulky appearance of men's boots marketed as unisex or women's. She felt that the shrink-it-and-pink-it approach of traditional boot companies was outdated, believing that women deserve workwear that keeps them safe and gives them the confidence to succeed in any work environment. Visit [Xena Workwear](#) to order and use code **AIWOMENHAVESTYLE!** to activate the 10% partner discount.

CHAPTER UPCOMING EVENTS

Visit our website for registration links: www.hrai.org

Desktop Appraisals (Bifurcated, Hybrid) and Evaluations

Monday, June 3, 2024 ZOOM (7 CE hours)

Check in begins at 8:15am; class starts at 8:30am

Instructor: Mark Smeltzer, MAI, SRA, AI-GRS

NO DOUBT ABOUT IT, DESKTOP APPRAISALS ARE HERE TO STAY. Recently released by Fannie Mae, after March 19, 2022, loan casefiles meeting certain requirements will receive the option to obtain a desktop appraisal reported on Uniform Residential Appraisal Report (Desktop) (Fannie Mae Form 1004 Desktop). As the world changes, so do processes and methods used in many businesses including the appraisal profession. While alternative appraisal services like bifurcated, hybrid, and desktop appraisals and evaluations aren't new, they are becoming more popular. Many appraisers are uncertain about the general requirements of each service, how appraisal standards might apply, and how these services might create liability. You'll gain more clarity about the different services being

requested which will help you to decide if these services are for you. It will review the expectations of alternative appraisal services, potential uses, appraisal standard implications, scope of work, and liability concerns as it applies to residential and commercial assignments. And it will review evaluation formats and the business opportunities for them.

<https://www.appraisalinstitute.org/education/search/desk-top-appraisals-bifurcated-hybrid-and-evaluations/523460>

To Be Announced Soon! IN-PERSON EDUCATION

- Business Practices and Ethics
- 7-hour USPAP – September 23

Keep an eye out for these dates with registration info!

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

Want to go to Indianapolis? The Hoosier State Chapter will hold General Appraiser Income Approach/Part 2 on June 11-14. This course will be instructed by Stephen S. Wagner, MAI, SRA, AI-GRS. For more information and to register: <https://www.appraisalinstitute.org/education/search/general-appraiser-income-approach-part-2/523284>

► As a reminder, the chapter has a student sponsorship program. By purchasing an extra dinner ticket, a student can attend the dinner meeting, at no cost to them, and network with experienced appraisal professionals. Many of our members have recruited graduates from this program. To sponsor a student, email Lisamayweiss@hotmail.com

USPAP NOTE!!!

In the past, the *Advisory Opinions and Frequently Asked Questions*, which were required materials for the course, were bundled with the USPAP publication. Now they are contained in a separate publication, USPAP Guidance and Reference Manual. This new Guidance and Reference Manual is included with your course handbook. **Please note that USPAP 2024, which includes Standards 1-10 and is required for the course, must be purchased separately.** Course components include:

- Student Handbook (included w/ registration)
- USPAP Guidance and Reference Manual (included w/registration)
- **2024 Uniform Standards of Professional Appraisal Practice (USPAP) Contains USPAP Standards 1 through 10 and students can purchase this full version from TAF for \$35.**

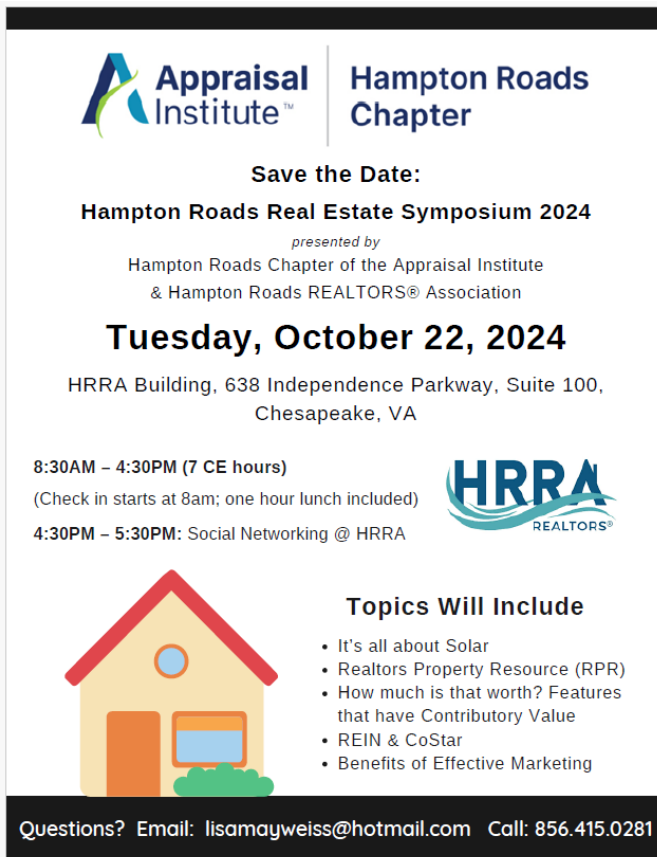
Links to purchase material from the Appraisal Found.:

USPAP digital version: [USPAP Electronic PDF Edition](#)

USPAP print version: [USPAP Print Edition](#)

ASK LISA WEISS ANY QUESTIONS – YOU DON'T WANT TO BE UNPREPARED FOR CLASS!





Appraisal Institute | **Hampton Roads Chapter**


Save the Date:
Hampton Roads Real Estate Symposium 2024
presented by
 Hampton Roads Chapter of the Appraisal Institute
 & Hampton Roads REALTORS® Association

Tuesday, October 22, 2024

HRRA Building, 638 Independence Parkway, Suite 100,
 Chesapeake, VA


8:30AM – 4:30PM (7 CE hours)
 (Check in starts at 8am; one hour lunch included)

4:30PM – 5:30PM: Social Networking @ HRRA



Topics Will Include

- It's all about Solar
- Realtors Property Resource (RPR)
- How much is that worth? Features that have Contributory Value
- REIN & CoStar
- Benefits of Effective Marketing



Questions? Email: lismayweiss@hotmail.com Call: 856.415.0281

- accessibility of information, building brand identity and inculcating appraiser-centric messaging.
- Finalizing selection and planning for critical technology investments to improve technology infrastructure continues on schedule.
- New Director of Education & Publications uncovering more fundamental issues with educational content, management practices and unrealistic financial projections.
- Successful promotional webinars launched and successfully underway, reflecting the Appraisal Institute's new approach to content marketing of its educational offerings.
- Discovery of continued reporting, forecasting and transparency issues challenge the organization's ability to communicate forward progress and maintain straightforward, goal-oriented reporting.

Board decisions included:

- Directed 45-day notice for member types to include Designated, Associate and Affiliate members. This is in response to member comments on the last 45-day notice.
- Directed 45-day notice for Regulation 2 to include a Residential Capstone option.
- Directed 45-day notice for amendments to Regs 1, 2 and 3 related to restoration of credit.
- Reduced non-practicing retired dues to \$50.
- Adopted proposed amendments to the Regulations regarding fair housing.

Appraisal Institute CEO Cindy Chance, PhD, said, "Progress in Advocacy & Stakeholder relations, which includes communication and marketing, has been very encouraging, especially programming built on our appraiser-centric messaging. I'm very grateful for the encouragement and support we're receiving from members on this front. Progress in IT has accelerated, and in the majority of areas we are meeting or exceeding expectations. Revenue challenges will require a budget reforecast and further cost cutting of over \$1 million."

"On behalf of the entire Board, I'd like to thank Cindy for taking on the challenges and leading the progress our members are now seeing in their organization. Our chapters and members support the change in direction underway with our appraiser-centric messaging and her introduction of the "One Appraisal Institute" concept to help align us all around our shared mission," said Board President Sandra Adomatis, SRA.

Key Elements of 2Q Board Mtg

The Appraisal Institute released highlights of its Second Quarter Board Meetings, May 9-10, 2024. Chief Executive Cindy Chance, PhD, updated the Board on organizational change, progress and challenges since the first quarter meeting in late February. President Sandy Adomatis, SRA, chaired the meeting at which the Board deliberated on a number of topics with the goal of serving its mission and members' interests.

CEO Report: Reorganization continues to advance but more challenges identified

- The reorganization progresses with the successful introduction of a flattened, more accountable management structure. Routine cross-team collaborations represent positive cultural change.
- Key staff hires continue, including in Education & Publications, a digital marketing specialist and a Senior Project Manager responsible for the Pathways programs (ADI, PAREA, and University Relations). Promotions of outperforming existing staff underway and to continue.
- New head of IT has accelerated CEO's and team leaders' ability to track and report on both IT upgrades and other mission critical operations.
- Continued step-by step remediation of the website is improving user experience, enhancing



News From National ...

On-Line 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://appraisalinstitute.org/education/search>

Online Education click-through

URL: <https://appraisalinstitute.org/education>



Appraisal Institute Upcoming Events

August 15-16: AI Board of Directors 3rd Q Meeting

September 30: Joint Region Meeting, Kansas City, MO

October 1: Chapter Leadership Program, KC, MO

November 14-15: AI Board of Directors 4th Q Meeting

Send in your Appraisal tips for Valuation! The editors want to know: If you could go back, what advice would you give yourself at the start of your appraisal career? Email response to emunro@appraisalinstitute.org. Your insights could get published in the next issue of *Valuation* magazine!

New Logo The link below is for designated members to download the new logo, appropriate for your designation: <https://www.appraisalinstitute.org/insights-and-resources/resources/ai-professional-benefits/exclusive-ai-benefits/ai-emblems-and-logos>

Chapter Service Hours & Outside Education Instructions on how you can enter outside Continuing Education and service hours can now be found here:

<https://appraisalinstitute.org/why-join/join-pdfs/how-to-self-report-ce> Chapter service falls under Service to the Appraisal Institute for Designated members and Practicing Affiliates wishing to receive AI Continuing Education points for that service. AI professionals will need to submit those hours themselves by logging in to their AI account.

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](#)

REGIONAL V SCHOLARSHIP MONEY AVAILABLE!

The Region offers education scholarships to Candidates and Practicing Affiliates for the MAI and SRA designation advanced level courses that are sponsored by Region V Chapters and the Capstone Program, which is sponsored by

National. The scholarships do not apply toward online courses. The application is available through Lisa Weiss.

Need Membership Proof? If you ever need a letter for a client of proof of your membership, please email aiservice@appraisalinstitute.org and the Service Center can provide it directly to you!

Interesting Articles

[Home Sales Fell Again in April After High Mortgage Rates Damped Activity, A \\$10 billion real-estate fund is bleeding cash and running out of options](#), **The Wall Street Journal:**

Home sales fell in April for the second straight month, as high mortgage rates and near-record home prices continue to stall the market during the prime selling season.

[Big-name funds pile into real estate debt as banks retreat](#), **Reuters:** Some of the world's largest investors are making deeper inroads into lending to commercial property, as they snap up market share from retreating banks and bet on an end to the sharp drops in real estate prices. Most are focusing on lending to logistics, data centers, multi-family rentals and the high-end office market. The office sector more broadly continues to struggle, deterring funds.

[What's the difference between your home's market and assessed value?](#), **U.S. News & World Report:** A useful consumer-oriented piece on the role and process of home appraisal and the difference between residential appraisal and assessment.

[A \\$10 billion real-estate fund is bleeding cash and running out of options](#), **The Wall Street Journal:** A giant commercial real-estate fund is scrambling to escape a looming cash crunch caused by the long line of investors who want their money back.

[Aby Rosen was New York real estate royalty. Is his office empire crumbling?](#), **Financial Times:** Since 1991, Aby Rosen has bought more than 50 buildings across Manhattan — including a half stake in the Chrysler Building. He has sold a few along the way, as well as diversified by buying buildings in Seattle, Tel Aviv and elsewhere. But the flashy purchases of a man with an [equally showy social life](#) may now be starting to catch up with him.

Exposure Draft Regarding a Second Definition of Fee Simple

The Body of Knowledge (“BoK”) Committee has been studying whether to recommend adding a second definition of “fee simple,” specifically the Black’s Law Dictionary’s (“Black’s”) definition, to the next edition of the Appraisal Institute’s *The Dictionary of Real Estate Appraisal* (“AI Dictionary”). The Board of Directors wanted to expose this idea to AI Professionals to solicit their comments. If you

have any comments, please direct them to your elected Directors and/or send them via email to comments@appraisalinstitute.org by July 17, 2024. Comments submitted by that date will be compiled for consideration by the BoK Committee and the Board of Directors.

Background/Rationale: The term “fee simple” does not always have the same meaning in law as it generally does in real estate appraisal.

The AI Dictionary defines “fee simple estate” as follows:

- *Fee simple estate.* Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

- *Fee simple interest.* See fee simple estate.

The Appraisal of Real Estate, 15th Edition, states on pages 60-61 that, “The legal profession defines the term *fee simple* slightly differently than the valuation profession does because legal definitions generally serve a different purpose.” For example, Black’s defines “fee simple” as follows:

- *Fee simple.* An interest in land that, being the broadest property interest allowed by law, endures until the current holder dies without heirs, esp. a fee simple absolute.

The AI Dictionary does include multiple definitions of various terms. For example, the AI Dictionary includes four different definitions and one description of the term “Market Value.”

The Board of Directors will discuss the issue of adding a second definition of “fee simple” in the next edition of the AI Dictionary, including the input of AI Professionals, at its August 15-16, 2024 meeting.



On May 10th, the National officers held a virtual Q&A session. This was held after the conclusion of the Q2 Board of Directors meeting. Over 100 people logged on to hear about the important topics covered at the meeting and to have the opportunity to ask questions. More on this meeting can be found earlier in the newsletter.

From The Appraisal Foundation

In a first of its kind collaboration, the Appraisal Standards Board (ASB) and the Appraiser Qualifications Board (AQB)

have come together to each offer their unique insights on upzoning and appraiser qualifications. Read the Q&As here: <https://appraisalfoundation.sharefile.com/share/view/s5f2ca34c910b45fea28b999a8e463848>

More From the Appraisal Found. NOW AVAILABLE: AQB Concept Paper Assessing the College Degree Requirement

The AQB has released a concept paper assessing the college degree requirement in the *Real Property Appraiser Qualification Criteria* along with reference material which informed the initial paper. This is the first step in the AQB's comprehensive study of all aspects of the qualification criteria.

Now, they are seeking public input on the concept paper. Public comments are critical to the development of new editions of the *Criteria*, and the Appraiser Qualifications Board values all input it receives.

The Appraiser Qualifications Board is now accepting all public comments until July 27th. To submit a comment, click [here](#), and the AQB will review your feedback. Appraiser Qualifications Board Chair Brad Swinney, Vice Chair Jerry Yurek, and Vice President of Appraisal Issues Lisa Desmarais will host a webinar to discuss this Concept Paper on June 6, 2024, at 1:00 PM ET. Register [here](#) to attend the webinar.

View the concept paper:

<https://appraisalfoundation.sharefile.com/share/view/sa70550f1c41743fcb240e2deceabe30>

View the Reference Material:

<https://appraisalfoundation.sharefile.com/share/view/sf13f260546f149ab82622a87a8c94d23>



- [Register for our next free webinar on June 6:](#) Join the almost 400 appraisers who have already signed up to learn optimal ways to leverage Google Earth in their appraisals.
- [An introduction to appraising religious properties:](#) Don't miss the free webinar event on June 20.

From Fannie Mae

Fannie Mae, in collaboration with Freddie Mac, has developed a framework for lenders to review and respond to a borrower-initiated reconsideration of value (ROV). This policy educates the borrower about their right to appeal an

appraisal on their own behalf and how to do it. It also creates uniform industry-wide expectations for how to manage reconsiderations of value and maintains appraiser independence.

The lender's policies and procedures must include steps for the borrower(s) to appeal an appraisal when they believe the opinion of value

- is unsupported,
- is deficient due to unacceptable appraisal practices, or
- reflects prohibited discriminatory practices.

Regardless of the outcome of the ROV, the lender is responsible for ensuring the appraisal report and opinion of value are reliable, adequately supported, and that the borrower's concerns with the valuation are addressed in a timely manner.

Our updated policy includes specific instructions for the borrower disclosure that must be provided at the time of loan application and again upon delivery of the appraisal report as well as lender requirements for reviewing and responding to both the borrower(s) and appraiser.

Lenders are encouraged to implement these policies immediately but must do so for loans with applications dated on or after August 29, 2024.

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 Institute.

Last Note...This Class is Just Around the Corner!

More information on this offering can be found earlier in the newsletter.

Desktop Appraisals (Bifurcated, Hybrid) and Evaluations

Monday, June 3 ZOOM (7 CE hours)

<https://www.appraisalinstitute.org/education/search/desktop-appraisals-bifurcated-hybrid-and-evaluations/523460>

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The Appraisal Institute is a global professional association of real estate appraisers, with over 16,000 professionals in almost 50 countries throughout the world. Our mission is to empower valuation professionals through community, credentialing, education, body of knowledge and ethical standards.

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. Individuals 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.