



# Appraisal News



Northern California Chapter of the Appraisal Institute

## All Designated Members, Please Step Forward

## 49<sup>th</sup> Annual Fall Conference



Dawn Molitor, SRA

This month's President's message is excerpts from an article by the North Texas Chapter President, Emma L. Rhodes, MAI. Emma, like myself, believes in our designations, what they symbolize, and the organization that created, protects, and promotes them — the Appraisal Institute.

Have you misplaced or lost your designation pin, and haven't taken the time to replace it? Or have you just stopped wearing your pin? In either case, I believe you should rethink this decision today!

Each Appraisal Institute designation has its own specially designed designation pin. These pins are given to *only* those appraisers who have met all the requirements for designation within their respective field of expertise.

The Appraisal Institute has been educating real estate appraisers for over 60 years. There is no other similar organization

that can hold a candle to this longevity. We are the acknowledged leader in residential and commercial appraisal education, research, publishing and professional membership designation programs, and have been long known for our promotion of high standards in ethics and professionalism.

The worth of our designations is measured in professional recognition and respect the designations

See "President," page 2

Friday, October 15, 1999

Northern California is famous for the Gold Rush of '49, the five-time Super Bowl Champion '49ers, and of course, the Northern California Chapter's Annual Fall Conference! For 49 years, the Chapter has been providing its members, the real estate appraisal community and allied professionals with Northern California's premiere one-day appraisal conference.

William "Dr. Bill" Rayburn, MAI, SRA, will jump start the morning. For those of you who have never witnessed Rayburn's motivating, entertaining, and enlightening style, you are in for a "fantastic" treat! At home with real estate investment analysis, income property appraisal and corporate finance, he is equally at home with humorous and inspirational story telling. In addition to holding a doctorate in finance, Dr. Rayburn holds the Chartered Financial Analyst (CFA), MAI and SRA designations. As President and CEO of FNC, Inc., a software development and valuation consulting firm, he serves as a consultant to numerous private firms and public agencies. Get ready

See "Conference," page 3

## Chapter Offers FHA Training Seminar

This one-day seminar is designed to reinforce FHA principles of appraising, to introduce new material and to provide the most comprehensive guide on the FHA appraisal process to veterans and newcomers alike. Attendees will learn the most current information about FHA changes to the VC sheet and other appraisal procedures. The timing of the seminar coincides with the end of the refinancing boom, so it can help fill in the gap as residential appraisers reconfigure their businesses and expand beyond conventional boundaries. It is useful education even for non-FHA appraisers because they too need to know about changes to FHA

appraisals when they appraise in FHA housing areas. And finally, attendees will have the benefit of interacting with peers and a highly qualified instructor, Craig Harrington, SRA. Mr. Harrington recently taught Residential Consulting for the Chapter and received outstanding reviews. Attendees will enjoy his energetic teaching style.

The Northern California Chapter will be sponsoring offerings of The FHA and the Appraisal Process Seminar in several locations throughout the Greater Bay Area in late October. See page 5 for dates and locations. Contact the Chapter Office today at 415/398-2876 or Jenny@NorCal-AI.org to receive registration information.

Dawn M. Molitor, SRA  
President's Message

### INSIDE

Fall Conference	1
Subchapter Info	2
Associate Info	4
Education	5
Industry News	6
Appraisers Wanted	8
Looking Ahead	8

## Subchapter Meeting Info

### Sierra

Wednesday, November 3

**Location:** Doubletree Hotel  
1150-9th Street, Modesto

**Parking:** Adjacent parking structure  
off of 9th Street

**Directions:** 209/526-6000

**Workshop:** 4:00pm

**Topic:** *Y2K — Down to the Wire*

**Presenter:** **Richard M. Betts, MAI, SRA**  
Betts & Associates

**Social:** 6:00pm

**Dinner:** 7:00pm

**Topic:** *Recent, Current and Future Projects in  
the Modesto Area*

**Presenters:** **Richard A. Lang, Mayor of Modesto**

**Price:** AI Members    Non-Members

**Workshop only:** \$32            \$36

**Dinner only:** \$32            \$36

**Both:** \$32            \$36

#### Reservations & Payment:

Advanced reservations are required to ensure adequate seating and workshop materials. Simply fax a completed copy of the address portion of this newsletter to the Chapter Office at 415/398-4259 by Friday, October 29. Please indicate the names of any guests that you might be bringing. Cancellations without penalty must be received by noon on Friday, October 29. Cancellations received after noon on October 29, and “no-shows” will be charged unless we are able to re-sell your reservation. Reservations received after the cut-off date and walk-ins cannot be guaranteed. Attendees staying for the dinner will have a choice of Prime Rib or Halibut. Please indicate your meal selection on your reservation form prior to faxing it to the Chapter Office. Payment will be collected at the door. We reserve the right to substitute speakers under circumstances beyond our control.

#### About the Workshop:

Are you ready? Have you been hoarding water, canned foods, flashlights, etc., for the turn of the century catastrophe that many are predicting? More importantly, are your data sources secure, are your computers and software up to date, do you have cash on hand to run your business and family life? Or, are you like many of us that believe that things will “work out” like they always have? Like many appraisers, somewhere within this broad range is a reasonable conclusion.

Whatever side you fall on, the likely reality is that there will be some disruption of everyday life as a result of Y2K. And, believe it or not, it's only weeks away. With this in mind, the September HUB workshop is just in time.

Richard M. Betts, MAI, SRA, has done extensive research on the Y2K issue and will present his findings on potential problems facing individuals in general and appraisers in particular. In addition, Rick will discuss solutions to assist the appraiser in getting reports “out the door” and maintaining “business as usual” during the tumultuous period just prior and subsequent to January 1, 2000.

Don't be left in the dark. Plan to attend this timely workshop and obtain vital information needed to “survive” the millennium change. Sure, things might work out as always, but if they don't, at least you will have remembered your can opener and batteries.

Applications for 2-hours of OREA and AI CEC have been submitted. SBE has approved this offering for 2-hours of CEC for property tax appraisers. Attendees seeking CE must arrive by the 4:00pm start time. Partial credit is not available.

## President, from page 1

are accorded. Backed by years of appraisal education and field experience, our professional designations are respected by persons seeking sound opinions of value. Our designation pins *symbolize* this recognition and should be worn with pride, respect, and honor. Our designations put stars on our shoulders that we should be proud to wear.

Even in the face of conflict and an ever-changing economy, our profession has survived and continues to evolve. Why? Because of our foundation, our education, our experience and our professionalism. Until your client gets to know you as a person, the only validation they have of you and your work, is your credentials. Your Appraisal Institute designation comprises a hefty portion of those credentials. Wear your pin, and reap the returns of your years of effort by providing yourself with the best direct marketing your credentials can offer!

There is still room in this changing environment for pride, self-esteem, and professionalism. Wearing your designation pin is an outward sign of having successfully achieved goals you set for yourself, and your career. You did not need to become a member of the Appraisal Institute to perform your job or have a career in real estate appraising. **However, by becoming a member, you chose to prepare yourself with the best possible appraisal foundation, and for this you can be most proud.** By wearing your pin, you demonstrate your respect for, and pride in what you have professionally achieved.

If you have lost or misplaced your pin, contact the Appraisal Institute today at 312/335-4130, and make arrangements to receive a new one. If your pin is gathering dust in a drawer, get it out today. Remember, as Appraisal Institute designated members you are to set the stage for our Associate and Affiliate members. Be a designated member who sets that bar, not one who lowers that bar.

On your next assignment appointment, at an upcoming educational offering, for the September 29<sup>th</sup> HUB meeting or Fall Conference on October 15<sup>th</sup>, and at your next local Subchapter meeting let all our membership and clients, see you *wear your pin with pride!*

“A person's work is a portrait of oneself.”

#### About the Dinner Topic

Modesto Mayor Richard A. Lang, our featured dinner speaker, will provide an overview of recent, current and future projects in the Modesto area, including updates on some major projects like the new crown jewel of downtown Modesto, “Tenth Street Place,” the new Amtrak Station, and others. As time allows, the Mayor will also answer your questions.

A dynamic speaker, Mayor Lang is not only the expert on what is happening in Modesto, but also, through long experience and service on numerous levels, he is knowledgeable about the goings-on throughout the Central Valley. His resume is filled with numerous appointments, memberships and positions. Mayor Lang was on the Modesto City Council from 1977-1991, and has been Mayor of Modesto since 1991. He has been an active member of the US Congress of Mayors, and in 1995, was elected to the Board of Directors of the League of California Cities. It is in that venue that he represented the interests of the entire Central Valley before the State Legislature.

As current Chair of the Modesto City Council Economic Development Committee, Mayor Lang is informed about all facets of development in the Modesto area, and has strongly encouraged re-investment into the Downtown Area. Come meet and visit with this well known, well liked and influential man.

# Conference

from front page

as he rolls up his sleeves to deliver his opening presentation titled "*Law of the Jungle: Only the Fit Survive.*"

Our 1999 program is the most extensive ever. The format has been expanded to include 12 timely, hard-hitting and content filled sessions, as follows:

## Morning Sessions

### (A) Your Appraisal Business: It's Money That Matters

Do you know how to maximize the profit your company generates? The panelists will cover fee splits, personnel recruitment/retention, start-up costs, and cash flow management. Whether you already own your own appraisal business, or are thinking of starting one, this is a program designed to give you the practical tools to manage your business.

### (B) Advanced Appraisal Problems: Entitlements

This session will provide the advanced appraiser insight into the entitlement process. It will lay a legal foundation for the various jurisdictions and basis for obtaining permits. By becoming familiar with the process, the attendee will be better able to identify elements of risk and patterns of outcome affecting properties which are the subject of appraisal.

### (C) AVMs Threats & Opportunities

Automated valuation modules - what are they and where do they work? How do fee appraisers fit in? What does USPAP say? Our panelists have widely differing opinions. Attend this session and see who you agree with!

### (D) South Bay/Peninsula Office & Industrial Update and (G) East Bay Office & Industrial Update

The objective of these sessions is to outline the property types and locations within the Bay Area that are currently "hot." Panelists will provide rental and vacancy trends, absorption and construction trends, and what can be anticipated in the upcoming year.

## Mid-Afternoon Sessions

### (E) Valuing the Going Concern: Multiple Perspectives

Participants attending this session will establish the prevalence of going concerns in real estate appraisals (hotels, restaurants, retail, office buildings). The panelists will highlight issues particular to going-concern appraisals and will discuss

the applicability of the three valuation approaches to a going-concern real estate valuation.

### (F) A New Look at the Residential Cost Approach

Participants will fine-tune their knowledge of the cost approach through case study analysis. The latest and greatest cost analysis technology for appraisers will be combined with the knowledge of a well versed appraiser/lawyer who has a cost approach "attitude!" This session will perk your interest and improve your techniques in using the cost approach in your day-to-day valuation assignments - it is a blue ribbon recipe for success!

### (G) East Bay Office & Industrial Update (see D)

### (H) The Practical Problems of Residential Appraisers and

### (L) The Practical Problems of Commercial Appraisers

Panelists will discuss the common problems that arise among either residential or commercial appraisers, and then share ideas for solutions or improvements to ease the problems. This will be a panel discussion, in order to share the knowledge of the panelists, and it is expected that there will be considerable input from the audience, as well.

## Afternoon Sessions

### (I) Technology in the Appraisal Office

This session examines a wide variety of hardware and software that appraisers can use in their everyday work. First, we will look at the Y2K problem from the view of the typical appraisal office, focusing on its hardware and software, and what steps need to be taken immediately to prevent problems next year. This will be followed by an overview of available technology ranging from digital cameras and color printers to fast Internet connections to the latest in software suites. Lastly, this session will discuss Internet resources useful to real estate appraisers.

### (J) Navigating the "New" Residential Database

Come hear from one of the of developers the concepts behind the Appraisal Institute's Residential Database (AIRD) and learn what it can do for you! "Dr. Bill" Rayburn will answer questions regarding the benefits of AIRD, what the lender's role will be and why he thinks it is just "fantastic."

### (K) The Internet: Retail Real Estate; Here Today or Gone Tomorrow?

What is the future of retail real estate? Have you begun considering the impacts of on-line (Internet) purchasing on the demand for retail property in your appraisal assignments? So don't miss this opportunity to get ahead and better educated on the impact of the Internet, in relation to the market for retail properties.

### (L) The Practical Problems of Commercial Appraisers (see H)

## Exhibitor Update

Plan to spend some time with the following exhibitors who will be on-site demonstrating their new products and services:

#### Acxiom/Data Quick

PropertyPro CD, PropertyPro Online, dataquick.com. Information solutions you can use.

#### Bradford Technologies

Appraisal software

#### CMDC

SFR and residential income comp services

#### COMPS.COM.Inc.

Spectrum, Pipeline, DealPoint

#### Curtis-Rosenthal, LLC

Regional real estate appraisal firm with offices in San Francisco, Los Angeles and Newport Beach

#### eNeighborhoods, Inc.

Know the Neighborhood Appraiser CD-ROM Program

#### Felde Publications & Programs

Homestudy appraisal courses, signs & books

#### Hulberg & Associates

Hulberg & Associates, Inc., located in Silicon Valley and San Ramon, is a real estate appraisal firm providing professional valuation and counseling services

#### Liability Insurance Administrators

Professional Liability Insurance (Errors & Omissions) for real estate appraisers

#### OREA

Handbooks, brochures and newsletters for real estate appraisers and consumers of appraiser services

#### Polaroid Digital Solutions

Appraisal forms software, digital imaging, EDI and digital cameras

Conference fee includes tuition, continental breakfast, lunch, post-conference reception, conference handout materials and admission to the career/vendor fair. The conference fee for registrations post-marked after September 15 is \$215 per person. Contact the Chapter Office at 415/398-2876 or Jenny@NorCal-AI.org for registration information.

The conference has been approved for 6-hours of OREA (#99754C558) and SBE continuing education credit. An application for 6-hours of Appraisal Institute continuing education credit has been submitted. Full attendance is required; partial credit is not available.

# Agenda for Associate Members

## Time is Running Out

If you are a Residential Associate Member in pursuit of your SRA, read on: December 31, 1999 is not far off!

If you joined the Appraisal Institute prior to 1/1/93 then you must complete the following requirements by 12/31/99 or be required to successfully complete Course/Exam 500: Advanced Residential Form and Narrative Report Writing.

Please be aware how this deadline affects the Experience Requirement:

✓ Residential Associate members admitted prior to 7/1/96 must complete requirements for designation by 12/31/99 or convert to the new AQB path and be required to submit the full 2,000 hours of Residential Appraisal Experience for final level.

✓ NOTE: If credit has already been received for first and/or second level, this credit will not convert to the final level, as those levels do not meet the same Standards criteria.

Experience applications postmarked by 12/31/99 will be accepted. Questions or concerns? Contact the Membership Services Department at 312/335-4100.

## Hello, Newly Designated Members!

New members are reminded to send their "Member Profile" to the Newsletter Editor, c/o Sean O'Reilly, SRA, Hamilton-Ricci & Associates, 930 Montgomery Street, Suite 300, San Francisco, CA 94133, upon notification of receiving your designation. All profiles should be submitted on disk. A professional quality black and white, wallet-sized photo should accompany your submission.

All profiles are printed on a first come, first printed basis. Isn't it time that you are recognized for your achievement? Submit your profile today!

## Associate On the Move

**Joaquin F. Reis, Jr.**

Advanced Appraisals  
PMB-217,  
3527 Mt.Diablo Boulevard  
Lafayette, CA 94549  
925/962-0807  
925/962-0118 FAX

## Demo Report Writing Seminars

These seminars are designed for associate members who are preparing to write their Demonstration Reports. It is required for those who need to revise their demo and have not had the benefit of attending this seminar before. The seminar fee is \$275 and includes a coupon for \$50 off the demo submission fee if the report is submitted within six months of attending the seminar.

The final 1999 offerings will be held in Philadelphia:

Non-Residential November 6-7

Residential November 6-7

For registration information contact Sonja Mann at 312/335-4177 or smann@appraisalinstitute.org.

## Members in The News

Special thanks to the following members who proctored the August Comprehensive Examination: **Wayne Prescott, MAI, Gary Fulbright, MAI, Patrick O'Malley, MAI, and Bob Basila, MAI.**

These dedicated members are responsible for helping our associate members on the path toward designation!

**Lloyd Hanford, MAI, SRA**, the Immediate Past Chairman of The Appraisal Foundation Board of Trustees and Chapter Member, is serving on the Board of Directors for ABNet LLC, an Appraisal Institute and ABNet joint venture (see article on page 6).

## Members On the Move

**Stephanie Coleman, MAI**  
3108 Center Court Drive  
Modesto, CA 95355  
209/522-8934  
209/552-8935 FAX  
Ceci56@aol.com

**Willia Fulton, SRA**  
361 Doncaster Drive  
Vallejo, CA 94591  
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707/553-2093 FAX  
wfulton@California.net

## "Free" Lunch or Dinner for NorCal Associate Members

Did we get your attention? By attending one of the November Subchapter Meetings, you will not only receive a free lunch or dinner, but also free information and advice on completing your designation requirements. Members of the Membership Retention, Experience Review and Associates' Guidance Committees are prepared to handout your associate status report (what you still need to do in order to become designated) as well answer your questions and provide support to help you over the hurdles that are keeping you from receiving your SRA or MAI. And, since there is no charge to attend, there is no way that you cannot afford to attend. Watch for more details and dates in the next issue of *Appraisal News*. [Just in case you were wondering, admittance to the November subchapter workshops will be free for NorCal Associate Members, too!]

## In Memoriam

We regret to inform you that retired member **Donald Hoffman, MAI**, of Salinas, passed away in August. Condolences are extended to his family and former colleagues.

## Surfin' On the Net

**NORTHERN CALIFORNIA CHAPTER OF AI**  
<http://www.NorCal-AI.org>  
**APPRAISAL INSTITUTE (CHICAGO)**  
<http://www.appraisalinstitute.org>  
**THE APPRAISAL FOUNDATION**  
<http://www.appraisalfoundation.org>  
**FANNIE MAE**  
<http://www.FannieMae.com>  
**OFFICE OF REAL ESTATE APPRAISERS**  
<http://www.orea.ca.gov>  
<http://www.orea.cahwnet.gov>  
**DEPARTMENT OF HOUSING & URBAN DEVELOPMENT (HUD)**  
<http://hud.gov>  
**THE APPRAISAL SUBCOMMITTEE**  
<http://www.asc.gov>

If you have located an informative site for appraisal information, please notify the Chapter Office so we can expand this growing list of on-line information sources.

## Another Specialty Course Comes To the Bay Area

Course 330:  
Apartment Appraisal —



Concepts and Applications  
November 1-2, 1999

This practical two-day course will show you how to apply the valuation methods taught in earlier courses to small and mid-sized apartment properties. Participants will learn the importance of sound market analysis in appraising these properties and how to select the most suitable valuation approaches for each assignment, with emphasis on direct income capitalization. The course material is packed with sources of electronic and conventionally published data on rents, occupancy by market area, and investor expectations as well as pointers on appraisal reporting. A case study in which a completed appraisal is reviewed brings together the concepts covered in class.

The course will be held at the PG&E Learning Center in San Ramon. Attendees will enjoy the comfortable professional learning environment of this state of the art facility (not to mention its easy accessibility and free parking).

Mark your calendars to join David Lennhoff, MAI, SRA, on November 1-2. The course will provide designated members with 15-hours of Appraisal Institute Continuing Education Credit (16-hours with successful completion of the course exam). In addition, the course is approved for 15-hours of OREA CEC (#98754C508). Partial credit will not be available. The tuition fee is \$325 for Appraisal Institute Members; \$410 for all others. For registration information contact the Chapter Office at 415/398-2876.

### Deadlines & Guidelines

The newsletter submission deadline is noon on the 5th of the preceding month. All submissions for the November/December, 1999 issue must be received by noon on October 5.

We reserve the right to reject or edit classified ads. Ads are limited to 40 words. A \$40 publishing fee must accompany submission from non-affiliates. Advertising is complimentary for AI members and affiliates. Ads will be printed on a space available basis. The Appraisal Institute assumes no responsibility for the reliability of ads other than to publish them.

## E • D • U • C • A • T • I • O • N



### A Look at 1999 Educational Offerings

- 1999 Annual Fall Conference** October 15  
Location: San Francisco Marriott  
See page 1 for details
- The FHA and the Appraisal Process Seminar**  
Instructor: Craig Harrington, SRA  
Locations: Campbell Community Center, Campbell October 26  
Stockton Radisson, Stockton October 27  
Petaluma Community Center, Petaluma October 28  
Tuition: \$145 Appraisal Institute Members  
\$185 Non-Members

**Course 330: Apartment Appraisal — Concepts and Applications** November 1-2

Instructor: David Lennhoff, MAI, SRA  
Location: PG&E Learning Center, San Ramon  
Tuition: \$325 Appraisal Institute Members  
\$410 Non-Members

- Course 510: Advanced Income Capitalization** Nov 11-13 & 18-20  
Instructors: Harry Holzhauer, MAI, SRA, and Gary DeWeese, MAI  
Location: Fort Mason Center, San Francisco  
Tuition: \$495 Appraisal Institute Members  
\$595 Non-Members

**Federal and State Laws and Regulations**

Instructor: D. Michael Mason, MAI, SRA  
Locations: Doubletree Hotel, Modesto November 14  
Clark Kerr Campus, Berkeley November 16  
Tuition: \$65 Appraisal Institute Members  
\$80 Non-Members

**USPAP Update Seminar**

Instructor: D. Michael Mason, MAI, SRA  
Locations: Doubletree Hotel, Modesto November 15  
Clark Kerr Campus, Berkeley November 17  
Tuition: \$100 Appraisal Institute Members  
\$125 Non-Members

### First Quarter 2000 Course Offerings

**Courses 410 & 420: Standards of Professional Practice**

**Course 110: Appraisal Principles**

**Course 550: Advanced Applications**

**Course 710: Condemnation Appraising — Basic**

**Course 720: Condemnation Appraising — Advanced**

To receive advanced notification of these upcoming course offerings, contact the Chapter Office at 415/398-2876.

*We reserve the right to cancel or substitute dates, locations and/or instructors as necessary. Interested attendees are encouraged to register at least 37 days prior to the offering to help avoid possible cancellation.*

## Make Installation 2000 a Real Celebration

Have you purchased your 2000 calendar yet? If so, be sure to save Saturday, January 22, for our Installation Celebration. The extravaganza will be held at the beautiful Crow Canyon Country Club in Danville. The evening will be filled with music, food & spirits, plus the company of new and old acquaintances. Plan to show your support for 2000 President Roland Burchard, MAI, and all of the 2000 Leadership Team. It won't be a celebration without you!

## Director of Screening to Retire; Replacement Sought

Kenndall Thurston, MAI, Director of Screening for Ethics and Counseling, announced he will retire December 31, 1999. Mr. Thurston has served as the director since 1986. He has also served as a member of the Ethics and Counseling Committee, as a contributor and member of the Appraisal Standards Council and as a member of the Standards of Professional Practice Course Development team. In June 1999, Mr. Thurston received the Robert L. Foreman Award for excellence in ethics and standards.

"Ken has served the Appraisal Institute and its members with distinction through his integrity, fairness, work ethic and expertise on the Code of Ethics and Standards," said Jeff Liskar, Vice President of Legal Affairs. "He has helped countless numbers of appraisers conform their practices to Standards and Ethics, thereby enhancing the quality of appraisal work product in the marketplace and protecting the public. We will sorely miss him and wish him the best in his retirement."

With his upcoming retirement, the Appraisal Institute has begun its search for a new Director of Screening. The primary duties of this position are to review and screen possible violations of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice and provide assistance to appraisers seeking guidance on how to address difficult ethical or standards issues in their practices.

If you are interested in serving in this capacity on either a full- or part-time basis, please send a copy of your resume and salary requirements to the Appraisal Institute's national office c/o Human Resources; 875 N. Michigan Ave., Ste. 2400; Chicago, IL 60611.



## Appraisal Insititue Moves Outside of Traditional Methods to Expand Business Opportunities for its Members

CHICAGO — The Appraisal Institute has entered into a partnership with ABNet LLC, an appraiser-owned appraisal management business, to create new business opportunities for its 20,000 members. ABNet is an appraisal management company that offers high-quality appraisal services for traditional and emerging markets by using the services of real estate appraisers.

Like many professions, real estate appraisers are adapting to market changes, and many clients for appraisal services are seeking to outsource or contract for the management of the appraisals required for their loan portfolio. This relationship with ABNet will help the Appraisal Institute meet its commitment to helping its members diversify their services.

"Our participating members can reach out for new business and engage in the delivery of new valuation-related products," said Bert Thornton, 1999 President of the Appraisal Institute. "In addition to the residential mortgage market, there are potential ties to our Wall Street initiative by providing managed appraisal services from the recognized leaders in commercial appraising. Our designated members are known for their experience and education, and are regarded as the choice for quality in appraisal services. Likewise, ABNet is acknowledged as the quality choice in appraisal management services."

Members of the Appraisal Institute exceed the minimum requirements of state licensure or certification. Many have earned the professional MAI or SRPA, for commercial property, or SRA, for residential property, designations similar to the CPA for the accounting profession. As a group, they bring more knowledge, experience, impartiality and trust to real estate transactions. As a result, they help to protect real estate buyers in commercial or residential property from overpaying or underpaying for property and lenders from overextending loans to buyers.

"It would be hard to form a better partnership than this," said Donald L. Burke, MAI, SRA, President of ABNet. "ABNet was created in 1995 to promote, protect and develop business opportunities for experienced professional real estate appraisers. Appraisal Institute members

are some of the most knowledgeable in the marketplace, and I believe our partnership will help them solidify their reputations."

The Appraisal Institute and ABNet venture offers appraisers several opportunities. For residential appraisers, the company will market Appraisal Institute quality appraisals and will target complex and specialty products for foreclosed and jumbo properties. In addition, ABNet will provide appraisal quality control and portfolio review services for lenders. For commercial appraisers, the firm will market direct commercial appraisals as well as appraisal reviews on specialized properties.

"This is a win-win situation for both organizations," said H. John Neff, SRA, Chairman of the Board for ABNet. "Our company has consistently strived to provide quality appraisal services in a very competitive environment, partnering with the Appraisal Institute permits us to offer the services of very qualified appraisers to the lending community. Both the Appraisal Institute and ABNet believe there should be a recognized leader in the business of appraisal management. Together we can be that leader."

Neff also indicated that ABNet would be expanding in the very near future. "We're not stopping here," he said. "We are actively pursuing opportunities to partner with one or possibly two lenders, title companies, technology providers or the like, who bring both business opportunities and expertise to our company."

Under the new partnership, the Board of Directors for ABNet includes Burke; Neff; Courtley A. Jackson, SRA, Principal of Courtley Jackson Company; Kenneth Nicholson, SRA, 1997 President of the Appraisal Institute; Dick Powers, SRA, who also serves on the Appraisal Institute's Board of Directors; John Ross, the Executive Vice President of the Appraisal Institute; and Lloyd Hanford, MAI, SRA, the Immediate Past Chairman of The Appraisal Foundation Board of Trustees.



## Appraisal Institute Comments on Consulting Standards

In a letter responding to the Appraisal Standards Board's request for comments concerning consulting standards in USPAP, the Appraisal Institute has urged the ASB to remove Standards 4 and 5 from USPAP and focus Standards 1 and 2 on the development and reporting of market value estimates of real property interests.

The letter recommended that the ASB adopt a standard or statement to clarify the appraiser's responsibility when developing and reporting opinions and conclusions other than market value. Such a standard or statement "should address issues of use of recognized methods and techniques, identification of the scope of the assignment, advocacy, disclosure, competency, methods of compensation and integrity."

The letter, signed by President Bert Thornton, MAI, presented relevant trends and factors in support of the Appraisal Institute's positions. "Since the original adoption of USPAP, the types of services the marketplace demands have changed drastically," the letter stated. It suggested appraisers perceive USPAP as an inflexible document that prevents them from addressing varying market demands. "As a result appraisers are unable to diversify their practices."

The ASB will consider these comments in full at its September 14 public meeting, and concluding a review of all submitted materials, it will either determine a single course of action or alternative courses to resolve these issues. The ASB anticipates a conclusion to this process in time for the 2001 USPAP.

In preparation for further development on this issue, the Appraisal Institute's Appraisal Standards Council will hold a special meeting in Chicago October 8-10 to prepare specific language to amend Standards 1 and 2.

## FM Watch Pushes for Oversight Agency Funding

FM Watch, the industry coalition formed to monitor the activities of Fannie Mae and Freddie Mac, is working for an increase in funding for the Office of Federal Housing Enterprise Oversight (OFHEO). As part of the massive \$93.8 billion VA-HUD appropriations bill to be considered by the House of Representatives this fall, OFHEO is slated to receive \$19.49 mil-

lion, an increase of \$3.49 million over last year.

"FM Watch is pleased that the Appropriations Committee increased OFHEO's funding," said Mike House, Executive Director for FM Watch. "I'm not sure most people realize what a critical role OFHEO plays in regulating Fannie Mae and Freddie Mac on safety and soundness issues."

The Appraisal Institute is a member of FM Watch; more information on the organization can be found at [www.fmwatch.com](http://www.fmwatch.com).

## Indexing, Full-Text Changes Improve Online Catalog

Several members who have tried to access the online catalog from the Lum Library page of the Appraisal Institute Web site found that when they clicked on the "click here to access the online catalog," nothing happened or an error message appeared. When this happens, the Web server has stopped functioning. Please e-mail the library at [aillibrary@appraisalinstitute.org](mailto:aillibrary@appraisalinstitute.org) if you encounter a connection problem.

Online catalog users will notice a higher level of cataloging performed on articles indexed in 1999, including more descriptive information. However, if there is some reference, indexing or cataloging function that you believe would improve the library's usefulness, please e-mail the library.

For members awaiting full text, the library has begun loading the ACSII text of *The Appraisal Journal* and *Valuation Insights & Perspectives* into the bibliographic records. ASCII text removes all formatting, charts, graphs and pictures. Images will be available in PDF format only and require Adobe Acrobat reader for viewing. Check the Lum Library page of the Web site for updates.

## ABA Fee-Sharing Proposal Dropped Pending Further Study

The American Bar Association (ABA) House of Delegates has rejected a proposal to eliminate the ethical rule prohibiting fee-sharing until further study could be done on the issue. The ABA policy-making body took this action during its meeting in Atlanta in mid-August. In June, the ABA House of Delegates had received a special panel recommendation that would have allowed lawyers to form practices owned jointly with professionals from other disciplines such as real estate appraisers.

Such multidisciplinary practices, known as MDPs, are common in Europe, and some lawyers in the United States have said they wish to form them here. Sherwin Simmons, commission chair, said he and other members would conduct additional hearings and visit professional organizations around the country, with the hope of presenting a new report to the ABA House of Delegates in July 2000. For more information on the proposal and debate over MDPs, search the ABA's Web site at [www.abanet.org/media](http://www.abanet.org/media).

## New Ad Campaign Launched In Wall Street Journal, Trade Press

The Appraisal Institute has launched a new ad campaign, promoting a "new appraiser image" with three ads directed at different audiences. One ad will appear in the *Wall Street Journal* opposite the Wednesday "Property Report" section of the Sept. 22, Sept. 29, Oct. 13, Oct. 27, Nov. 10 and Nov. 17 issues. Other ads have begun to appear in the August and September issues of *Realtor* magazine and September issues of *Commercial Property News*, *Mortgage Banking*, *ABA Banking Journal*, *Probate & Property*, *National Real Estate Investor* and *National Mortgage News*. The ads will also run in the October and November issues of most of these publications.

The ads move toward promotion of the new appraiser. The first is a transitional ad reinforcing the strong recognition of the Appraisal Institute's designations. The headline reads, "Focus on what's really important in your real estate appraiser. Knowledge. Experience. Integrity."

The second highlights the dramatic changes in the marketplace but focuses on continued trust in members of the Appraisal Institute, who are changing with the times. Its headline reads, "Get complete information before you decide. Choose a real estate appraiser with the right answers." The third ad, which is slated for the *Wall Street Journal*, embraces the new appraiser concept with the headline, "In business and in real estate, sound decisions demand sound information."

## Looking Ahead

Oct 15	Fall Conference — San Francisco
Oct 26	FHA Seminar — Campbell
Oct 27	FHA Seminar — Stockton
Oct 28	FHA Seminar — Petaluma
Nov 1-2	Course 330 — San Ramon
Nov 3	Sierra Subchapter Meeting — Modesto
Nov 11	East Bay Meeting — Walnut Creek
Nov 11-13 & Nov 18-20	Course 510 — SF
Nov 14	Fed & State Laws — Modesto
Nov 15	USPAP Update — Modesto
Nov 16	Fed & State Laws — Berkeley
Nov 16	Silicon Valley Meeting — San Jose
Nov 17	USPAP Update — Berkeley
Jan 22	Installation Celebration — Danville

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## Appraisers Wanted

**Commercial Appraisal Position Available** with established Stockton firm. We are seeking a person who is eager to learn, is seeking excellence, and has good writing, and computer skills. MAI designation or MAI associate membership is helpful but not required. We offer a good working/learning environment and competitive fee split compensation. Please mail or fax resume to: The Bramwell-Smith Company, 2025 W. March Lane, Suite 1, Stockton, CA 95209 or FAX 209/478-4451.

## Attention All Members: Keep Us Posted

Sometimes the Chapter Office hears through the grapevine that our members have moved, but we would like to read it officially from you!

If you have recently moved, received a new phone, fax or e-mail, please submit your updated information *in writing* to the Chapter Office. Your assistance in helping us keep your mailing and phone information up-to-date is greatly appreciated, plus it allows us to help others get in touch with you. When making an address change, please indicate if the update represents your business or home address and whether it is your preferred mailing address.

## Appraisal Institute Collaborates with Cushman & Wakefield To Publish Real Estate Outlook

The Appraisal Institute is collaborating with Cushman & Wakefield on the publication of *Real Estate Outlook*, a semi-annual survey of commercial real estate market trends and data. *Real Estate Outlook*, which has been a product of Cushman & Wakefield's Valuation Advisory Services, also contains articles and analyses on various types of commercial properties, including the office building, retail, hospitality and health care sectors. "We are delighted to have the opportunity to form an alliance with Cushman & Wakefield for the publication of *Real Estate Outlook*," said Bert Thornton, MAI, President of the Appraisal Institute. "Many of the respondents to *Real Estate Outlook* are Appraisal Institute members, so this was a logical step for us." *Real Estate Outlook* initially will be distributed as a bonus to subscribers to *MarketSource*, the Appraisal Institute's own quarterly data bulletin.



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### Mark Your Choice!

Please mark the appropriate boxes below when registering for the November 3 Sierra Subchapter Meeting (11/03).  
*Carefully check all that apply.*

I am a:  AI Member  Non-member  
 Nor Cal Associate Member

I will attend:  Workshop  Dinner  Both

Dinner preference:  Prime Rib  Halibut