

The Scope



Volume 3, Issue 3

May / June 2007

NCPAC

**North Carolina
Professional
Appraisers
Coalition**

Inside this issue:

Guest Writers	1-2
Q & A	3
New Members	4
More Q&A	4
2007 Conference	5
Guest Writer	6
Trainees 4 Hire	6
Survey/ Calendar	7
Member Concerns	8
About Us	9
Can you believe it?	9

2006-2007 Officers:
President: [Darrell Hignite](#)
Vice President/President Elect: [Doug Winner](#)
Vice Pres: [Oscar Davis](#)
Secretary: [Lauriette West](#)
Treasurer: [Andy Ledford](#)
Past Presidents:
[Baldy Williams](#) & [Curtis West](#)

NCPAC Members Speak Up!

Let us know what you think about...

At the last TNCPAC meeting in Durham, some of the information and discussion centered around appraisal management companies' use of Comparable data from Appraisal reports to be used in AVMS.

I just received a newsletter "tickler" from Valuation Review (I do not subscribe to it to get the whole story) but the interesting lead-in line was from eAppraiseIT offering AVMS to homeowners to do a "CMA" type of evaluation BEFORE ordering an appraisal. A blatant misuse of Appraisers data! I see from the Mar-Apr07 NCPAC Newsletter you did a write-up on eAppraiseIT for ripping off the appraiser fees. Here is another example of eAppraiseIT ripping off the appraisers.

PS. I really enjoy your newsletters, keep up the EXCELLENT work!

Glenn Day *DayOneAppraisals*

I am in Carteret County. I have been charging \$400 for two years and I am thinking about going to \$450, for a typical appraisal. We do not have any "cookie-cutter" type neighborhoods here. I do not lower my fee for any middle man.

If they send me a request with a fee lower than my normal fee, I send it back with my fee and tell them if they don't accept that, then find another appraiser.

I'd rather take a day off and go fishing, than lower my fee so they can make more for nothing. I recently received a request from TransUnion to comment on their new program "Appraiser Assisted CMV". They were requiring responses in six hours "to meet their customer turn time commitments."

We never got around to discussing fees because I told them I did not want to participate in their intrusive, knee-jerk requirements. I also told them I viewed this program as a step into eliminating appraisers, which I did not support. They said initial analysis indicated that it would only take about 15 minutes to respond. Can you imagine doing a detailed, professional CMA in 15 minutes? Hogwash. Thanks for all the time you put into the NCPAC program.

Robert H. Upchurch *Bob Upchurch Appraisals LLC*



Continued from Page 1 - NCPAC Members Speak Up!

Thank you for illustrating the art of losing money by appraisers who think they are getting over on other appraisers by cutting their rates. Maybe some of them will see how much they are losing by selling themselves short. In Columbus County, we have appraisers that must have lost their self respect, since they do appraisals for far less than they should. Obviously, you touched a nerve with me. I wonder how they justify the cost of rising expenses and charging 1980 fee rates.

I feel important enough to get paid what I am worth. I can work on my rental houses and make more than the \$150/250 fees. We all would benefit if we would band together and make a statement of our worth and that is not price fixing. It is showing other appraisers and loan companies that we pay for all this education and CE courses and software/hardware, we have earned better than what they want from us. Keep the good work up for NCPAC.

Mary Ann Allgood Alliance Realty, Inc.

Thanks for that great article... I couldn't agree more! I stopped doing work for RELS this year and it's amazing how much more time you have for other things. I'm not working until midnight every night trying to meet unrealistic deadlines. I wish other appraisers would see the light.... I'm making just as much money without them, because I have more time to dedicate to getting new lenders that pay full fee!
Amy Young Young Appraisal Charlotte

I recently read the posts on the appraisal forum concerning lender pressure and honestly have had my fill of it lately. In the past few weeks, I have had 10 "pre comp" calls (6 of which I received a lovely tongue lashing because I told them that would be an appraisal and the other 4 were loud hang ups after a sigh).

Today, I got a chewing from an agent who can't understand why I did not bring her property in at the sales price. She was really mad when I told her I could not talk to her. She says to me " I have an appraiser friend who I can call right now and tell her what I need and she will get it, why can't you??? Every other home has sold at \$87 per square foot; this one should be the same....." (The \$87 per square foot refers to the new constructions 5 miles away; the subject was approx 40 years old. Also, the agent is not my client.)

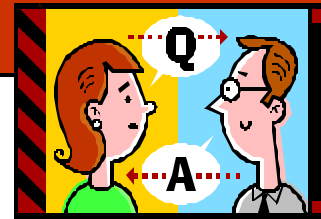
But I guess on the bright side, I did get another call today for a pre comp. The lady on the phone asks very politely "What would you say if I asked you to pull me comps on a property?" Considering the last 6 verbal bashings I took last week, I softly said "I am sorry. I cannot do that. But I would be glad to perform and appraisal for you." She said "Good, you are the first person to tell me that". Come to find out, the last 5 appraisal firms she had called all answered her question with, "What is the address?" She said that she wanted to order an appraisal from me since I could be trusted. She now screens her out of town appraisers with pre comp questions!!! This is one for the record books.

I am still not sure what to do or who to say it to, but I wish everyone would wake up and see what is happening. Approx 5 years ago I made a lot of changes in my career and I swore that under no circumstances would I compromise my ethics and integrity. I wanted to be known as the good appraiser, not the one that everyone calls to get their value. But I seem to have suffered from trying to do the right thing for the last 5 years. I have held on to hope that things would get better, but I swear that it is getting worse. So, my point is, I'm on your side and if there is ever anything I can do, just let me know.

Jennie L. Harless Value Solutions, Inc Selma

Thanks to all the appraisers who took the time to forward these messages, keep up the good work!

Q & A from the Appraisal Foundation



Sales or Financing Concessions

Question:

The real estate market I appraise in has slowed down over the last 12 to 18 months, and it is now extremely common to see seller concessions as part of a purchase transaction. What are the USPAP requirements regarding proper treatment of sales/financing concessions?

Response:

Sales or financing concessions may have an effect on the price paid for a property. As such, it is important for the appraiser to recognize this and analyze their impact.

Sales or financing concessions should be considered in light of the type and definition of value used in an assignment. If the value opinion to be developed in a real property appraisal assignment is market value, then Standards Rule 1-2(c) requires the appraiser to ascertain whether the value is to be the most probable price:

- (i) *in terms of cash; or*
- (ii) *in terms of financial arrangements equivalent to cash; or*
- (iii) *in other precisely defined terms; and*
- (iv) ***if the opinion of value is to be based on non-market financing or financing with unusual conditions or incentives, the terms of such financing must be clearly identified and the appraiser's opinion of their contributions to or negative influence on value must be developed by analysis of relevant market data; (Bold added for emphasis)***

It should be noted that some client groups, such as Fannie Mae, specify how sales or financing concessions are to be addressed in assignments that are subject to their guidelines. Appraisers performing assignments of this type should become familiar with all applicable guidelines in order to satisfy the requirements of the COMPETENCY RULE.

NCPAC would like to welcome our latest new members!

Michael Bryan Moore	Cumberland	Mark Stepp	Gaston
William Burns	Durham	Barbara Meyer	Mecklenburg
Jerrell Coleman	Wake	Patricia Wright	Stokes
Carol Colwell	Guilford	Patrick Hester	Durham
Edwin Hunter	Iredell	Ed Bedard	Mecklenburg
Bob Henderson	Guilford	Bob Matthews	Guilford
Brian Henderson	Guilford	Gordon Lucks	Madison
Hoyt Royal	Guilford	Joanne Stallings	Alamance
Kay Wells	Randolph	Vickie Gallimore	Randolph
Kathyrn Kapp	Alamance	William Sherman	Cumberland
Bob McInnis	Alamance		
Christine Linebeck	Moore		
Lawrence Wall	Scotland		

Welcome to NCPAC, Lets Keep Growing!

UPDATING YOUR NCPAC LISTING

Please take a moment, when you get a chance, and review your listing on the NCPAC website. This is important so that if lenders are trying to get in touch with you that they have valid contact information.

Also note that in addition to your listing, you may include information such as other counties that you also do work in or perhaps a specific type of appraisal that your company specializes in... For example:

Joe Appraiser

Appraiser #: A0000

Registered Trainee

Somewhere Appraisal

123 Main St

A Place in , NC 27000

Telephone #: 555-5555

Fax #: 555-0000

Email: joe@somewhere.com

Website: www.somewhere.com

We cover these counties: Wake, Franklin, Johnston, Durham, Orange, Chatham, & Harnett. We specialize in complex appraisals, large acreage tract residences, & construction appraisals.

Should you wish to make changes to your listing, please contact Sandy@ncpac.org.

2007 NCPAC Annual Conference- Asheville NC

It is time to start thinking about the annual NCPAC conference... And this year the 5th annual NCPAC conference will be in Asheville at the Renaissance Hotel. The conference dates are Thursday, September 13th through Sunday, September 16th. The theme for this year's 2007 conference is "grass roots involvement".

Currently NCPAC is strong in leadership, but lacking in individual member involvement. This conference will strengthen communication, provide tools and concepts on how each member can be involved on a local level. A panel comprised of members from across the state will provide information on what is being done on the local level with local focus groups. All questions and comments will be taken from members wishing to address the panel.

In addition to the conference, 8 hours of continuing education will be offered. This will be on Thursday the 13th. Currently, speakers for the conference have not been finalized. One more additional feature for this year's conference will be an events coordinator. Chris Moses has been kind enough to volunteer and provide information on local attractions and events.

Please contact Chris at www.rakuzoo.com for points of interest such as golfing, city tours, and local attractions such as the Biltmore House and Village and the Blue Ridge Parkway. For more information or to sign up for the conference see the NCPAC website www.ncpac.org or to make reservations call this number 828-252-8211 and identify yourself as being a member of NCPAC.

Make plans today to attend the 2007 conference in September which should be the best one yet!

Skies over Beautiful Downtown Asheville, NC- Home to this year's 2007



Federal Penalties for Overvaluing Real Estate

By Doug Winner, NCPAC President-Elect

The following is re-printed with permission from the 2003 - 2004 Real Estate Update Course published by the North Carolina Real Estate Commission.

18 U.S.C. §1014 states in part:

Sec. 1014. Loan and credit applications generally; ...

*Whoever knowingly makes any false statement or report, or willfully overvalues any land, property or security, for the purpose of influencing in any way the action of the ...[any governmental agency, lender, bank, credit union, corporation, etc.] ... upon any application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension of any of the same, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefore, **shall be fined not more than \$1,000,000 or imprisoned not more than 30 years, or both.***

This is all that needs to be said concerning those who try to pressure the appraiser to overvalue a property, or those appraisers who become complicit in such action by "hitting the mark" when the mark is above market value. Note: this is only one of several federal statutes that address this issue, with the same penalty. Letting your client know the risk being taken by all involved in such scheme may relieve some of the pressure.

Trainees Looking for Positions:

Debbie Ham [debbierham@bellsouth.net]	Wake
Drew Painter [drew.a.painter@gmail.com]	Wake
Chad Corriher [ccc62371@hotmail.com]	Rowan
Ed Bedard [edbedard@aol.com]	Mecklenburg
James McEvoy [jmac099@aol.com]	Wake
Dennis McElroy [dmcelroy@roadrunner.com]	Iredell
Joann Wood [joannsome@gmail.com]	Wake

Check out www.appraisalschools.com for a complete listing and phone numbers.

NCPAC Member Survey

**Please go online and voice your opinion! We need your member response!
Appraisers' Board Forum- General Topic– Open Discussion**

**Would you be interested in being listed on the website roster in multiple counties,
other than the county in which you live?**

Would you still be interested if there was a cost per county?

**Should Commerical Appraisers have a different section or be listed differently than
Residential Appraisers?**

**Some members have asked us these questions and we want your opinion
and suggestions. Take a moment to log in to the Appraisers' Board and let us know!**

<http://ncpac.org/appraisersboard.htm>

Calendar of Events

May 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7 NCPAC	8 NCAB	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11 NCPAC	12 NCAB	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Coming this Month:

NCPAC meeting May 7th at 3pm
NCAB meeting May 8th



Coming this Month:

NCPAC online meeting June 11th at 3pm
NCAB meeting June 12th

Member Concerns about AMCs unlocking PDFs!

Anyone that has performed an appraisal for eAppraiseIT has had their reports altered. This company UNLOCKS all PDF appraisals and adds "Completed on behalf of eAppraiseIT" on the bottom of every page. I know some may not think this is a big deal but they are actually UNLOCKING the PDF file which gives them access to change anything they want. I quit doing anything for them when I found this out. If you work for them go to you order status page. It will list all of the appraisals you have done for them. Open one of them up and read the lower right hand corner of each page.

Otherwise I have not knowingly had a report changed. My understanding is that this is becoming common practice with management companies. These companies need some type of oversight. They are currently the only party in the loan process that is unregulated which basically allows them to get away with anything they want.

Just my 2 cents worth.

Richard Barnes
Barnes Real Estate Services
Broker/Owner/State Certified Residential Appraiser
910-671-9514 - Office
910-734-4017 - Mobile
910-671-9478 - Fax
<http://www.LumbertonLiving.com>

Hi Everyone!

I've had two appraisal reports altered after delivery. I was wondering if that has happened to anyone else and what you did about it...

Roger Holmes 919-223-0868

Thanks Richard and Roger for this update! It is important for all appraisers to be aware of this potentially dangerous practice. It has often been my diatribe that AMCs have their own agenda/interests in mind and have been successful because appraisers have not taken a stand against them. It is too true that AMCs fall into the gap between lenders who are regulated by the NCCOB and appraisers who are regulated by NCAB. No one is watching the middle man! There are no repercussions for their actions and no supervision. It is up to us to make sure that they don't get away with something like this...

Amanda Rivera

Follow Up: At this point the NCAB is investigating Richard's complaint and we hope to post the resolution in future months...

Please let NCPAC know if you have similar concerns or actual examples, so that we can make a stand against these actions contrary to what should be allowed...



Our Contributors
 Amanda Rivera—Publisher
 Roberta Malone-Reviewer
 Sandy Johnson— Admin Assistant
 And Guest Contributors

Official Newsletter for the
 North Carolina
 Professional Appraisers

THE SCOPE



2006-2007 At-Large Board Members

Curtis West— Past President
Baldy Williams— Past President

Ben Atkins
Bob Reeves
Leonard Breedlove
Amanda Rivera
Dale Smathers
Doug Winner
Mike Smith

Please note that articles featured and opinions expressed here may not be construed as the opinion of NCPAC or the Publisher but are articles that are provided by individuals and members of NCPAC. To the best of our ability we will provide factual, interesting, and accurate information, but we will remain unbiased to support a free press and interactive dialog among the appraisers.

Can you believe it? Editorial by Amanda Rivera

At our real estate and appraisal firm we have done something that most appraisers would consider business suicide... We have pulled all of our advertising in the phone book and on "AppraisersRSomethingOrOther.com"

Can you believe it?

It seems like a bad idea at first, but let me digress a bit.

One, phone book ads are massively overpriced, our last year's 'renewal' was going to cost us \$1300 for a year. That is nearly what our Wintotal runs us for a year, and they give a whole lot more bang for the buck!

Two, anyone who is in the appraisal field for at least a week knows that the calls you get off the internet are completely useless. They either want FREE APPRAISALS, which they call *pre-comps*, or on the rare occasion we do an actual appraisal, they pay so badly we had to quit doing all of them except those paid at the door.

Note to newbie appraisers, if these out of state lenders are not registered on the NCCOB website as a company licensed to do business in NC, you will have no recourse for going after them when they don't pay... Hard lesson learned here, look them up *before* taking the assignment, get paid at the door, and make sure the check cashes before you send the report. Bounced checks are really hard to collect with out of state lenders that already have the appraisal report marked as "PAID".

Three, if we get one more fax saying that we have been *Automatically Renewed*, and that our credit card has already been charged, I cannot promise to be civil.



Business Suicide?

Four, once a week we get calls that offer to "help market our company better..." Now I just cut them off by saying, "Thanks, but we don't need any more business, we are busy enough without advertising." This stops most of them cold, but a hardy few press on, to which we say, "Why would we take advice from someone who is not an appraiser or after failing in the appraisal field decided to go into marketing?" Not pleasant, I agree, but these calls usually come in on my cell phone eating away at my minutes.

And so far it has worked, we don't miss having to explain our policies, we don't miss the bill from the Yellow Pages, and we certainly don't miss trying to collect from deadbeats...

Comments? Send me an email.

Check out our only advertising at www.creeksidera.com