

# Sacramento Sierra Chapter



## APPRAISAL NEWS

## & Review

Sacramento Sierra Chapter  
2701 Cottage Way, Suite 30  
Sacramento, CA 95825  
Bus: (916) 972-9700  
Fax: (916) 972-9750

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### President's Message

**Greetings** to all. I hope that everyone had an enjoyable Holiday season. Now that the Holidays are past us, its time to get back to business.

As the first order of business, I would like to recognize all those who made 2003 such a successful year for the Sacramento Sierra Chapter. First off, I would like to thank Richard Ribacchi, MAI for the wonderful job he did as President this past year. I would also like to thank the Board of Directors, the Chairpersons, and the committee members for all their time and effort. Last, but certainly not least, I would like to thank Emily Bernardis and other chapter staff for all their hard work, without which nothing would get done. To all of you, my sincerest thanks on a job well done.

This year, the Sacramento Sierra Chapter has a very dynamic, hard working Board of Directors that will begin setting the stage for our Chapter's future. Our vision and purpose this year is not to maintain the status quo, but to look at our past, our present, and creatively set a course for the future.

During the coming year, the Board will be setting our Chapter goals. We will evaluate any and all obstacles to these goals and develop strategies to overcome them. The goals set by this year's Board will chart the course for our futures.

And now the challenge. Our Chapter's ultimate success is strongly influenced by attendance at chapter functions and participation in various committees (e.g., Education, Associate Member Guidance, Government Relations, Public Outreach, Newsletter, Technology). In addition, member suggestions continue to shape and influence numerous aspects of our Chapter. I hope to see each firm, big or small, with one member involved at some level within our Chapter.

The Board Members have made an investment into our chapter, and we hope you will also. Thank you.

**CYDNEY G. BENDER-REENTS, MAI**

#### In This Issue:

President's Message	1
A Few Minutes With ...	1
USPAP Updates	2
New Seminars	3
Featured Article	4
Education Schedule	6
Appraisers Wanted	7

#### **A Few Minutes With: The Prez**

If you have read accompanying President's Message, then you will know that the new President of the Sacramento Sierra Chapter is Cydney Bender Reents, MAI. I've known Cydney for many years and have always liked her as a person and respected her as an appraiser. She is a whirlwind of activity and positive energy. I thought it would be helpful for other Chapter members to get to know the President like I do, so I sat down with Cydney and asked her the kind of deep, meaningful questions that only a professional interviewer like Barbara Walters would ask.

Cydney, tell us a little about your background. You know the formative years. Where were you born and where did you grow up?

*Continued on page 4*

**Sign-Up for Chapter Events  
Online  
[www.sacramentosierra.org](http://www.sacramentosierra.org)**

## Important Information Regarding USPAP Requirements

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**The** Appraiser Qualifications Board (AQB) of The Appraisal Foundation implemented changes to the Uniform Standards of Professional Appraisal Practice (USPAP) course requirements effective January 1, 2003. These changes affect both basic and continuing education courses.

### Basic Education Courses

All Uniform Standards of Professional Appraisal Practice (USPAP) courses taken for basic education credit after January 1, 2003, must be the 15-hour *National USPAP* Course taken from an AQB Certified Instructor, who is also a Certified Residential or Certified General appraiser in good standing. The course must also be approved by the Office of Real Estate Appraisers (OREA).

### Continuing Education

Each licensee must complete the seven-hour *National USPAP* course every two years. Therefore, effective with all licenses expiring on or after January 1, 2004, each renewal application will be required to include documentation of completion of the seven-hour *National USPAP* course. This will include renewal applications that currently require a fee only.

### Interim Renewals

As mentioned above, effective **January 1, 2004**, "Interim Renewals" will also require documentation of the seven-hour *National USPAP* course taken within the license term. This course will apply towards the total number of continuing edu-

cation hours required to renew the subsequent license. Therefore, at that time, assuming a license was not "renewed on a "late renewal basis," Full Renewals" will require 49 additional hours of continuing education. The continuing education must include an additional seven-hour *National USPAP* course.

PLEASE NOTE: If a license within a CE Cycle is renewed during the one-year grace period that follows a license expiration, continuing education will continue to accrue in the amount of seven hours for each six-month period a license application is late. In addition, if your license expires, you may not legally perform real estate appraisals in federally related transactions.

### "Full" Renewals

Effective **January 1, 2004**, "Full Renewals" will have to include documentation of the seven-hour *National USPAP* course, in addition to meeting all other renewal requirements. The *National USPAP* course must have been taken after the issuance date of the current license. In addition, the subsequent renewal (known as an "Interim Renewal") will require an additional *National USPAP* course taken after the issuance date of the current license.



## Important Contacts for Associate Members

Following is a list of people to contact at both the local chapter and the national level regarding questions about your current status and what you need to do become a designated member.

### Sacramento Sierra Chapter

#### Membership Development & Retention

Vicky C. Briggs, MAI  
(916) 985-2447

#### Associate Guidance

Ray Smith, MAI  
(209) 478-5422

### National Office (Chicago)

#### Comprehensive Exam

Carrie Vann  
(312) 335-4189  
cvann@appraisalinstitute.org

Katie Powell  
(312) 335-4187  
kpowell@appraisalinstitute.org

#### Associate Records

Dorothy Williams  
(312) 335-4172  
dwilliams@appraisalinstitute.org

#### Experience Review

Marilyn Moore  
(312) 335-4173  
mmoore@appraisalinstitute.org

Harriet Kudlacik  
(312) 335-4157  
hkudlacik@appraisalinstitute.org

## New Seminars to Be Released in Early 2004

New seminars designed to update critical skills and expand opportunities for all appraisers are being developed for release. If you have questions, please contact Seminar Development Manager Fran Rosenstein at [frosenstein@appraisalinstitute.org](mailto:frosenstein@appraisalinstitute.org).

### **Appraising Manufactured Housing Available January 2004**

This one-day seminar, developed by Rich Heyn, SRA, will provide residential appraisers with an in-depth look at manufactured housing as well as a means of remaining current with the latest terminology and changing technology of this industry. Students will explore areas where lenders require appraisers to have the requisite skills.

### **Mathematical Modeling Real Estate Data Available January 2004**

In this user-friendly one-day seminar, students will learn about the power of statistical modeling. Using statistical modeling techniques, including multiple regression analysis, residential and commercial appraisers will expand their ability to study such market variables as economic rent, net operating income, gross rent multipliers, overall rates and absorption rates. This seminar, developed by Jim Sanders, SRA, MBA, will also assist participants in understanding the potential strengths and weaknesses in an AVM. As datasets become more plentiful and personal computers allow for quicker analysis of data, statistical techniques for analyzing data become more meaningful.

**Please Note:** This seminar assumes that participants are familiar with multiple regression; however, terms and concepts are reviewed throughout the day. Those not familiar with regression can still learn how to read and interpret output from this tech-

nique.

### **Appraising Convenience Stores Available March 2004**

Participants will gain the specialized knowledge and skills required to appraise convenience stores and retail fuel properties. While learning about the challenges facing the convenience store retail sector, attendees will also develop a working vocabulary of this industry, gather the analytical tools for assessing the trade area, and learn how to accurately describe and consider the site, buildings, fuel service and equipment.

**Please Note:** This seminar uses the book, *Convenience Stores and Retail Fuel Properties: Essential Appraisal Issues*, as a basis for the seminar.

### **The Valuation of Wetlands Available March 2004**

Environmentally significant properties and public interest value are controversial topics in today's real estate marketplace. This new seminar provides information to assist appraisers and others in better understanding the unique issues associated with wetland properties. Students will explore recent wetland trends and statistics and learn how to identify the five basic types of wetland systems. The seminar will also cover recent regulatory changes affecting wetlands, common wetland value misconceptions, and the application of the cost, sales comparison and income approaches.

**Please Note:** This seminar uses the

book, *The Valuation of Wetlands*, 2nd edition, as the basis for the seminar.

### **Analyzing Distressed Real Estate Tentative Release April 2004**

This four-hour seminar developed by William Anglyn, MAI, will provide real estate appraisers and brokers with increased knowledge for reviewing and analyzing distressed real estate. In analyzing two cases studies, a multi-tenant office building and a single tenant retail property, participants will review basic physical and functional issues that cause real estate to become distressed. They will explore "as is" value concepts to more accurately analyze distressed real estate.

### **Real Estate Finance: The Markets, the Numbers, and the Impacts on Value and Appraisal Tentative Release April 2004**

All appraisers, both residential and commercial, must be knowledgeable about financial markets, financial mathematics and how financial markets impact real estate values and appraisal practice. In this one-day seminar, developed by Ken Lusht, MAI, SRA, students will learn about the relationship of finance to value determination and value estimation, how public (secondary mortgage market and REITS) and private markets operate, and how mortgage notes work (payments, prepayments, points, and choices of mortgages). Participants will come away understanding how financial markets impact value and influence buyer behavior and investment decisions.

## Appraisals Being Sent Abroad

David Lazarus  
Friday, February 6, 2004 (SF Chronicle)

*Editor's Note: The following article was reprinted with the permission of the author.*

If you owned a million-dollar home -- not a terribly far-fetched notion in these parts -- would you want your name, address and residential details being sent abroad for examination by foreign clerical workers?

Probably not. But homeowners who refinanced their mortgages with Citigroup may indeed have had their property appraisals outsourced to India as part of efforts by the financial-services giant to cut costs and streamline its loan process.

"We've been doing this for less than a year," acknowledged Maria Mendler, a Citigroup spokeswoman. "We do it with the basic first-level review to make sure the appraisal is in order."

Other major lenders, including Wells Fargo and Bank of America, say they don't outsource their appraisal reviews. But if mighty Citigroup is doing it, industry sources say, it may just be a matter of time before rival institutions are forced to do likewise.

"Everyone's looking for ways to do this cheaper and quicker," said Bruce Hahn, a Walnut Creek appraiser who does property valuations for a variety of lenders.

The exporting of appraisal reviews overseas doesn't pose the same threat to consumers' privacy as does the outsourcing of banking, brokerage and medical records, to name just a few of the more common practices. Your Social Security number, for example, is not a part of the appraisal process.

But the files going abroad can include -- aside from your name and address -- a map of your home, its location in the neighborhood, the

purchase price, property taxes paid and other details about where you live.

Much of this information is already available online to anyone with access to certain subscriber-only databases. But the appraisal files combine all the data in a single location and include the appraiser's notes on the overall value of a home.

"It's everything that makes a home special or not special," said one Bay Area appraiser who requested anonymity out of fear of being blackballed by the lending industry.

This appraiser never knew that his work was being sent overseas until he started doing jobs for Chesapeake Appraisal and Settlement Services, a Citigroup subsidiary that handles appraisals for the parent company's lending divisions.

"I started receiving faxes from clerical workers asking me questions about my forms," the appraiser said. "I noticed that the faxes were from India. I asked Chesapeake and they said a lot of appraisals were being sent to India for checking."

The appraiser said he was troubled by the practice because homeowners aren't being told that their personal information is leaving the country.

"If you're really wealthy or have a really expensive home," he observed, "that's probably something you don't want to have happening."

Citigroup's Mendler emphasized that the reviews being outsourced are primarily to ensure that appraisers' paperwork is accurate and complete. Loan decisions are not being made overseas, she said.

"We don't outsource all the appraisal reviews," she said. "It's definitely not

the majority of appraisals."

Mendler said outsourcing reviews to an offshore contractor -- she declined to name the firm -- allows Citigroup to both save money by using lower-paid overseas workers and to expedite the loan process by taking advantage of the more than 13-hour time difference between California and India.

U.S. consumers' privacy is not an issue, Mendler insisted, because "we hold any vendor that we use to the same levels and standards of privacy that we hold our own employees to."

The problem with that, however, as is the case with all outsourced consumer info, is that strict U.S. privacy laws have no jurisdiction abroad. An overseas worker who misuses U.S. consumers' data can't be prosecuted like an American worker.

"This sort of thing should be disclosed," said Robert Denton, a Walnut Creek appraiser. "There should be some disclaimer that your information is being outsourced."

In fact, the exporting of appraisal reviews to India is so new and is being done so quietly that many appraisers themselves are unaware of the trend.

"It's a surprise to me," said Joe Napolitano, spokesman for the Northern California chapter of the Appraisal Institute, the industry's leading trade organization. "But I can see why they'd love to keep costs down. It's a very competitive business."

Kimberly Dougherty, a Calaveras County appraiser who moonlights as a reviewer of other appraisers' files, said she was flabbergasted to learn of the outsourcing.

*Continued on page 5*

**A Few Minutes With: The Prez***Continued from page 1*

*Hometown girl says it all. Born, raised, and continue to work here in Sacramento.*

Do you come from a dysfunctional family?

*You never think your own family is dysfunctional until you meet others. My parents were both school-teachers. They are one of the few couples I know who are truly good friends and continue to enjoy each other's company. My only other sibling is my brother and he seems to provide enough comic relief for all of us.*

What college did you attend?

*I am a graduate from Cal Poly, San Luis Obispo with a B.S. in Agricultural Business Management.*

What did you do prior to becoming an appraiser?

*Let's see. I was a ski instructor during the winter months and then worked for USDA during the summer inspecting peaches. I worked at a law firm, a roofing company, and then a construction firm prior to becoming an appraiser. All of which have contributed enormously to my ultimate occupation.*

Tell us a little about your husband and does he have a hyphenated last name too?

*Mr. Reents doesn't need to hyphenate his last name.*

Why on earth did you choose to become an appraiser?

*After about four years with a commercial construction firm, I decided there must be an occupation where dinosaurs don't live. I probably spent the next three months interviewing various folks in various occupations looking for a home. I looked at the mortgage*

*business, real estate sales, insurance and somehow found an occupation that nobody really knew much about, commercial real estate appraising.*

When did you get your designation?

*In 1996.*

What persons were the most influential in getting you where you are today?

*Tim Wright, MAI  
Howard Person, MAI  
Stephen Rosenthal MAI*

What do you consider to be your greatest professional accomplishment?

*When a new client compliments the firm on our reputation.*

Who is the person you admire most?

*I admire the people I work with most, maybe because they somehow put up with me!*

When was your last vacation and what did you do?

*In celebration of my in-law's 50<sup>th</sup> wedding anniversary, the entire family went on an Alaskan cruise.*

What's the last movie you watched and or book you've read, excluding any type of self-help stuff.

*Marc Reisner, The Cadillac Desert*

What's your favorite restaurant and/or type of food?

*The Sunflower in Fair Oaks.*

Do you have time for pastimes or is the time for that past?

*I enjoy skiing, gardening, and cooking. I just can't seem to spend enough time with my husband either.*

Do you ever sleep?  
*Only on Tuesdays.*

Thanks for your time Cydney and best wishes for the coming year.

**Appraisals Being Sent Abroad***Continued from page 4*

"It's taking work from people in the United States, and it's going to people who aren't even licensed by the state to do appraisals," she said.

This last point is important, Dougherty stressed. A licensed appraiser is forbidden by law from disclosing the contents of an appraisal file to anyone.

"I can't even tell the homeowners what their property is worth," Dougherty said. "I can only reveal it to whoever ordered the report, typically the lender."

The Appraisal Institute's Napoliello said the most likely upshot of Citigroup's actions is that other major lenders will now end up outsourcing as well.

"The ability to keep prices as competitive as you can makes a big difference," he said. "In this industry, when someone finds a new approach that works, others follow."

And consumers can kiss yet another aspect of their privacy goodbye.



## EDUCATION SCHEDULE 2004

<b>Course 110: Appraisal Principles</b>	February 26, 27, 28
Instructors: Craig Owyang, MAI	March 4, 5, 6
Location: Red Lion Inn, Sacramento	(2 weekends)
Cost: \$550/\$650	
<b>Course 400: USPAP Update</b>	March 26
Instructors: Sara Schwarzentraub, SRA	
Location: Red Lion Inn, Sacramento	
Cost: \$150/\$175	
<b>Course 120: Appraisal Procedures</b>	April 15, 16, 17
Instructors: Arlen Mills, MAI	April, 22, 23, 24
Location: Red Lion Inn, Sacramento	(2 weekends)
Cost: \$550/\$650	
<b>Spring Seminar</b>	May 7
Instructors: Ted Whitmer, MAI	
Location: Red Lion Inn, Sacramento	
Cost: \$175/\$195	
<b>Course 410: 15-Hour National USPAP</b>	May 14, 15
Instructors: Sara Schwarzentraub, SRA	
Location: Red Lion Inn, Sacramento	
Cost: \$295/\$395	
<b>Course 400: USPAP Update</b>	September 17
Instructors: Tom Boyle, MAI	
Location: Red Lion Inn, Sacramento	
Cost: \$150/\$175	
<b>Course 420: Business Practices &amp; Ethics</b>	September 24
Instructors: Arlen Mills, MAI	
Location: Red Lion Inn,	
Cost: \$150/\$175	
<b>Lake Tahoe Getaway (2 seminars TBA)</b>	October
Instructors: To be announced	
Location: Lake Tahoe	
Cost: To be announced	

All courses and seminars are subject to change until the final brochure has been prepared. Please check our website for up to date information and on-line registration.

<http://www.sacramentosierra.org>

Or email us at:

[Info@sacramentosierra.org](mailto:Info@sacramentosierra.org)

### STRANGE BUT TRUE

Almost every appraiser has a story about some unique or unusual appraisal assignment. We would love to hear about them; so please submit your story for publication. Here are a few to get the ball rolling.

*I once appraised an 80-acre parcel of land that included a 60-acre lake with a small island. The property owner had built a cabin on the island. The cabin was modern in every way except that it didn't include a kitchen.*

Jim Porter

*The Blue Ridge National Laboratory and the Paducah, Kentucky Uranium Diffusion Plant.*

Alan Dutra, MAI

*I appraised a residence for a divorce action (my client represented the spouse not living in the house). The other spouse, living at the property, met me for the inspection. The interior inspection was completed and while I was inspecting the exterior and taking measurements I noticed that there were two notable areas, apparent from the exterior, that I couldn't account for in the interior. The spouse had concealed both the master bathroom and a half bath off the laundry room by eliminating the doorways with new drywall, texture and paint in an attempt to decrease the value.*

Mary Hays, SRA

*Many years ago when I worked with David Lane, MAI, we appraised a few adult book stores. These stores were unique because of the special tenant improvements: One had a small movie theater in back, while another had been partitioned with many individual movie booths.*

Colin Connor

*Well, a few years back I told a gal at a bar what I did for a living and she asked if I could appraise her body; however, she declined my services once I quoted her the fee.*

Art Leck, MAI

**2004 CHAPTER OFFICERS & DIRECTORS**

**PRESIDENT**

Cydney G. Bender, MAI..... 916-978-4900

**VICE PRESIDENT**

Richard A. Murphy, MAI..... 530-246-1635

**SECRETARY/TREASURER**

Richard Van Steenkiste, MAI..... 530-346-7575

**DIRECTORS**

Vicki Briggs, MAI .....Janet Holland, MAI  
Colin M. Connor .....John Poland  
Steve D. Dunn, MAI, SRA ..... Raymond Smith, MAI

**PAST PRESIDENT**

Richard A. Ribacchi, MAI..... 916-863-7501

**CHAPTER OFFICE**

**LOCATION**

Sacramento Sierra Chapter  
2701 Cottage Way, Suite 30  
Sacramento, CA 95825

Phone:..... 916-972-9700  
FAX:..... 972-9750  
E-Mail:..... ebernardis@sacramentosierra.org  
Web Page:..... sacramentosierra.org

**EXECUTIVE DIRECTOR**

Emily J. Bernardis

**ADMINISTRATIVE ASSISTANT**

Elaine M. Masi

**NEWSLETTER NOTES**

**NEWSLETTER EDITOR**

Colin M. Connor..... 916-574-1241  
E-Mail:..... connorc@slc.ca.gov

**Articles may be submitted to the Chapter office via FAX or E-Mail**

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**Next Newsletter Deadline  
April 2, 2004**

**APPRAISERS WANTED**

**VP-MGR APPRAISAL QUALITY CONTROL** — National residential mortgage lender seeks proven professional to direct corporate staff for appraisal reviews and special investigations for high-end and unique residential properties. Requires BS degree, state certification, SRA preferred, and at least 510 years similar appraisal review/staff management experience with financial institutions. Based in Colorado, position will offer \$100K+ compensation package, and full relo-benefits. Interested candidates should forward a detailed resume, including most recent compensation level, to: [chrisgroup@charter.net](mailto:chrisgroup@charter.net). Christopher Group Executive Search.

**REAL PROPERTY AGENT II or III** – Real Property Agent II Salary \$3,563- \$5,013/mth, Real Property Agent III – Salary \$3,949 - \$5,556/mth, DOE + Excellent Benefits. Experience in the following is highly desirable: Acquisitions, appraisals and relocation assistance for public projects. For more information and qualifications, visit our website at [www.cityofsacramento.org/personnel](http://www.cityofsacramento.org/personnel) or contact the City of Sacramento, Personnel Office at 921 10<sup>th</sup> St., Sacramento, CA 95814 (916) 808-5726. Applications available 2/2/04. Filing Deadline 2/27/04, 5pm. EOE

**Sacramento Area:** Commercial Appraiser position available at a growing commercial appraisal firm. Must be thorough, timely, detail-oriented, motivated, self-starter, computer literate, and have strong writing skills. Minimum two years experience. State licensed, actively seeking MAI designation, or MAI preferred. Contact: Brent Christerson at 11344 Coloma Road, Suite 740, Gold River, California 95670, Tel. (916) 636-1850, Fax (916) 636-1860, Email: [brentc@becappraisal.com](mailto:brentc@becappraisal.com)

**Changed Your Address Lately?**

Have you moved recently? Received a new phone or fax number? How about a new email address? If so, then please submit your updated information 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. You can also update your information with the National Office online. Simply visit the Members Only section at: [www.appraisalinstitute.org](http://www.appraisalinstitute.org).



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