

Sacramento Sierra Chapter



APPRAISAL NEWS

& Review

Sacramento Sierra Chapter
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July 2006

President's Message

I hope everyone is enjoying their summer while managing to keep cool! It's hard to believe half the year is gone already. While there have not been many Chapter activities scheduled during the summer, behind the scenes Emily and the officers, directors and committee chairs and members have been working hard on a full slate of activities for this fall.

The late summer and fall activities begin on August 24 with the Chapter's all-day Summer Conference. A variety of presentations during the day include an update on concerns, common problems, facts and figures from the OREA; a session on Business Practices to help you run your business efficiently and profitably; a lecture on bonds and how to deal with them in appraisal assignments; and a session on confidentiality as it applies to appraisal practice and the dangers involved in breaching confidentiality. Speakers include Greg Harding from OREA; Ann O'Rourke, MAI, SRA; Jim Glickman, MAI; and Stephanie Coleman, MAI, SRA. The Summer Conference has been approved for seven hours of continuing education credit and costs just \$135 – including continental breakfast

and lunch! – for members. Go to the chapter website at sac-ai.org to get complete information and sign up.

Going into the summer, we had a couple of well attended programs and workshops that dealt with the new Scope of Work provisions of USPAP and the related departure of the departure provision. One of our speakers was Stephanie Colman, MAI, SRA, AI's national director of screening. Stephanie literally wrote the new book on Scope of Work, and I would recommend that everyone now doing appraisals or reviewing them get a copy of the book, available from the national office.

As Stephanie outlines it, the three fundamental steps involved in an appraisal assignment are 1) Identify the problem, 2) Identify the solution (scope of work), and 3) Apply the solution. The new scope of work provisions are designed to help appraisers figure out what they need to do to complete a credible appraisal for their client.

Stephanie details what she calls the Significant Seven steps to put together a plan for the work to be done. These are discussed in detail

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in her book. **The seven steps are:**

- 1) Identify the client
- 2) Identify other intended users
- 3) Identify the intended use
- 4) Identify the type of value needed or the objective of the assignment
- 5) Identify the effective date (current, retrospective or prospective)
- 6) Determine the special property characteristics that are relevant to the assignment and that may impact value
- 7) Determine any extraordinary assumptions and hypothetical conditions that are relevant to the assignment

President page 2



From page 1

Stephanie recommends having assignment sheets of some sort ready at hand so that when you talk to a client about a specific potential assignment you can go down through the list of the seven significant steps and get the information you need to decide what you will have to do to complete the assignment for the client in a credible manner. Also, somewhere in the report you are required to outline your scope of work in some detail.



Stephanie Coleman, MAI, SRA and Marshall Meager, MAI speakers at the Chapter workshop on June 14th

Note that as part of the July 1 changes to USPAP, the categories of “complete” and “limited” appraisals are gone, as are the departure provisions that, when invoked, made a valuation a limited appraisal. The appraiser simply has the responsibility to do whatever is necessary to produce a *credible* valuation sufficient for the needs of the client, the intended use and the intended users. It is up to *the appraiser* ultimately to decide what must be done in the scope of work to produce a credible report within all the requirements of USPAP. For example, while a credible appraisal might consist of only an Income Approach to value, an appraiser cannot limit the appraisal to just this approach just because the client thinks or says that is all he needs or wants. The appraiser must decide and explain what work is necessary to produce a reliable, credible valuation. Appraisals may still be *reported* in a restricted, summary or self-contained format.

Again, I highly recommend that you contact the national office of the Institute to ask for your free member’s copy of the new 2006 USPAP and to buy a copy of Stephanie Coleman’s excellent book on Scope of Work. Stephanie will be one of the speakers at the Summer Conference on August 24, and both she and

Greg Harding will no doubt discuss the new scope of work requirements and answer questions about them. Sign up now! See you there!

Richard VanSteenkiste, MAI

GOLF TOURNAMENT RESULTS



The 1st Annual Gold Tournament hosted by the Sacramento Sierra Chapter was held on Friday, June 16th. Not only was the temperature hot - the 44 players that ventured onto William Land Park Golf Course managed to smoke the course! Beverages along the course were provided by Ferguson & Associates, Inc. Everyone was a winner – with awards to the following:

- Longest Drive** - Tim Rios
- Closet to the Pin** - Dan Ewbank
- Low Gross** -
 - 6: Hardey, Wardwell, Carciere, and Hamm
 - 6: Reardon, Perry, Trevino, Enright
- High Gross** - Jordan, Nguyen, Holt, and Goodman
- Most Bling** - Thom Huffman
- “Cutest” Golf Outfit** - Jared Calabrese/Nathan Calabrese/Cydney Bender-Reents

Next years tournament promises to be bigger, better, and even WAY cooler! Thanks to all who participated!

Chris Ferguson (Chair- “Fun Committee”)

And from Cydney Bender-Reents (Bender-Rosenthal, Inc.) we hear....

The day was perfect - the setting 9 simple holes of golf with beer and refreshments strategically placed. The Auburn contingency clearly dominated the field led by Steve Wardwell and Ron Carciere. (Please note: Jim Hardey and Scott Hamm were also members of this team, but we were unable to verify their actual contributions at the time of this publication.) Wardwell suggested a Tiger Woods golf clinic for those of us at Bender-Rosenthal Inc. Best dressed in company spirit goes to Seevers-Jordan-Ziegenmeyer. The Davis contingency was led by Kyle Bartholomew, rounded out with some very talented golfers. This tourney did not promise free cars for a hole-in-one - oh no – there were awards much more sought after than that!

If you missed the event, plan on it for next year. It was the perfect forum to bring clients and office together. Kudos to Chris Ferguson for a job well done!

EVENTS & EDUCATIONAL OFFERINGS FOR 2006

On behalf of the education committee, your support for the chapter educational events is appreciated, and we encourage you to provide comments and ideas to the committee so we can better serve the members of the Sacramento-Sierra chapter. The education committee members are as follows.

Steve Harrington, MAI (916) 448-3435
 Janet Holland, MAI (916) 787-9196
 Dave Wraa, MAI (916) 978-4900
 Doug Brennan, MAI (530) 673-5167
 Art Leck, MAI (916) 554-6492
 Frank R. Molinari, SRA (530) 676-2562
 Kyle Bartholomew (530) 750-1001

I would like to thank the education committee for their time and effort to provide a quality education program for Sacramento-Sierra.

We've have had strong attendance for our educational offerings during the first half of 2006, and we look forward to a strong second half of the year also. Upcoming offerings are listed below.

Steve Harrington, MAI, Education Chair

2007 Educational Survey

The education committee has drafted a tentative 2007-education schedule. However, there are additional courses and seminars considered potential offerings if there is sufficient demand. A survey will be sent to the membership by e-mail *this month*, and we request that the survey be returned by the end of July. The survey will be brief, and will only take a few minutes of your time.

EVENTS & EDUCATIONAL OFFERINGS FOR 2006

Offered by the Sacramento Sierra Chapter of the Appraisal Institute

The current education schedule for 2006 follows. You are encouraged to check the Sacramento Sierra Chapter website frequently (www.sac-ai.org) to review the updated schedule throughout the year. The chapter educational offerings continue to be at or near full capacity – **so sign up early to ensure availability.**

Date	Course/Seminar	Instructor	Location	Cost*
Aug. 24	Summer Conference	Various Instructors (see Page 4)	Dante Club Sacramento	\$135/155
Sept. 8	7-hour National USPAP Update Course	Stephanie Colman, MAI	Sacramento	\$155/175
Sept. 21/23 Sept. 28/30	Highest & Best Use & Market Analysis	Gary DeWeese, MAI	Sacramento	\$650/750
Sept. 22	Business Practices & Ethics Course	Stephanie Colman, MAI	Sacramento	\$175/195
TAHOE SEMINARS				
Oct. 26	What Clients Would Like Their Appraisers to Know	Richard Borges, MAI	Harrah's	TBA
Oct. 27	Condos, PUDs and Co-ops	Dean Zantow, SRA	Harrah's	TBA
Nov. 30/Dec. 1	Uniform Standards for Federal Land Acquisitions (Yellow Book Seminar)	Brian Holly, MAI	Doubletree Hotel Sacramento	TBA

For up-to-date information and online registration for all seminars and courses offered by this Chapter, check out our website at: www.sac-ai.org or contact Elaine or Emily at the Chapter office at (916) 972-9700.

- The [Summer Conference](#), which is a locally developed program that will include four instructors, and provide 7 hours of CE credits. You don't want to miss this event, so mark your calendars for **August 24th!** The conference includes a continental breakfast, lunch, and we may have vendors showing their products during the break periods. The conference will be held at the Dante Club, and will include the following topics:

<u>Topic</u>	<u>Instructor</u>
OREA, Facts/Figures, Concerns, Common Problems	Greg Harding
Commercial Business Practices	Ann O'Rourke, MAI, SRA
Bonds	Jim Glickman, MAI
Confidentiality & Highest & Best Use Misconceptions	Stephanie Coleman, MAI, SRA
- [Highest and Best Use & Market Analysis](#) will be provided over a two-week period from September 21 through 23, and September 28 through 30. We look forward to strong demand and if you plan to attend, early sign ups are welcomed.
- The [Lake Tahoe Seminars](#) will be interesting to both general and residential appraisers. "What Clients Would Like Their Appraisers to Know" is a very popular seminar nationally, and "Condominiums, Co-ops, and PUDs" is a new seminar being premiered nationally during the 4th quarter of 2006. We are scheduled to be one of the first sites in the nation to offer this new course, and look forward to strong attendance. Considering that townhomes and condominiums are the hottest products in the region, this seminar should be educational for both residential and general appraisers. Mark your calendars for October 26 and 27, and enjoy Lake Tahoe.
- [Uniform Standards for Federal Land Acquisitions](#), or commonly known as "the yellow book" seminar, will be given November 30 and December 1. The instructor is Brian Holly, MAI, Chief Appraiser, U.S. Department of Interior. Brian is also one of the authors of the "Yellow Book." This should prove to be an interesting two-day seminar.

New Online Registration System (OLRS)

The Appraisal Institute (national office) has developed an online registration system (OLRS) that is currently being used by several chapters that have agreed to take part in a pilot program; the Sacramento Sierra Chapter is a pilot Chapter. This system is mandatory for all chapters nationally by the end of 2006. Some of changes that you will notice are:

Logging In: If you are a member of the Appraisal Institute use your member number to register for a class. Once your number is entered the fields requesting your name, address etc will automatically be populated. Non-members of the Appraisal Institute will need to create a user ID and a password. You only need to do this once for the all Appraisal Institute courses and seminars. Therefore, once you establish your User ID and Password all fields will automatically be populated.

Course/Seminar Materials: Students will have course/ seminar materials shipped to them beginning 4 weeks before the event. Any cancellation made before the shipping of materials takes place will receive a full refund. If a student cancels a course/seminar after the materials have been shipped a call tag will be issued to return the materials to stock. Students will not receive their refund until the course materials are returned to stock.

As always, if you have any questions about OLRS or any other matter, don't hesitate to call the chapter office at 916-972-9700 or email emily@sac-ai.org. As an added note, I signed up for the August 24th seminar through the OLRS, and it was easy. It is user friendly and quite simple.

-Steve

New educational requirements are effective January 1, 2008: Although 2008 sounds like a long time from now, its just around the corner. The remainder of 2006 and 2007 are important periods to ensure that you meet the new education requirements, and we want to make sure that we provide what you need, as long as it is economically feasible for the chapter. For information on the new requirements, refer to "[Change in Qualifications Criteria](#)" on page 10.



Richard van Steenkiste, MAI; Marshall Meager, MAI and Stephen Harrington, MAI Chapter Regional Representatives at the June 10, 2006 meeting in Seattle.

LOCAL NEWS

Report from the Government Relations Committee

The following briefly highlights government activities in Sacramento of interest to local appraisers:

PREPARED BY: Mike Belote, California Advocates, Inc.
SUBJECT: First Activity Report for 2006

LEGISLATION: The California Legislature is in the final months of the 2005-2006 legislative session. Assuming passage of a state budget, the legislature will be in summer recess from July 7 until August 7. They will return for the balance of August, and must adjourn pursuant to the state constitution by midnight, August 31. The remainder of this month is devoted to policy committee hearings on "second house" bills: Assembly bills passed over to the Senate, and Senate bills in the Assembly. As such, the next few weeks are exceedingly busy, in addition to the continuing budget activity.

The AI bill folder presently contains 30 bills remaining alive as the end of the session nears. Clearly, the most important is SB 1847, a Senate Banking Committee omnibus bill which includes our clean-up of the construction cost estimate problem created in last year's SB 2. Working with the Senate committee, we were able to negotiate language which will ensure that appraisers may continue to provide these services to lenders. The negotiated language contains other provisions which we do not believe will ever constrain appraisers.

SB 1847 has passed the Assembly and is scheduled for hearing in the Assembly Insurance Committee on Wednesday, June 28. There does not appear to be any opposition and we are optimistic about the chances for the bill.

Also of note is AB 2416, which would permit California Finance Lenders (CFLs) to charge borrowers for the actual cost of AVMs provided by third parties. After fairly extensive discussion, we determined to remain neutral on the bill, which is pending hearing in the Senate.

I have heard nothing recently about efforts by the Appraisal Coalition to amend the law passed two years ago to eliminate the reference to MAIs. On the other hand, we are hearing complaints about various state RFPs which require the MAI designation. We have been unable to find any references to whether this is a legal or prohibited practice in the California Business and Professions Code. The only reference we found was in the federal registry that prohibits the requirement of a specific designation in federally related transactions (FRT's).

STATUS OF PROPOSED REGULATIONS: Recent discussions with Acting OREA Director Tony Majewski focused on not one, but two sets of regulations. The larger set, which includes the much-discussed *fee reduction*, is in the final stages headed for adoption. The exact language of the reduction (but not the amount) was the subject of a recent amendment in the regulation language. It now appears that the reduction will be for a minimum of four years, which could be extended based upon the OREA fund balance at that time.

Secondly, OREA filed emergency regulations recently relating to the obligation of applicants to comply with education and experience requirements of the Appraisal Qualifications Board, which are changing effective January 1, 2008. The effect of these changes and their interaction with OREA can get **quite** technical.

STAFFING: In the last report we noted that with the exception of the permanent director position, all authorized OREA staff positions were filled. Mr. Majewski was seeking authorization to hire one more full-time investigator. He now has authority to add this position, and is in the process of filling the job.

LICENSES: Every week OREA sets new records for total licenses and certificates. As of June 9, 2006, there are 19,737 licenses. Of these, there are 6668 trainees, 5333 licensed residential, 4393 certified residential, and 3343 certified general. Of the upgrades, nearly all move from trainee to residential licenses. Mr. Majewski notes that there are very, very few original or upgrade applications to certified general.

PROCESSING: According to Mr. Majewski, processing times continue to drop. "Fee only" renewals are being handled in only 3 days, with the full "CE" renewal taking 26. Initial applications are being processed in 55 days, with upgrades at 80 days.

TECHNOLOGY: Since our last meeting with Mr. Majewski, there appears to be progress on the technology front. Minor systems upgrades will occur in the next few weeks. Although the Mac platform will remain, the significant news is that OREA is beginning to prepare for online renewals. They intend to start with fee only renewals, with CE renewals after that. The federal bureaucracy will require testing of the CE renewals to insure compliance.

ENFORCEMENT: In our last report, OREA noted that they had 235 open enforcement cases. Reflecting a continuing decline, the new number is 214. It will be interesting to see if recent reports of mortgage fraud cause the complaint numbers to begin increasing again.

LDAC MEETING SUMMARY

During the week of May 16-18 local members [Brent Christerson](#) and [Judson Cline](#) represented the Sacramento Sierra Chapter at the Leadership Development and Advisory Council (LDAC) in Washington DC. The purpose of LDAC is to create an environment in which participants develop leadership skills by: debating current issues impacting the appraisal profession with their peers; providing recommendations to the National Board of Directors for strategic planning purposes; and lobbying the legislature as representatives of the AI. The Council is comprised of individuals located throughout the country who have been identified as future leaders within the appraisal profession. Thanks go to Judd and Brent for taking the time out of their busy schedules to participate in this worthwhile event. *As you can see from Judd's summary (below) participants are kept extremely busy:*

Each year, four topics are selected for discussion at LDAC, each representing important issues facing our members, Appraisal Institute committees, project teams, and our national leadership. These topics were vigorously debated in a roundtable format over two days. The recommendations resulting from the 2006 debates will be available for review in late July and will be presented by Juan Jimenez, MAI, at the November 2006 National Strategic Planning Committee (SPC) meeting. The issues discussed at LDAC are summarized below:

- AI Reports — The Next Step

In general, there was widespread misunderstanding regarding the potential misuse of the revised URAR for non-mortgage transactions. Several suggestions were recommended to remedy this problem. It is clear that LDAC Participants want the Appraisal Institute to continue taking steps towards greater exposure of the AI Reports™ to our clients and end users of appraisal services.

- AI 20/20 Facing a New Era: Future Role of Chapters

This discussion varied from governance and grouping, to education and member services. One of the conclusions and recommendations that will be made includes allocating more resources from National to Chapters. Participants agreed that initiatives like the visibility campaign, having a state government relation person in the DC office and having a "chapter go-to" person in the National office are steps in the right direction.

- AI Conference - If We Have One Will You Come?

Currently approximately 2%-4% of members attend the national conference. Lack of info, cost, no defined need to attend, time, location and lack of networking opportunities were cited time and time again as reasons for

low attendance.

The need to attend and the desire for more Regional Conferences brings the recommendation that large scale National Conferences exist on a two year cycle with Regional Conferences filling the need in off years. In this scenario the opportunity to attend occurs less frequently possible creating the..."I need to go this year" attitude.

- The AI and State Regulators: Can a partnership exist?

The Appraisal Institute is considered to be the leader in the appraisal industry, with the most members of all of the appraisal organizations. As a result, we have the responsibility to take the lead in determining if working closely with state regulators would result in positive changes for the appraisal industry and state regulators. State regulators enforce education and experience requirements, in addition to other licensing issues.

Multiple suggestions came of this topic including working closer with The Association of Appraisal Regulatory Officers (AARO), a group of state regulators (many of whom are appraisers) that work together to find out what procedures work and how they can be streamlined and implemented throughout the country. This group is committed "...to improve the administration and enforcement of real estate appraisal laws in member jurisdictions."

LDAC page 7



Judd Cline and Brent Christerson at "the Capitol"

From page 6
 There is no more powerful voice in government than that of the constituent, and under the guidance of Don Kelly, Bill Garber and Isabel Parker (of the AI government affairs office in Washington DC), the 2006 LDAC Participants lobbied their representatives in Congress regarding legislation for responsible lending and the valuation of conservation and historic preservation easements. LDAC Participants helped educate legislators about the important elements of these bills (HR-1295 and HR-4297), and provided the kind of support every legislator desires: the voter's.

As a result, the annual lobbying activities of LDAC Participants send a powerful message to our nation's lawmakers. Brent and I were successful in discussing



Brent Christerson, Congressman John Doolittle and Judd Cline at the US Capitol Building.

these topics with a representative of Congresswoman Doris Matsui, who was very informed and agreed with the Appraisal Institute's stance. The highlight of our trip to Capitol Hill was to have the opportunity to meet Congressman John Doolittle in the US Capitol Building between his votes on the House floor. We discussed the topics with him as we walked through the halls of the Capitol. With aggressive follow-up, I received word that Rep. Doolittle agreed to co-sponsor the bill! This is a tremendous statement of support for the constituents that he represents here in Northern California, as well as the effect a couple appraisers can have on helping to take control of our future in our own little way!

As a result, the annual lobbying activities of LDAC Participants send a powerful message to our nation's lawmakers. Brent and I were successful in discussing these topics with a representative of Congresswoman Doris Matsui, who was very informed and agreed with the Appraisal Institute's stance. The highlight of our trip to Capitol Hill was to have the opportunity to meet Congressman John Doolittle in the US Capitol Building between his votes on the House floor. We discussed

the topics with him as we walked through the halls of the Capitol. With aggressive follow-up, I received word that Rep. Doolittle agreed to co-sponsor the bill! This is a tremendous statement of support for the constituents that he represents here in Northern California, as well as the effect a couple appraisers can have on helping to take control of our future in our own little way!

As a second year participant in this typically three-year cycle, and Brent Christerson having completed his first year, the opportunity will arise for another member of our chapter to attend next year with Brent and I to be trained in leadership skills, help shape our future as appraisers by helping to shape the future of the worlds largest appraisal organization, The Appraisal Institute.

For those interested in learning more about the LDAC, be sure to check www.appraisalinstitute.org/membership/events/LDAC.asp. In closing, I Brent and I want to thank the Chapter for the opportunity to represent you at LDAC. If you would like to further discuss the events of the conference, please contact me directly.

Respectfully submitted,
Judson H. Cline



John Ross, CEO, Appraisal Institute and Judd Cline at Mount Vernon.

**Sign-Up for Chapter Events
 Online at the website:
www.sac-ai.org**

A Few Minutes With Marshall Meager, MAI

(Interview by Colin Connor)

Marshall Meagher, MAI is the current Vice President of the Sacramento Sierra Chapter. He is employed as the REVS-WSBC Manager at Wachovia Bank in Roseville. However, unbeknownst to most people, Marshall is also part of a select group. He is one of the Texas Mafia, a group of Texas real estate professionals who relocated to the Sacramento area in the early 1990s following the slowdown of the Texas economy. Others who located here about the same time include Richard Van Steenkiste, MAI, Chuck Swearer, Larry Straka, and Martha Lewis. Some people accuse this group of somehow contributing to the subsequent demise of the California real estate market (allegations that have so far remained unfounded). Let's see what Marshall has to say:

Q: First, for the record, could you state your full name?

A: Marshall Cary Meager, named after Cary Grant because we look so similar.

Q: So what do all the initials in your business title stand for?

A: REVS stands for Real Estate Valuation Services and WSBC is Wachovia Small Business Capital. Wachovia SBC is the SBA lending arm of the bank. It is currently the 3rd largest SBA lending in the country.

Q: How the heck did you wind up here in the Sacramento area?

A: I moved from Dallas in 1992 to Pleasant Hill, CA to work for Bank of America. I then transferred to Sacramento and worked until 1999 with Bank of America.

Q: Could you recap your professional career for us?

A: I started in 1984 as a residential appraiser working for Robert Grafe. Bob would later become the chief appraiser for Cullen Frost Bank, the only bank not to fail in the Texas S&L crisis. I then moved from San Antonio to Dallas to become a commercial fee appraiser for six years. In 1990 I went to work for Nationsbank in Dallas as a reviewer. I worked on the First Republic portfolio of 13 billion in failed assets for two years. After that I took the job with B of A in Pleasant Hill, CA.

Q: When did you get your MAI designation?

A: I received my designation in 1996.

Q: And for the MAI candidates out there, what was the subject of your demonstration report?

A: I did my demo report on an industrial building in the

Great Southwest Industrial Park in Arlington, TX. I brought all the stuff to California with me and wrote the report when I got here. **My advice is "Git her done"**. It is a lot of work and you have to mentally commit yourself for the sacrifice you will make to accomplish this task. I learned a lot in the process of doing the demo.

Q: Do you, or did you, specialize in any particular fields or property types?

A: For six years at B of A I was the special purpose property appraiser. I enjoyed the challenge of doing difficult properties. I have appraised a 747 Transport Maintenance Facility, 800,000 SF cold storage facilities, the world largest olive processing plant, hospitals, manufacturing facilities, service stations, etc. I was also the office specialist in the Sacramento market. At WSBC I have developed expertise in going concern valuations, dental, vet clinic, nursing homes and business valuation.

Q: Q: That's pretty impressive. What do you consider to be your greatest professional or personal accomplishment?

A: I have worked with a lot of wonderful appraisers through the years. I have enjoyed the challenges of the profession and I have been impressed with the caliber of people I have worked with. I have served as a boy scout leader for over 25 years. Earning the rank of Eagle Scout and participating in this program has been a wonderful experience. I have helped many young men achieve the rank of Eagle Scout - less than 2% nationwide do. I have watched these boys develop into men and achieve some wonderful things. This is interesting when you consider I have raised four daughters.

Q: Who is the person you admire most and why?

A: George Washington, his life and accomplishments fascinate me. He was a tremendous leader and a complex man. He is not studied or admired enough for his accomplishments and sacrifices.

Q: Other than keeping the seat warm, do you have any goals for your future presidency? Or would you rather not disclose them at this time because Richard Van Steenkiste might claim them?

A: Richard and I have been good friends for many years. This past year we had our first leadership retreat where we planned for the next few years. We have a desire for continuity in the direction of our chapter. We want to provide greater service to our members, to reach out to our residential membership and plan some fun activities for our organization. **I will tell you one of my passions is barbecuing and the Chapter can look forward to a future activity that involves some excellent BBQ.**

Marshall page 9

From page 8

Q: Q. f you could do it all over again, what other career would you choose?

A: Lotto Winner

Q: So would I. So, how about your family, could you tell us a bit about your wife, the kids, family pets?

A: I have been married for 29 years to a wonderful wife, Melinda. I have four daughters, Amber, Holly, Kenzie and Whitney. My oldest Amber is getting married this month. The youngest, Whitney, starts college in September at BYU. I love my dogs - Beau and Bailey. We also have a bird (Chica), a lizard (Vinny), and a cat (KiKi). I enjoy my lap dogs.

Q: What is your favorite expression? No, I don't mean facial expression; I mean 'saying'?

A: No good deed goes unpunished.

Q: Very true. Give us a recommendation of a book or movie you've enjoyed.?

A: I enjoy the series of books written by Lee Child about Jack Reacher, the ex military policeman.

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

A: I enjoy cooking for groups. In addition to BBQ, I have cooked Italian and other fares. Last year I did a Luau for a group of 100. Every year I do a BBQ for WSBC for 200 people.

Q: What are your hobbies?

A: I do a lot of remodeling of my house and other stuff around the house. I was in construction for many years. I built a shed this week and if it had a window unit I could move in.

Q: Lastly, to put all those rumors to bed, you didn't have anything to do with California's recession in the early 1990s did you?

A: I will disclose this secret that I am actually a native Californian born in San Diego.

Nice evasive answer Marshall, but thank you for taking the time to answer all my other questions and letting us get to know you better. Best of luck in your upcoming Chapter presidency and congratulations to you and your wife on your daughter's wedding.

Colin

Yellow Book Seminar Opportunity

It has been brought to our attention that a number of government agencies are now enforcing the requirement of "Yellow Book" education in order for appraisers to perform work for the government. **If appraisers cannot prove they have taken a Yellow Book course, they cannot be hired by the agency to do the work.** Appraisers are now searching for places they can take Yellow Book seminars to preserve their right to do this work. This is not limited to one part of the country. It is a nationwide issue.

Although several chapters have indicated interest in putting on this seminar, **our local Sacramento-Sierra Chapter is the only Chapter currently scheduled to offer this seminar on 11/30-12/1/06 at the Doubletree Hotel.** This is likely to be a popular seminar so if you plan to attend, you may want to sign up soon.

NEWS FOR ASSOCIATES

General Associate Final Level Experience Requirement Changes: General associate members who join after July 1, 2006, will have different requirements for submission of experience credit. There will be no initial level submission requirement. The associate must submit for final level credit only. Experience totaling 4,500 hours will be required. (Associate members who applied for Associate Member status prior to July 1, 2006, may have alternatives available to them.)

General Advisory Review Process Change: Alert your General Associate members that Advisory Review is available at any time prior to submission of their application for final level experience credit – it is not tied to you initial level experience submission. You may request one or more Advisory Reviews on any work product. (For questions contact Jan Young, MAI, SRA, at jyoung@appraisalinstitute.org or 503-439-9954.)

College Degree Requirement for Designations: The MAI college degree requirement has been extended from June 15, 2005 to December 31, 2007. SRA members may satisfy the college degree requirement by obtaining the necessary score(s) on the **GMAT examination.**

NEWS FROM OREA

Change in Qualifications Criteria

In February 2004, The Appraiser Qualifications Board (AQB) of the Appraisal Foundation adopted changes to the real property appraiser qualifications criteria that will become effective January 1, 2008. The requirements individuals must meet in order to become a licensed or certified appraiser will change significantly. The changes include increased requirements for qualifying education and experience, and a new Uniform State Appraiser Examination.

The manner in which the Office of Real Estate Appraisers will implement the new criteria is important to understand. For all initial license applications and upgrade applications received on or after January 1, 2008, applicants must meet all components (education, experience, and examination) of the new requirements.

Initial or upgrade applications received on or before December 31, 2007, will be reviewed based on current licensing requirements. However, if an examination is not taken until after January 1, 2008, the examination content will be based on 2008 criteria. **Therefore, anyone wishing to test under current requirements must submit a complete application prior to September 1, 2007, in order to allow sufficient OREA processing time and examination scheduling prior to December 31, 2007.** Any deficient component of an application not completed prior to December 31, 2007, will be required to meet the 2008 new requirements. This pertains primarily to the education and examination components.

Workshop

OREA plans to sponsor a workshop **regarding the 2008 education changes**. The workshop is currently scheduled in Garden Grove on August 25, 2006, and **Sacramento on August 17, 2006**. If you are interested, SIGN UP ASAP. The registration deadline has been extended to JULY 20, 2006. If there is insufficient interest, one or both of the offerings may be canceled. **(Note: this workshop is approved by OREA for 4 continuing education hours.)** Flyer and registration form: www.orea.ca.gov/pdf/2008EdConf.pdf

OREA Comments Re: the "Certification Statement"

A signed and dated certification statement embodies a declaration of the ethical principles that were followed in the development and reporting of assignment results and constitutes an integral part of the appraisal report. A signed and dated certification statement must be included in any written report, or in the case of an oral report, be retained in the workfile.

Recently, OREA has noted a significant increase in complaint activity involving the last two items typically found in a standard certification statement; the certification related to a personal physical inspection of the subject property and the certification related to reliance on significant professional assistance provided in the preparation of the report.

With one exception (Standard 10-Business Appraisal, Reporting), the appraiser must disclose whether or not he or she completed a personal physical inspection of the subject property. If a principal signing appraiser (or co-signing supervisory appraiser) did not personally physically inspect the subject property, full disclosure of this fact must be clearly stated in the report.

If another licensed appraiser, appraisal trainee, or unlicensed assistant provided significant assistance in the preparation of the report and is not a signatory on the report, the person(s) providing significant assistance must be identified by name, and the extent of the assistance provided must be described in the report.

Falsely certifying that a personal physical inspection of the subject property has been completed when it has not, or not providing recognition of significant professional assistance provided in the preparation of a report when significant assistance has been provided, are both considered serious violations of appraisal ethics. The consequences of signing a false certification, or not providing recognition of significant professional assistance provided in the preparation of a report, can result in disciplinary action by OREA. Disciplinary actions can include public reproof, or in the case of egregious offenses, revocation of licensure.

NEWS FROM NATIONAL

National Experience Screeners Wanted

Volunteers do the majority of the Appraisal Institute's experience review and experienced appraisers are currently needed to serve as screeners.

Experience Review is one of the requirements relating to admission to membership for General and Residential associates. One of the options offered to associates is Advisory Review, which is voluntary. It is a counseling review that provides feedback to the associate about their work. The final level review provides the credit that the associate needs for designation. Screeners review the associates work, talk to them, and either approve experience credit or refer the associate to a review committee for a more thorough review. The review is intended to be educational for the associate while you, as a screener, assess their experience level.

What is required of you as an experience screener?

We are looking for AI members who enjoy being up-to-date in their skills and are willing to share their expertise with others. The initial training for a screener consists of a 3-hour Experience Review Training seminar for which you will receive continuing education credit. Once you have taken the seminar, you will be mentored through several reviews by an experienced screener.

What is the incentive of being an experience screener?

Reviewing experience will expand your knowledge as well providing the satisfaction of mentoring our associate members. Each screener will receive \$75.00 per completed experience screening.

Would you be interested in attending an Experience Training Seminar to be held September 16, 2006 during the 23rd Pan Pacific Congress/Appraisal Institute Summer Conference?

Please respond to Marilyn Moore at mmoore@appraisalinstitute.org

New Publication Details Using New Fannie Mae/Freddie Mac Forms

The Appraisal Institute has released a new publication, Using the Small Residential Income Property Appraisal Report (Fannie Mae Form 1025/Freddie Mac Form 72), designed to examine Fannie Mae and Freddie Mac's newly revised report form for small income-producing residential properties. The book, by Mark Rattermann, MAI, SRA, provides line-by-line instructions for each required report entry and includes case studies based

on the author's experience in appraising these types of residential properties.

"This new guide emphasizes the characteristics of two-to four-unit properties and the specific challenges that appraisers of these properties often face," explained Rattermann. "For use by novice and experienced appraisers alike, this guide provides much-needed coverage of an area of real property appraisal that has received little attention."

Using the Small Residential Income Property Appraisal Report is the second in a series of three books that the Appraisal Institute is developing to offer appraisers guidance in performing residential appraisals. Using Residential Appraisal Report Forms: URAR 2005 (Form 1004) and Exterior Inspection (Form 2055) was published last year to address the challenges of appraising single-unit residences. The third book in the series, which will be published later this year, will address the issues involved in appraising individual condominium units.

Using the Small Residential Income Property Appraisal Report (Stock No. 0706M) is available to Appraisal Institute members for \$30; \$35 for nonmembers. If ordered by September 30, 2006, members can take advantage of a special introductory price of \$24 for a single copy. To place an order by telephone, call 800-504-7440. To order online, visit www.appraisalinstitute.org/ecom/publications.

Regulators Issue USPAP Guidance to Bankers

In light of the July 1 effective date of the 2006 Uniform Standards of Professional Appraisal Practice, the five federal bank regulators have issued a joint statement that highlights the revisions and reminds banks to consider the ramifications of the revisions to their appraisal practices. The agencies include the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision and the National Credit Union Administration.

"A regulated institution must ensure that appraisals supporting federally related transactions adhere to USPAP as well as the other minimum appraisal standards contained in the agencies' appraisal regulations. Therefore, regulated institutions should be familiar with the 2006 USPAP and consider the ramifications of the

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revisions to their appraisal practices," the joint statement emphasized. The 2006 USPAP incorporates certain prominent revisions, including a new Scope of Work Rule, which replaces the Departure Rule, and the deletion of terminology such as "binding" and "specific" requirements and "complete" and "limited" appraisals. The Scope of Work Rule clarifies the standards for the type and extent of research and analysis performed by the appraiser in an appraisal assignment.

"In adopting the 2006 revisions, the Appraisal Standards Board has indicated that the appraisal process has not changed and that the concepts in the Scope of Work Rule are not new to USPAP. However, there is greater emphasis on the appraiser's process of problem identification and development of an appropriate scope of work," the groups wrote. The agencies also continue to encourage regulated institutions to use an engagement letter in ordering an appraisal to facilitate communications with the appraiser and to document the expectations of each party to the appraisal assignment. To determine an appraisal's acceptability, a regulated institution should review the report to assess the adequacy of the appraiser's scope of work given the intended use of the appraisal. In accepting an appraisal report, the regulated institution must determine that it contains sufficient information and analysis to support the credit decision. The full statement is available at www.occ.treas.gov/ftp/bulletin/2006-27a.pdf. For a list of the ASB's answers to 30 frequently asked questions, visit www.appraisalfoundation.org/s/appraisal/bin.asp?CID=3&DID=823&DOC=FILE.

Builders' Confidence Lowest in 11 Years

Confidence among U.S. homebuilders dropped in June to the lowest level in more than 11 years as higher mortgage rates caused sales to fall, according to a June 20 *Bloomberg News* article. The National Association of Home Builders/Wells Fargo's index of builder confidence declined to 42, the lowest level since April 1995, from 46 in May, the association said. A number below 50 means pessimists outnumber optimists. The index has not increased for the last eight months, the longest such stretch since 1994. Economists had expected a reading of 45 for the index, which averaged 67 in 2005. The drop in confidence, along with declining housing starts, is evidence that 16 consecutive interest rate increases by the Federal Reserve are starting to cool the economy, economists said.

The National Association of Realtors forecasts that sales will fall this year after five record years, as higher interest rates and more inventory prompt builders to cut

profit projections. And Morgan Stanley downgraded the home-building industry to "cautious" from "attractive" in mid-June, saying rising interest rates and oversupply will hurt earnings. A Standard and Poor's index of 16 homebuilder stocks has fallen 31 percent this year. The overall decline "is not inconsistent with the reasonably orderly cooling-down process we're projecting for home sales and single-family housing starts in 2006," said David Seiders, chief economist at the National Association of Home Builders. The number of homes available for sale is 35 percent higher than it was a year ago, according to a recent Wachovia Securities report, which called the housing slowdown "worse than we thought."

Speculators who buy homes and quickly flip them for a profit are leaving the market, according to John Herrmann, director of economic commentary at Cantor Fitzgerald LP in New York. "The home-flipping culture that we've had in the last three years, that is clearly being rapidly eliminated," he said. There is also a "slowing of traffic by people looking for second and third homes." The average rate on a 30-year fixed mortgage was 6.63 percent mid-June, according to mortgage giant Freddie Mac. That compares with an average of 6.60 percent in May and 5.6 percent in June of 2005. For more information on these figures from AOL, visit <http://realestate.aol.com/article/a/the-growth-of-a-housing-bear/20060526134809990001>

Estate Tax Repeal Fails to Reach Senate Floor

The Senate failed to get the necessary 60 votes for a "motion to proceed" on estate tax repeal, in effect blocking the legislation from reaching the floor and hindering future action on the issue. While key lawmakers in both parties have expressed interest in continuing to pursue some type of compromise, others in their caucuses appear to have committed to their respective positions – either holding out for full repeal or blocking anything close to that because of the disproportionate benefit to the wealthy and the budgetary impact at a time of high deficits.

Although a sizable number of Democrats would like to address estate tax reform, they tend to be more interested in increasing the exemption amount, while Republicans are more interested in lowering the rates, Senate Finance Committee member Max Baucus, D-Mont., explained. Reconciling those two interests will be essential to reaching any kind of a bipartisan deal, he said, adding that time for reaching a compromise is not necessarily running out. A graduated tax rate

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proposal floated by Baucus would provide a \$3.5 million per-spouse. Committee member Max Baucus, D Mont., explained. Reconciling those two interests will be essential to reaching any kind of a bipartisan deal, he said, adding that time for reaching a compromise is not necessarily running out. A graduated tax rate proposal floated by Baucus would provide a \$3.5 million per-spouse exemption and tax amounts over that at 15 percent, up to \$5 million. Assets above \$5 million would be subject to a 25 percent tax rate, while assets over \$10 million would be taxed at a maximum rate of 35 percent.

Sen. John Kyl, R-Ariz., proposes to increase the exemption amount to \$5 million per decedent and lower the tax rate on the remaining assets to 15 percent. More recently, he floated an amended version that would tax the wealthiest estates at 30 percent. In addition to offering permanency – and its implied certainty to taxpayers – Kyl's proposal would be attractive for its lower overall rate and retention of step-up in basis.

Majority Leader Bill Frist, R-Tenn., whose motion failed as a result of the 57-41 Senate vote, indicated that "bipartisan compromise is there" and that he would be open to a plan involving graduated rates. He had previously given the clear impression he would insist on an "up or down" vote on complete repeal before considering any compromise legislation. "It's such an important issue, a fairness issue, that we'll find some way to address it," he pledged.

Tax-cut legislation adopted in 2001 provided for the gradual phase-out of the estate tax by 2010, but included a sunset date of Dec. 31, 2010, that will reinstate the tax at the old, 55 percent rate as of 2011.

Pan Pacific Congress and Chapter Leadership Program

The Appraisal Institute will host the international event September 16-19, 2006, at the Palace Hotel. The biennial Congress will bring together real estate valuation and consulting professionals from throughout the Pacific Rim. This marks the first time since 1986 that the Appraisal Institute will host the Congress. The opening reception for the 23rd Congress will be held in the Asian Art Museum, one of the largest museums in the Western world devoted exclusively to Asian art. The Congress will also offer technical tours, including earthquake-damaged homes in the area, Silicon Valley, AT&T Baseball Park and the California wine country. The key focus of the Congress will be presentations by real estate professionals from across the Pacific Rim and the world on such topics as technology in real estate investment, appraisal and consulting, cooperation between real estate professionals and other professions and financial harmonization across borders. Registration for the Congress will be available online at www.appraisalinstitute.org/ppc by May 30.

The **2006 Chapter Leadership Program** will take place in San Francisco at the Palace Hotel on September 15-16 in conjunction with national committee meetings and immediately prior to the Pan Pacific Congress. The purpose of the Leadership program is to inform and prepare incoming chapter officers for their upcoming year. Incoming 2007 chapter presidents and chapter executive staff are encouraged to attend the Chapter Leadership Program. Online registration is free for the Chapter Leadership Program; to register, go to www.appraisalinstitute.org/ppc.

Do You Need Help Completing your Member Profile

Currently only 37 percent of designated members have completed a Member Profile, which is displayed with your listing in the online Member Directory at the Appraisal Institute's National Member Directory Find an Appraiser). The profile setup page is accessible by logging into the Members Only area of www.appraisalinstitute.org and clicking on the link to the setup page. Designated members must use their own login to see this link (only designated members will see the link).

In addition to serving as a business-marketing tool for members, a Member Profile can help broaden member-to-member networking. That is why even members who are not available for fee assignment should set up a profile since their experiences and backgrounds in particular facets of the profession can help guide other members.

NOTE: Please call the Chapter office if you are unsure of how to complete your profile and/or access the member only section of the website. We'll be happy to walk you through the process.

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**Next Newsletter Deadline
September 9, 2006**

APPRAISAL POSITIONS AVAILABLE

City of Sacramento is seeking to hire a **Real Property Agent III**.

(Mo. salary range: \$4,488 - \$6,315, + benefits) This position works under general supervision to perform a broad range of complex, technical, and specialized tasks related to government real estate. Candidates should be fully functional in the areas of commercial appraisal, appraisal review, negotiation, acquisition, including eminent domain law and procedures, relocation assistance, commercial leasing, sale of surplus real estate and property management. Candidates should be fully trained to examine and interpret title reports and documents of public record, engineering plans, maps, surveys and legal documents. Adequate performance in this position requires the ability to manage and complete multiple tasks within established deadlines. Candidates should have a proven track record handling a variety of government real estate transactions. To apply, visit our website at www.cityofsacramento.org/personnel or call our Employment Office at 916-808-5726. **Filing Deadline: 7/28/06.**

Tri Counties Bank, one of California's fastest growing premier community banks seeks experienced **Senior Appraiser** in the Northern California or Central California area.

Primary responsibilities include writing selected commercial appraisal reports within a designated service area, processing commercial appraisal workorder requests from designated area Branches, engaging appraisers for same and desk reviewing appraisal reports when delivered to the Department. Applicants must have a college degree, a CA Certified General appraisal license and a minimum of **five years** of commercial real estate valuation experience with an understanding of a wide range of property types, including special purpose properties. Prior experience in a Bank or other institutional setting is preferred. Please email resume in Word format to www.recruit@tcbk.com or FAX to (530) 898-0308. Reference job #0680521001.

Commercial Review Appraiser: Rabobank, N.A. is seeking an experienced Review Appraiser to perform appraisal reviews in compliance with USPAP Standards. Will also assure accurate assessment of commercial real estate values and assist with interpreting and implementing regulations. Qualified candidates will possess a Bachelor's degree and 5+ years of commercial appraisal experience. California appraisal certification required. Location is to be determined, with the bank offering various locations throughout California. For an application call (760) 370-3385 or visit our website www.rabobankamerica.com.

Fax: (760) 370-3364
Email: jobs@rabobank.com

McFadden Appraisal Group, Inc. has an opening for an entry-level commercial appraiser on a split fee basis. Applicant must have a four year University degree, a California Appraisal Trainee license and strong writing skills. This position will require research, verification, inspection and analysis of commercial properties in the Sacramento metro area. MAI candidacy is preferred. Send cover letter with recent resume to:

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