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## **Are our veterans being treated fairly in real estate transactions? - by Maria Hopkins**

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Maria Hopkins, Maria Hopkins Associates

One of the old school myths is that the strongest buyer will be the one putting down the bigger deposit. Many think a VA buyer is not as strong because he/she is borrowing 100%. This is so untrue. The VA buyer is often the best buyer. The amount of the deposit is not going to matter if they do not get financing because they get the deposit back anyway. Underwriting the appraisal for a VA buyer is a lot more straight forward and less complicated than many of the guidelines required by mortgage companies for other types of loans. It is unlikely that a lender will say "If you can't find me another large 2 bedroom ranch within a mile I'm denying this loan because that indicates to me that this property is too unique to meet our criteria for lending." as I had one say to me a year ago on a conventional loan. I couldn't make up the existence of a 1600 square foot ranch with 2 bedrooms so the loan was denied no matter how great the addendum was that I wrote about marketability of the house. The appraisal is not challenged for items not related to VA guidelines which is a common problem on other types of financing. It does a huge disservice not just to our Veterans, but to the seller as well, to dismiss an offer from a Veteran as being not as good as a non VA offer. I am educating real estate agents as fast as possible to dispel such an uninformed (stupid) assumption.

Well we are all happy that the Trump presidency has so far not affected our real estate market in New England. Being a real estate guy, we could only hope he wouldn't do anything to hurt his own empire at least not intentionally. The shortages in inventory in many areas of Massachusetts are continuing into the spring market leading to more price increases. Appraisers have their work cut out for them to keep and support their time adjustments in their appraisals. Whenever I read an appraisal where the appraiser had indicated that the market is indeed increasing with short marketing times, I look to see the increasing time adjustment made to the comparables. Sometimes there isn't one which is very contradictory. Or the appraisal indicates a stable market and a survey of every real estate agent in town would laugh at such a statement. So warning to my colleagues – Keep Up! Don't be the last appraiser doing time adjustments where appropriate. Often when we call agents to verify the circumstances of a sale that is coming out too low, I find out there were circumstances that put the seller in a duress situation where they had to sell low or quickly or both. Those are not true armslength sales representing market value and should be avoided or at the very least not weighted in reconciling a value. They may be only useful to set the floor of value. What can also happen is that buyers who are bidding on one house after another and losing them start to panic and overpay for a property even for an increasing market. Those buyers may also be under duress and not acting prudently. So it is the appraisers job to value the property. Then the buyer may decide to still overpay in order to keep the house. Or there may be a clause saying it has to appraise out or they can back out and they know that is a possibility. Some of the sellers in the hot

markets are refusing to accept that clause when they accept an offer.

So these are challenging times for appraisers to be fair and do a thorough job when pressured to get reports out faster than ever. Never sacrifice quality for speed or it benefits no one. Sometimes I just have to say to a lender I need another day to do this right. Communication is what most of them really want more than anything.

Maria Hopkins, SRA, RA, is president of Maria Hopkins Associates, Spencer, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540