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Mass. Board of R.E. Appraisers looks ahead to 2010

December 09, 2009 - Appraisal & Consulting

A wave of change swept through the appraisal profession in 2009 including the implementation of the HVCC resulting in the wide spread use of Appraisal Management Companies and eliminated most direct contact with lenders. Residential appraisers were introduced to the Market Conditions Form 1004MC, a change which required a bit of education to understand the reporting requirement. Banking and regulatory reform was initiated, a new agency to oversee Freddie Mac and Fannie Mae was created, and legislative change impacted the appraisal profession on the state and federal levels. Again, appraisers were required to adapt in order to comply with the changes.

MBREA reported breaking news to its members during the year through the MBREA Online messages, at the website mbrea.org, and through educational seminars both in the classroom and online. We are happy to report plans for 2010 include new education opportunities for members, extended services, as well as use of our new networking service myMBREA.

At the N.E. Appraisal Expo we reported that HR 3126, the Consumer Financial Protection Act of 2009, passed the House Financial Services Committee with an amendment that will ultimately sunset the HVCC. As assurance to consumers, the new Consumer Protection Agency and the FTC will consider that qualified appraisers are licensed or certified by their appropriate state board but, extra recognition should be afforded those who are members in good standing of a professional appraisal association. We reported on FHA reform beginning early in 2009 and continued to do so throughout the year. It was a year in which we spoke out regarding the improper use of Broker Price Opinions and Valuation Models and we are hopeful Mass. will follow states like Nevada where real estate brokers were recently disciplined for providing opinions that exceeded the conditions of their licensing.

Also in 2009, the MBREA reported on the content of the Freddie Mac Bulletin (2009-18), a list of Best Practices for Appraisals. One recommendation is "Sellers should consider membership in a professional appraisal organization as a qualification criterion..." This criteria is similar to one proposed by the IRS for valuing real estate donated to charities. Recently, it was reported that the IRS is looking at different methods to determine the value of contributions of historic preservation easements. The IRS circular repeatedly refers to "qualified appraisers" and "qualified appraisals" and considered including the wording of appraisers as "practitioners" under the language of the Circular 230.

There are many appraisal membership groups across the country but, they are not all equal. There is one reliable determinant of what constitutes a professional appraisal organization - being named as an appraisal organization sponsor of the Appraisal Foundation. The foundation has been charged by congress with the responsibility of establishing standards and qualifications for appraisers nationally through its two boards, The Appraisal Qualifications Board and the Appraisal Standards Board.

An appraiser seeking or holding a designation by one of the sponsoring organizations of The Appraisal Foundation has displayed the professionalism and knowledge required to develop the quality product the consumer is entitled to. Only nine out of the many organizations of appraisers have been accorded the privilege of serving as a Foundation sponsor. Each of the nine groups passed a screening to become a sponsor and is subject to a bi-annual review to maintain its standing. The MBREA is proud to be included in this elite group.

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