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## **With the change in the market appraiser qualifications do count**

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With the change once again in the real estate market, the appraisers that are the busiest are those with the best qualifications who have diversified their practice. Those who have met only the minimal licensing requirements and have depended on only lender work, especially from mortgage companies, will find themselves struggling to stay busy. While appraisers have never depended on high real estate sales volume, they have counted on steady refinancing demand.

This really is the time to expand your education and go for a designation in a credible appraisal organization. If you don't even belong to an appraisal organization like the Appraisal Institute or the Massachusetts Board of Real Estate Appraisers (there are others, as well) then you are really missing the boat. You probably don't even know what you don't know.

Underwriters who are approving appraisals are scrutinizing the appraisals and the appraiser more and more. Lenders are hiring appraisers to do quality control reviews to decide whether to keep the appraisers they were using during the busy times when there was not as much time to scrutinize the appraisals.

Fannie Mae and Freddie Mac are hiring appraisers to do reviews of appraisals, especially those going into default. Government agencies who fund loans are also reviewing appraisals. Only the best appraisers are doing this type of review work.

There is also a lot of litigation appraisal work, especially for probate court, divorces, estates, etc. Expert testimony is a field in and of itself.

The IRS now requires appraisers to not only have the appropriate license, but have a designation (or equal qualifications) as well. There are many people trying to donate property rights who need appraisals. There are not enough qualified appraisers to handle the work.

Speaking of the appropriate license, there are clients who don't even realize they are hiring appraisers who don't even have the correct license for the appraisal assignment. A residential license only allows you to appraise a property where the highest and best use is a 1-4 family dwelling or land where that is the highest and best use. So if a house sits on acreage that the highest and best use is to further subdivide it, whether it be with an internal subdivision with a road or frontage ANR lots, a certified general license is required. That also holds true for a house that sits on a commercially zoned lot. What if the highest and best use is to demolish the house or convert it to a commercial use? A certified general license is required to make that determination and appropriately value the property.

So this is the time for appraisers to really make appraising a career and expand their knowledge and their form of license. There is plenty of work out there for good, qualified appraisers. Not only that, it really is an aging profession. I remember when I was considered young in my profession. Not so anymore.

I know I am always looking to hire, even train bright, younger, conscientious people to my firm. I am concerned that there needs to be enough new appraisers entering the field. I would like to help keep the bar raised a little high. If those people who do count on the quality of our appraisals find that they can not rely on the quality anymore, they will be looking for a way to eliminate the appraisal altogether. The appraisal organizations are the only voice, the only hope we have of fighting inferior standards and promoting appraiser qualifications.

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