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Presidents message: A change in lead abatement law

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This article contains information regarding: a change in lead abatement law that will increase rehabilitation costs at affected properties; a low cost yet extremely valuable educational opportunity for appraisers, and well-deserved congratulations.

Appraisers strive to remain informed of economic trends, legislation, and real property transactions within their focus markets. Yet market participants remained surprised by the recently implemented change in law regarding lead.

The Environmental Protection Agency (EPA) established the Residential Lead Based Paint Hazard Reduction Act in 1992. The latest change is a new set of rules regarding lead safe work practice that went into effect on April 22nd. The new rule is made under the Toxic Substances Control Act to address lead-based paint hazards created by renovation, repair, and painting activities that disturb lead-based paint in target housing and child-occupied facilities. The definition of such facilities is expansive and includes any housing constructed before 1978, except housing for the elderly or persons with disabilities, unless any child under age 6 resides or is expected to reside or visit such housing for a defined period (number of hours). Commercial or public buildings are included.

The requirements apply to repair activities, renovations, or maintenance where 6 s/f or larger of an interior painted surface is disturbed or 20 s/f or more of an external surface. Window replacement is typically a trigger.

The EPA has also issued new lead removal certification requirements for those performing such work. Municipal Building Inspectors are charged with enforcement and my research and experience indicates that they are enforcing this rule.

Contractors or individuals seeking lead removal certification will have to receive the proper training from an accredited EPA training provider in regards to Lead Safe Work Practices. A certified renovator will also need to be present throughout each project. The EPA "Right to Renovate" pamphlet must be provided to tenants or consumers before starting any project. This rule also applies to landlords and homeowners performing their own work.

For appraisers, this requirement will affect rehabilitation cost and timing estimates made as part of an appraisal. For investors and owners, you have some new information to consider.

New Seminar

On June 22nd the Massachusetts Chapter of the Appraisal Institute will offer a valuable new seminar for residential property appraisers. During this half-day seminar, participants will become familiar with changes and requirements initiated by the Internal Revenue Service, Fannie Mae, Freddie Mac, Department of Housing and Urban Development, the Federal Housing Administration, U.S. Department of Veterans Affairs and The Appraisal Foundation. Participants will also learn where to find the latest information as guidelines continue to change.

Participants of this seminar will:

- *Identify how the IRS regulations for appraisers apply to estate and donation work.
- *Describe the purpose of the new Appraisal Foundation board, Appraisal Practice Board.
- *Describe Fannie Mae's new Collateral Data Delivery system and loan quality initiatives.
- *Recognize Freddie Mac's underwriting standards for appraisals.
- *Identify HUD/FHA regulations for appraisers.
- *Discuss Veterans Administration regulations, including the Fannie Mae Market Conditions Addendum and appraiser fee agreements.
- *Examine FHA mortgagee letters from the past year involving FHA appraisals.
- *Discuss other secondary market issues of critical importance to appraisers, including the U.S. General Services Administration's repurchase of loans and forensic review appraisals where fraud or ethical lapses are suspected.

Appraisers needing hours for continuing certification credit should pay particular attention to the low price per credit hour of this important seminar.

Congratulations

In May I indicated that the Massachusetts Chapter would be offering scholarships for appraiser education. I am happy to report that several applications were received and the Chapter has drawn from its Hewitt Memorial Fund to award scholarships of \$500 each to Scott Rand, Greg Curtis and Greg Cooper. We should applaud the sincerity of purpose exemplified by these individuals.

The Massachusetts Chapter of the Appraisal Institute includes many members having outstanding credentials. If you wish to enter or advance in the appraisal profession and you strive to be the best of the best, this where you belong. See our web site (www.ma-appraisalinstitute.org) for more details on education, membership and new initiatives.

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