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What have you done for us lately?

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It will probably be a little while before the sub-prime mess settles down, and quite a while before it's cleaned up. From the news reports, it looks like sales prices and volume are likely to stay down - if not decline - for some time. Lower values and fewer sales transactions translate into less appraisal assignments. So with fewer assignments, many appraisers are asking that something be done to save their jobs. Jobs indeed. Those who look at appraising as a job could not possibly have seen this crisis coming; those who see it as a profession probably couldn't have missed it. Granted, professional appraisers couldn't be expected to know better than Wall Street financiers how CDO's (collateralized debt obligations) and SIV's (structured investment vehicles) would endanger the economy, but they could understand that sales prices couldn't possibly continue to escalate forever. It's likely that a low percentage of the defaulting loans failed as a direct result of inflated appraisals. And clearly, there were many honest borrowers, honest lenders and honest mortgage brokers who followed both the spirit and the letter of all the existing mortgage laws. It should be clear, as well, that the leading edge of the crisis involved unscrupulous or incompetent lenders, borrowers, brokers and appraisers. If these folks could get away with high crimes without detection or prosecution, why shouldn't regulated banks, licensed appraisers and desperate borrowers try to get their piece of the pie. And if just about everybody is pushing the envelope, how long will it be before just about everybody comes to believe that there is no such thing as risk - only reward.

Those appraisers aligned with a professional organization are seeking changes in the way that mortgage lending laws are written and enforced. Through organizations like the Massachusetts Board of Real Estate Appraisers, the Appraisal Institute and the Appraisal Foundation, legislation and regulations are being fine-tuned to encourage responsible lending without jeopardizing innovation and entrepreneurship. Significant effort is being invested to assure that the dream of home-ownership can be realized for most Americans without undue risk to them or the financial markets. Many appraisers who are not members of professional organizations are waiting for those organizations to do the lobbying for them - while they just wait. But those who wait - rather than actively participate in the process - are certain to find themselves unaware of the reasons for any of the changes, and consequently unlikely to truly succeed at implementing them. True professionals don't wait for others to write regulations that favor them. True professionals get involved in the process. They don't expect that they will get satisfactory results without investing some of their own time or their own money. Appraisers, lenders, borrowers, don't ask what you've done for us lately. Get out there and participate in the solution.

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