



CELEBRATING
55 YEARS

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Stephen Sousa - Admiring appraiser adaptability to change

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Change is one constant appraisers can count on. Whether it is changes in market conditions, appraisal reporting guidelines or USPAP, we know that change is inevitable. It's appraisers ability to recognize and adapt to change that makes them professionals.

Take for instant market conditions. Appraisers constantly survey the market to determine if values are increasing or not. They measure vacancy rates and employment statistics to assess future trends affecting the marketplace. Appraisers often are the bellwether of what is happening in the housing market and use their well-honed skills to document incipient changes in appraisal reports. Who but an appraiser can effectively analyze home sales and listings, including under agreement listings, and identify and report the start of upward trending sales prices and values?

Currently, residential appraisers are acclimating to the change brought about by the Uniform Appraisal Dataset. Fannie Mae and Freddie Mac crafted a new set of abbreviations, codes and language that modify the way appraisers report data on some report forms. The changes range from subtle - no longer have caps lock on - to the more pronounced use of a rating scale to grade condition and quality. While there has been understandable grumbling about UAD, appraisers are once again demonstrating their adaptability.

Clients and the users of appraisals are adopting many changes also. Whether it's appraisal independence, Interagency Guidelines or the Uniform Data Delivery Program of the GSE's, the appraiser's customer is working hard to accommodate many new requirements. Appraisers, who long ago mastered change, can play a pivotal role by acting as consultants to their clients, helping to interpret and apply changes to their operations.

After so many years of USPAP, many appraisers' eyes glaze over when they contemplate sitting through a 7-hour class on a new version of USPAP. Even with much of USPAP remaining unchanged each cycle, the revisions are always well thought out and explored with the public before publication. An appraiser not only learns what is new, but has an opportunity to explore the application of sections they may not have previously understood. As their practices evolve, the application of USPAP changes. For example, an appraiser accepting appraisal review assignments has to become familiar with the standards, advisory opinions and FAQ's that apply to review work. Previously, this may have been a practice area that the appraiser had not experienced.

Change is not always good and not always well received. The Home Valuation Code of Conduct (HVCC) is a prime example of supposedly well-intended change that went awry. Badly awry. The HVCC not only ripped apart the long-term relationships between appraisers and their clients, it almost single handedly brought about the demise of mortgage brokers and drove some appraisers out of business. There was little good about the HVCC and what was good is lost in its final assessment. Even when change was less than optimal, appraisers once again adapted and found ways to continue to fulfill their responsibilities to clients.

MBREA salutes the appraisal profession for its resiliency, determination and most of all for maintaining its professionalism throughout the turmoil of the past 5 years. Without you, lending would stop and real estate markets would crumble. Estates would remain unsettled and businesses unsold. Appraisers should be proud of the good reputation they have so richly deserved.

Stephen Sousa is the executive vice president of the Mass. Board of Real Estate Appraisers, Dedham, Mass.

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