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## **It just got worse: Decrease in appraisers in Mass.**

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Last month I received my data request from the Commonwealth concerning the number of appraisers registered in Massachusetts. Here are numbers as compared to a year ago showing a decrease of 3.8% over the past 12 months in certified/licensed residential appraisers.

The decrease in appraisers should come as no surprise as 75% of these appraisers are over 50 years old; it can be assumed that retirement has captured these appraisers. I found the lack of significant increase in trainee licenses disturbing. 2012 has been a good year for appraisers; our company has experienced a 20% increase in volume over the last year, yet, few trainees entered the profession.

The Problem:

As has been oft written, some large lenders have specifically excluded trainees from participation in their lending operations by requiring a trainee to be accompanied by a supervisor on each inspection. This has made it financially impossible to train the next generation.

Piling on:

If this were not enough, new requirements becoming effective January 1, 2015 will require certified appraisers to obtain a bachelors degree and a licensed appraiser to accumulate 30 hours of college credits - anyone seen a college tuition bill recently? The appraisal profession has traditionally drawn a significant portion of quality appraisers who do not have a degree - and that was when college was affordable. According to the US Census nationally only 33% of people aged 25 to 35 have a bachelors or higher degree. For all age groups, the percentage falls to 30%. That's a small pool to attract appraisers from when you think about all the other career choices coming out of college that offer salaries, benefits and a regular work schedule.

One more constraint on future trainees on January 1, 2015 is the three trainee limit imposed on supervisory appraisers. A competent supervisory appraiser can train more than three over a two year period. The trainees need guidance throughout that period, but exponentially less guidance after the initial 6 to 8 months of training

The Result:

Recent financial news reports are indicating that perhaps the bottom

of the housing market has been reached and a nascent real estate recovery has taken hold. If this isn't true for 2013, it will be coming soon -- and beware if mortgage volume increases to pre-crisis levels. An annual decrease of appraisers by 3.8 percent and an annual increase of mortgage volume by 15% to 20% could cause a long wait for an expensive appraisal.

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