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## What ever happened to independent appraisers?

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What ever happened to independent appraisers? At one time we were known as independent fee appraisers. Emphasis on independent! In 1993 federal law made changes to the definition that existed since the 1840s of "market value." Government agencies were upset that bank-lending policies led to a crisis in lending. The 1993 definition was the most probable market value, not the highest market value.

The newly formed Resolution Trust Corp. (RTC) scapegoated the independent appraiser as the problem. It was charged with the responsibility of resolving foreclosure issues by new regulations. With their new directives in play, what was suppose to be a check on risk underwriting, ultimately created the great real estate bubble and bust in 2007.

Uniform Standards and Practice of the Appraisal Professional (USPAP) in concert with the 1993 Reform Act created standards and practices for the appraisal profession including education and licensing. The new standards brought about good changes in the way reports were to be written in plain English.

So here comes the Dodd-Frank Wall Street Reform and Consumer Protection Act with additional regulations and charging a group to oversee the appraisal process. This group is known as the Appraisal Management Company (AMC). This new structure called for a breakdown of historical communication between all parties involved with a mortgage transaction. This new regulation isolated the appraiser from vital information links that would provide direct information for the appraisal process. Further, the fee structure was now dictated by the AMCs with a resultant higher cost to the consumer and a lower fee to the independent appraiser. The obvious migration of talented appraisers leaving the field leaves the additional burden on those remaining to maintain a balance of income with professionalism.

The AMCs are now charged with making sure that reports now conform to the new Fannie Mae requirement known as Uniform Appraisal Dataset (UAD), and government-sponsored enterprises (GSE). This charge has dictated universal language codes that once were in plain English and allowed for subtle but professional nuances within the appraisal report. These new language codes supposedly allow for a professional reader of the report a quicker understanding. However, the lender must learn what is written with code lists buried in the report.

Once an appraiser asked me if a AMCs reviewer had ever asked me about sheds. The appraiser added a photo of the shed in the report. The appraiser was then asked if the shed was rented and did it have a kitchen? The appraiser was taken aback, since this shed measured 8' x 10'.

Recently I was asked why a weathered Cape Cod style house in a coastal community with weathered shingles was never painted.

The only thing that is not asked is where has the independence gone?

Robert O'Connor is an appraiser, South Dennis, Mass.

