



CELEBRATING
55 YEARS

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Appraisal Institute president's message: Quality matters

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For this month's installment I look to highly quoted people in history.

"Be a yardstick of quality. Some people aren't used to an environment where excellence is expected" - Steve Jobs.

"Quality is not an act, it is a habit" - Aristotle.

When providing service, those who succeed have common strengths: Quality Control and Quality Assurance. Often viewed interchangeably, the terms, according to the American Society for Quality, have different meanings:

Control: An evaluation to indicate needed corrective responses; the act of guiding a process in which variability is attributable to a constant system of chance causes.

Quality Control: The observation techniques and activities used to fulfill requirements for quality.

Assurance: The act of giving confidence, the state of being certain or the act of making certain.

Quality Assurance: The planned and systematic activities implemented in a quality system so that quality requirements for a product or service will be fulfilled.

Appraisers measure the integrity of the data, control how it is analyzed reported and applied - all elements to producing a credible appraisal.

Over the past 30 years, various quality control and quality assurance initiatives have taken place in the appraisal environment from a lender's perspective - ranging from the R-41 series by the FHLBB, to the monumental Financial Institutions Reform and Recovery Act of 1990 (FIRREA) that brought forth licensing of real estate appraisers, to the more recent Dodd-Frank Wall Street Reform and Consumer Protection Act.

While FIRREA brought forth sweeping changes to how banking managed the appraisal process and oversight of appraisals when an institution entered into a transaction, certain exemptions were granted for residential transactions, and some may argue, the focus was taken off of residential appraisal.

As a result of the Great Recession of 2008, we are seeing industry changes on how the residential appraisal is considered in light of transactions.

An initiative by Fannie Mae to ensure both Quality Control and Quality Assurance has been released under the name Collateral Underwriter and is being made available to all lenders authorized to sell to Fannie Mae.

The Appraisal Institute recently offered a Webinar entitled Impact of Collateral Underwriter for Appraisers and Lenders. Visit the AI website at www.appraisalinstitute.org to learn more.

Appraisal Institute members are recognized for their level of expertise and education, over and above the minimum requirements for licensing. Through education and standards, the Appraisal

Institute program fosters an environment where excellence is expected, and Members develop habits of quality recognized in the marketplace.

Upcoming events for May /June

Education: Supervisor Appraiser/Trainee Appraiser Course, May 6 and Basic Appraisal Procedures, May 13-16.

Service: The annual Jay Zeiger Service Day will be held this year at Cradle to Crayons Giving Factory Warehouse in Brighton on May 14.

Meeting: The Spring Chapter Meeting and 2 hour CE offering of Appraiser and Assessor: Real Estate Tax Valuation Overview and Issues will be held on May 20.

Be sure to visit the chapter website for details at www.massri-appraisalinstitute.org

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