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## Hot topic for appraisals in 2019 - by Maria Hopkins

October 18, 2019 - Appraisal & Consulting

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Bifurcated (Hybrid) Appraisals are the hot topic for 2019. We are getting requests from every AMC to perform inspections which may be later used to write an appraisal. Usually the fee is so low it wouldn't cover the time to drive to the property and snap a picture from the road nevermind do a full inspection, measure the house, draw a floor plan, take dozens of pictures & label them and answer 50 – 100 questions about the property. Because appraisers won't do these for the price offered, sales agents (usually very inexperienced) are performing them. Successful sales agents, like appraisers demand reasonable payment for their services. These inspections are then after sent to a licensed appraiser who is engaged to rely on that information and write an appraisal report. Often the fee offered for that assignment is also ridiculously low. I was told by some of the AMC's that this should take

1 ½ hours if I know what I am doing. I would argue that this is impossible if an appraiser is going to write a USPAP compliant report without lying. There are too many things to research and confirm. The pressure on appraisers to do this kind of work is increasing. The secondary market is determined to implement this "pilot program." It is very busy now with refinance assignments and I'm afraid when it slows down appraisers will feel forced to accept these assignments.

The AMC's are doing a great sales job trying to convince appraisers that there are plenty of appraisers performing these for cheap fees. I would beg my colleagues if you are going to do appraisals of any kind get what you are worth or you will regret it. If appraisers as a whole demand reasonable payment for their work they will get it. If they don't our profession will be seriously damaged. I can understand if there are rural areas of the country where this type of assignment may become necessary due to geographical barriers and pockets of areas where there is a shortage of appraisers, but there is certainly no need for this type of assignment in Massachusetts. So far, I'm not seeing that it is saving any time in appraisal process and if it is costing less then the quality of the report is questionable.

These are being used at the peak of a real estate cycle when more caution is prudent not less. When the market turns and there are many loan defaults, appraisers will then be held liable for the

quality of the work that wasn't important now. Only speed and price seem to matter now.

Over 30 years ago, a regular appraisal took 5-7 days from order date to the date the lender received it. This was before computers, and before digital cameras. The regular turnaround time is still 5-7 days. Over 30 years ago we could do rush appraisals in a couple of days when a client needed. The same is true now. The biggest difference now is that there are so many people and companies in the middle, convincing lenders that they "need" to buy their services to get a faster, better product. There are a multitude of people adding to the cost and time of an appraisal. There is so much time and money being spent on new software, websites, teams of people all to accomplish the same thing we used to do without them. I would argue it is a huge sales job by a lot of people who want to make money. The people doing the loans are frustrated, the appraisers are frustrated. It's much ado about nothing as they say. Personally, I hope the "pilot program" fails. I think there is nothing good that can come of this system. It is only to allow people to make money and will certainly not protect the buyer or the lender who stand to lose a lot with this compromised system.

One thing that will help in the future to ensure there are enough competent appraisers is to do away with the college degree requirement that currently exists to get a certified license. There has been much discussion regarding this, and a lot of trainees are waiting and hoping that they will be able to obtain their license if they don't have the degree. We are still waiting. In the meantime, we are all very busy writing appraisals trying to meet the increased demand due to the low rates and many refinances.

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