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President's message: Combat alleged bias in valuation - by George Demopulos

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George Demopulos

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The Massachusetts and Rhode Island Chapter of the Appraisal Institute is hoping all of our friends and clients are continuing to stay safe during the COVID-19 pandemic. We are hoping everyone will continue to stay well as restrictions ease and we can go out and enjoy the upcoming fall weather!

In light of the national events occurring over the summer months, the AI National president, Jeff Sherman reiterated the organization's position for providing opportunity for aspiring appraisers and to help combat alleged bias in valuation; The Appraisal Institute has several existing programs concentrating on this issue, including the Appraiser Diversity Pipeline Initiative with Fannie Mae and the National Urban League, along with the Minorities and Women Course Scholarship Program from the Appraisal Institute Education and Relief Foundation.

"These initiatives are dedicated to promoting greater diversity within the real estate appraisal profession through direct outreach to interested individuals and financial assistance covering entry-level education and other support mechanisms," said Sherman. "The Appraisal Institute always has valued its role as an organization that embraces diversity." He noted that the organization's member-comprised Diversity Panel is discussing new steps that the Appraisal Institute can take toward an even stronger commitment to diversity and inclusion. This group is tasked with several initiatives, and one being considered pertains to further development of continuing education. Additionally, the Appraisal Institute has a newly formed Women's Initiative Committee, whose discussions have centered on scholarship and mentorship opportunities in the profession. Also, recent conversations with leadership at The Appraisal Foundation have presented an opportunity for the Appraisal Institute to partner with TAF on getting more historically black colleges and universities involved in the undergraduate and graduate review program that the Appraiser Qualifications Board has established. Regarding alleged bias in valuation, "professional appraisers have a huge stake in ensuring that bias does not enter into appraisals, because at the end of the day, we sell credibility. Frankly, bias is our adversary regardless of what form it takes," Sherman said. Sherman noted that, "appraisers are not market participants, and they do not 'create'

value. Value is not a 'fact' to be found, but an opinion that should be credible and well-supported. These opinions should not use subjective terminology, unsupported assumptions, or interjections of opinion, or draw unsupported conclusions from subjective observations, among other things. These requirements are ingrained in a bevy of existing anti-bias and independence requirements that appraisers and lenders have to follow and observe," Sherman said. Sherman further noted that, "appraisers adhere to a strict set of rules at the federal and state levels, with racial or any discrimination strictly prohibited and subject to penalty. The appraiser's role is unbiased and serves to protect consumers and financial institutions." He added, "credible, reliable opinions of value are fundamental to economic security for lenders, buyers, sellers and property owners, together with other stakeholders in property tax, income tax and eminent domain. Our work must remain impartial, objective and independent."

The local chapter held its first "Socially Distanced" networking event and Fall Chapter meeting on Tuesday, September 15th! This virtual event was attended by almost 20 participants and all had a great time interacting virtually!

The MA/RI chapter continues to offer the best appraisal education in the area! We have been offering on-line education during the COVID-19 Pandemic and are pleased to announce we will be holding classroom education in the coming months! The following classes are being offered:

- 15 Hour National USPAP Course, Friday, October 16th, Woburn, MA;
- Basic Appraisal Procedures, Friday October 30th, Norwood, MA;
- General Appraiser Market Analysis and Highest and Best Use, December 2nd - 5th, Woburn, MA; and
- Holiday Meeting and Installation of Officers, Directors and Regional Reps, Thursday December 3rd.

George Demopoulos, MRICS, RA, SRA, AI-RRS is the 2020 president of the Massachusetts and Rhode Island Chapter of the Appraisal Institute and president and chief valuations officer at Lincoln Appraisal & Settlement Services (LASS) and Lincoln Abstract & Settlement Services, Providence, RI.