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The need for speed in relation to the appraisal industry

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How sophisticated are the computer systems in this world? Just for fun, try some of these simple exercises.

- 1.) Type your name into Google or Yahoo or whatever and watch how quickly all kinds of the details of your life are retrieved;
- 2.) Buy or sell a stock or bond and see how fast the transaction clears (not how fast you actually get your money)
- 3.) Pay a bill online and watch how fast the money disappears.

Now think of all the data that is stored on a computer somewhere. Everything you ever bought with a check or a credit card. If you're active in the real estate or banking industry, think of how many parts of every transaction you've ever been involved in are stored somewhere on a computer. And, it's all retrievable at the touch of a button.

So with these super high speed computers and communications systems and search engine technology, how long would it take to find out who or what is at the root of the financial crisis. Every stock trade Bernie Madoff made had to be logged on some computer and every appraisal and mortgage document is somewhere in cyberspace too. But somehow we can't find who the bad actors are. We can't identify the dishonest borrowers, mortgage originators, appraisers, underwriters? We can't separate the few dishonest ones from the majority of honest hardworking ones?

Make a list of all the foreclosed properties. For every foreclosed property identify the lender, the originator, the underwriter, the appraiser, the closing attorney, the seller, the borrower, the real estate agent. Identify everyone who was part of the process on every loan in danger of foreclosure. Then sort that list. And see how often the same names show up next to each other.

Many people are losing their homes because they lost their jobs, some because they got divorced or had a health emergency; there are plenty of legitimate reasons why. But it appears there were plenty of borrowers who were set up to fail. It was deliberate, and it was coordinated, and it was criminal. It didn't just happen.

If you are close to any of these transactions, you've seen it. The pattern repeats itself. Hurry up and sign the documents. Hurry up and write the appraisal. Hurry up and get the loans closed. And the most important of all, hurry up and sell it into the secondary market. Hurry up and divide it into small pieces so that no one is any longer responsible for any part of it in particular. You can't blame it on anyone and you can't prosecute anyone, and if a borrower says it's not their fault, you can't ask him whose fault it is.

I write articles in defense of good appraisers who have to compete with dishonest appraisers. If I

was in any other profession in any of the real estate and financial disciplines, the story would be the same. The few bad apples make it bad for the rest of the barrel.

As part of our economic recovery, lets put a few computer specialists back to work. Give them a list of foreclosed properties and see if they the can find the bad guys. Then we can all get back to making an honest living.

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