



# COLORADO CHAPTER APPRAISAL NEWS

Volume 11, No. 3 — June, 2001



Editor: David H. Daniels, MAI

www.colorado-ai.org

Publisher: Carol Brooks

**TUESDAY, JULY 10, 2001**

**The Colorado Chapter of the Appraisal Institute**

presents

## 4-Hour USPAP Update/Golfing Event

**LOCATION:** Garden of the Gods Club  
3320 Mesa Road, Colorado Springs, CO  
Directions: I-25 to Exit 145 (Fillmore)  
Turn right onto W. Fillmore St. (1.5 miles)  
Turn right onto Mesa Rd.

**SCHEDULE:** 7:30 A.M. – 8:00 A.M. Registration  
8:00 A.M. – 12 Noon 4 Hour USPAP Update  
12 Noon – 1:00 P.M. Lunch/Chapter Meeting

**INSTRUCTOR:** Thomas L. Fellows, MAI

**FEE:** Includes: Continental Breakfast, Handouts and Break  
**USPAP Update Only**

Members (Appraisal Institute): FREE  
Non-members: \$50.00

**USPAP Update and Luncheon Meeting**

Members (Appraisal Institute): FREE  
Non-members: \$50.00

**Luncheon Meeting Only**

Member: FREE  
Non-Members, Guests: \$15.00

**CONTINUING EDUCATION:** Appraisal Institute – 4 hours  
State of Colorado – 4 hours

Please note: This program was developed by the Colorado Chapter who is solely responsible for the contents.

**REGISTRATION:** You *must register no later than July 3, 2001* so seminar material is available for you. See attached for Registration Form or go to our web site: [www.colorado-ai.org](http://www.colorado-ai.org)

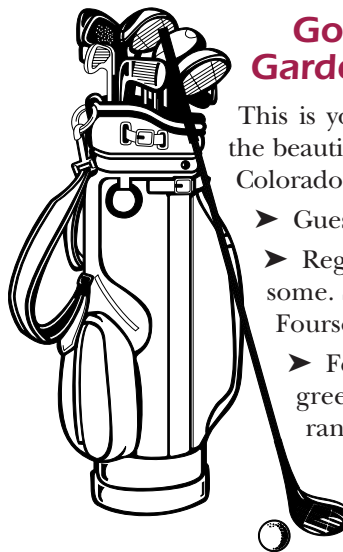
**QUESTIONS:** Call 303.691.0487 • Outside Denver – 1.800.571.0086  
web site: [www.colorado-ai.org](http://www.colorado-ai.org)

(As of August 2, 2000 the Appraisal Institute is no longer approved and regulated by the Division of Private Occupational Schools, Department of Higher Education)

## Golf at the Beautiful Garden of the Gods Club

This is your opportunity to play golf at the beautiful Garden of the Gods Club in Colorado Springs!

- Guests Welcome
- Register with a partner or a four-some. Single players welcome. Foursomes will be arranged.
- Fee: \$85 — 18 holes (includes green fee, cart fee, service fee and range fee)
- *Must register no later than July 3, 2001*



## We're Now Electronic

Now you may read and/or download the newsletter from your computer.

- Receive information faster
- Allow you to electronically share the newsletter with co-workers and fellow professionals

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**2001 OFFICERS AND DIRECTORS**  
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1. Advertisements must be camera-ready.
2. Advertisements must represent closely-related businesses or services to the real estate appraisal field.
3. All advertisements submitted for publication are subject to the Editor and Publisher's approval.
4. Appeals for rejections will be submitted to the Board of Directors and their decisions are final.
5. Fees are as follows:

		Member	Non-Member
<b>Full Page</b>	7" x 10"	\$165	\$175
<b>Half Page</b>	7" x 5" or 3 3/4" x 10"	\$ 90	\$100
<b>Quarter Page</b>	3 1/2" x 4 1/2"	\$ 50	\$ 60
<b>1/8 Page</b>	(Bus. Card size) 3 1/2" x 2"	\$ 30	\$ 40

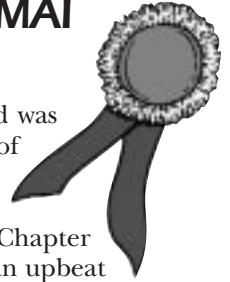
Colorado Chapter does not endorse any product or service advertised in this newsletter.

Send camera-ready copy and check to:

Appraisal Institute,  
 1540 S. Holly, #5,  
 Denver, CO 80222

If you have questions, please call 303.691.0487  
 Outside Denver metro area 1.800.571.0086  
[www.colorado-ai.org](http://www.colorado-ai.org)

**William T. Van Court, MAI**  
**Wins Award**



The Felice A. Rocca, Jr. Memorial Award was created last year to honor the memory of one of the most distinguished members of (the Philadelphia Metropolitan Chapter of the Appraisal Institute) our Chapter and of the appraisal profession. Fil had an upbeat view of life and gentlemanly demeanor, and a high sense of ethical behavior on a personal and professional level. He conducted his professional and business activities accordingly. He was also willing to help his associates in many ways, whether it was in discussion of an appraisal problem, cooperation in sharing information, or sitting down to discuss issues – sometimes even personal matters.

Fil was willing to learn new things in our profession, be it computer applications or new thinking in appraisal methodology. He participated actively on committees on both the chapter level and national level. As many in our (The Philadelphia Metropolitan Chapter) chapter know, Fil placed a great emphasis on appraisal education and was an outstanding educator and role model for hundreds of students locally and nationally.

The Awards Committee selected Bill Van Court, MAI as the year 2000 recipient. Though currently living in Denver, Colorado, Bill is originally from New Jersey. He is one of the country's most distinguished appraisal practitioners and President of Van Court and Company. Bill was a long-time friend of Fil's and had worked with Fil on many AIREA national committees. Bill was Chair of the National Admissions Committee, Chair of Required Examinations Committee, member of AIREA Governing Council, member of the Executive Committee, Vice President and President of AIREA. He was also active in the consolidation of the AIREA and the Society of Real Estate Appraisers.

Yet, with this distinguished background, Bill is a man who exemplifies the best in our profession and as a person: A solid citizen, an excellent practitioner, and a person contributing to the profession.

*Source: Philadelphia Metropolitan Chapter newsletter, 1<sup>st</sup> Quarter, 2001*

**COLORADO CHAPTER'S**  
**2001 REGION II REPRESENTATIVES**

**REGION II CHAIR**

Thomas J. Power, MAI, SRA

**ONE-YEAR TERM**

Terry K. Hartlieb, SRA – Fort Collins  
 Claudia D. Klein, SRA – Colorado Springs  
 Harold S. McCloud, MAI – Denver  
 Richard G. Stahl, MAI, SRA – Littleton

**TWO-YEAR TERM**

John (Jack) W. Nisley, MAI – Grand Junction  
 Bonnie D. Roerig, MAI – Denver  
 John A. Schwartz, MAI – Aurora

**ALTERNATES**

Dennis L. Roelker, SRA – Denver  
 Bret R. Poole, MAI – Denver

# PRESIDENT'S CORNER

by Rebecca A. Hawkins, SRA

## The No-Appraisal Option

Last October Freddie Mac made the decision to implement a new program that *does not require* an appraisal. The new “no-appraisal” feature is available for the Loan Prospector Automated Underwriting program. The modification to Loan Prospector, removes Freddie Mac’s appraisal requirements for mortgage loans with total loan-to-value ratios of up to 80% for borrowers with excellent credit history. Freddie Mac anticipates that approximately 40% of purchase-money mortgages with down payments of 20% or more will qualify for the “no-appraisal” option. Buyers will pay a small fee and must qualify to the same standards as the current loan program.

This new program will not be available for all types of home purchases. Condominiums and cooperatives will not be eligible, refinances and homes that have sold any time during the past six months preceding the application will not be eligible. To re-cap:

- Buyers must have (very) good credit
- A down payment of at least 20%
- A loan amount below \$275,000.
- May reduce residential appraisals 40% for the Loan Prospector program

According to Freddie Mac, the “no-appraisal” option gives lenders and borrowers the opportunity to dramatically speed up the approval process while reducing collateral assessment costs by up to 80%. This projection is based on a national average appraisal cost of \$334 and is expected to save homebuyers \$500 million. Lenders may choose this option and have the buyer pay a delivery fee between \$50 and \$200 to Freddie Mac. *The lender will receive waivers for representations and warranties on property value, condition and marketability, or choose to order an appraisal and not pay a delivery fee.*

Little has been printed about the repercussions of this program. An article by Ken Harney published in various newspapers gave the following information:

- The estimate will be computed by accessing online databases that the company already uses. Some of the data are publicly available from county records and some information derives from actual appraisals.
- The \$50 fee will be charged when Freddie Mac’s electronic system indicate the valuation data is deep, and likely to be highly accurate. The \$200 fee will be charged whenever there is at least some uncertainty about the degree of accuracy of the automated valuation. Freddie Mac does not require lenders to pass along the fees to the borrower.
- According to Patricia McClung, Vice President for Loan Origination for Freddie Mac electronic valuations allow the lender to give on line application approval within seconds.
- *Freddie Mac says it is moving to the new plan because nearly all traditional appraisals it receives on purchase transactions simply ratifies the price on the sales contract. The cost to the consumer is high, the company argues, compared with the valuation information Freddie can obtain online for far less.*

The article also quoted Don Kelly Vice President of Public Affairs for the Appraisal Institute, calling this program “irresponsible” and a “slight of hand”. Don Kelly said the new concept “adds significantly” to Freddie’s potential risk of loss in the event of an economic downturn. He also characterized it as “misleading” since Freddie “seems to be telling people you don’t really need an appraisal, while at the same time making heavy use of appraisal and public property data in its electronic valuation models”. At least the Appraisal Institute is mentioned in this article and an opposing opinion included.

Last year I spoke with Don Kelly, John Ross, Executive Vice President for the Appraisal Institute and John Hemschoot with Freddie Mac regarding this program. All three agreed with the following:

- The decision was made in 2000 and would be available to lenders the first half of 2001
- This was a business decision on Freddie’s part
- “This was a done deal” and nothing could be done to change the decision
- FNMA was watching with interest and may do something similar

Both Don Kelly and John Ross expressed outrage with regard to the decision making process used by Freddie Mac (how we were not consulted). It was too late to affect change, however, both John Ross and Don Kelly have been in contact with Freddie Mac to express concern on behalf of the members of the Appraisal Institute.

An organized letter response from appraisers was sent to Senators and Representatives to remind them we have a voice and believe this program is “shortsighted and risky”. The letter campaign was organized in the hope that a massive response from the entire appraisal community would give appraisers a stronger position. The letters stated, “It is unsound business practice to have Fannie Mae or Freddie Mac controlling their business functions without outside input. They have forced standards and operating practices upon the entire lending industry that have proven good for them in the short term but at the possible expense of long term solvency. It is shortsighted and risky.”

*It is an understatement to say this program will affect the residential appraiser. With Freddie Mac and FNMA implementing a “NO APPRAISAL” policy the future of the mortgage appraisal assignment is in question.*

## One last note:

GAO Says GSEs Are Inadequately Regulated: “The General Accounting Office (GAO) has found that regulators of government-sponsored enterprises Fannie Mae and Freddie Mac lack the authority for enforcement and prompt corrective action required of other bank regulators. The GSE regulators are the Office of Federal Housing Enterprise Oversight, which regulates Fannie Mae and Freddie Mac, and the Federal Housing Financial Board, which regulates the Federal Home Loan Bank System.

# REGIONAL MEETING UPDATE

by Becky Hawkins, SRA

The first regional meeting of 2001 was held May 19-20 in Salt Lake City Utah. The issues covered are listed here in brief. Please refer to the AI web site for more details. The people listed below are available to answer questions from the regional meeting. Your chapter was represented by:

**Regional Representatives:** Harold McCloud, Bret Poole, John Schwartz, Richard Stahl, Bonnie Roerig, Jack Nisley, Claudia Klein

**Regional Chair:** Tom Power

**Regional Finance Officer:** Rick Mosier

**Education Chair:** Jim Meurer

**Chapter President:** Becky Hawkins

## The Issues:

Increasing notice of proposed changes to the Bylaws and Regulations from 45 to 60 days  
Inactive membership  
Requirements for general and residential associate members outside the United States  
Mentoring reviews for residential and general members  
Residential college degree alternative  
Number of appraisals reviewed for residential experience  
Alternative to the general demonstration appraisal report  
Expanding the types of residential properties for demonstration report/experience review  
Ethics pre-hearing procedures  
Consecutive terms for chapter directors  
Two-year term for chapter education chair  
Governance restructure

Continuing education credit from creditable providers  
Change in the Super Majority Vote

These issues will be addressed at the national conventional this summer. They may be voted on at that time or be tabled for further research.

Your region purchased a LCD projector for use by the region II chapters. This will cut down on rental fees of \$400 per day at hotels.

## The Presidents Meeting

Chapter presidents from throughout the region get together for a four-hour meeting to exchange ideas. I have found this to be one of the most informative meetings I attend. Some things you may find interesting:

- It used to take an average of 7 years to get an MAI and 6 years to get the SRA. Those numbers have increased to an average of 10 years for the MAI and 11 for the SRA.
- The year 1994 saw approximately 80,000 appraisers throughout the United States. At that time about 55% belonged to some type of professional organization. In the year 2000 there were 89,000 appraisers with 30% belonging to a professional organization. The Appraisal Institute has seen a decline from 30,334 members in 1994 to 16,614 members in 2000. As we know, these declines are a result of licensing and certification as well as how our markets and society has changed. Note: It appears as though the *younger* appraisers are not from "a joining generation" as are those of us considered the *older* appraisers.
- Our membership drive has given us more residential associates so far this year than in all of 2000.
- We have almost 800 new members this year representing all levels of membership. →

**Colorado Chapter  
was strongly represented  
at the Region II meeting  
in Salt Lake City  
May 19 and 20, 2001.**

(l to r – front row) **William M. James , MAI; Richard C. Mosier, MAI, Thomas J. Power, MAI, SRA (Region II Chair); Richard G. Stahl, MAI, SRA; Rebecca A. Hawkins, SRA (Colorado Chapter President); Harold S. McCloud, MAI.**

(l to r – back row) **Bret R. Poole, MAI; John (Jack) W. Nisley, MAI; John A. Schwartz, MAI; Bonnie D. Roerig, MAI; Claudia D. Klein, SRA.**



## Regional Meeting Update (continued)

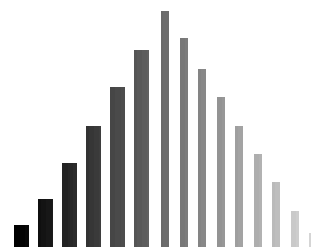
- A Washington University study indicated the average residential appraiser is a 47-year-old male doing mortgage appraisals.
- The Appraisal Institute is the only organization assisting FNMA with input on new forms.
- There are approximately 133 ethics cases pending.
- We are changing our logo (see other article)
- Region II has a \$1000 scholarship available to a woman or minority for education toward designation but we can't seem to find anyone to be the recipient.
- Other chapters are also providing free or low cost education to members in an effort to answer that age old question: "What has my Chapter done for me lately?"
- Our thanks go to the Utah Chapter for a job well done in planning and implementing our weekend. Speaking for the group, I know the "fieldtrip" peaked our interest in the upcoming Olympics. And.... personal kudos to the forward thinking person (most likely a female) who decided on chocolate covered strawberries for our afternoon snacks!

## Did You Know?...

You can receive two (2) hours of continuing education for the State of Colorado by attending a Board of Real Estate Appraiser meeting (Limit: One meeting (2 hours) per year). The Appraisal Institute does not grant continuing credit for attendance at these meetings.

Meetings start at 9:00 a.m. and are held at 1313 Sherman Street, Room #318 unless otherwise scheduled. *Always* call the Board offices prior to the meeting to confirm date and location (Phone: 303-894-2166).

## A NEW LOGO



**Appraisal  
Institute®**  
*Professionals Providing  
Real Estate Solutions*

### Background to the Appraisal Institute Brand Identity Change

The Appraisal Institute is the recognized leader in residential and commercial real estate appraisal education, research, and publishing and professional membership designation programs. We have begun assessing marketing and communication strategy with the goal of a new market focus. As part of this initiative, the Appraisal Institute has identified the need for an update of its corporate identity program. The first step of this process has been to design a new signature for the organization.

In updating the Appraisal Institute signature the shape of the current symbol (a triangle) has been maintained but modified to add an arch reference. The form, through its use of vertical lines, now takes the shape of a roof and a skyscraper, representing both residential and commercial real estate.

The Appraisal Institute name has been enlarged and set in upper and lower case to balance it with the size of the triangle while giving it emphasis and readability. The name is set in a classic typeface, which represents strength, stability, and history. A tag line (Professionals Providing Real Estate Solutions) set in *Italic*, has also been added to add meaning and clear definition of the Appraisal Institute's role and mission. The symbol is always used in combination with the Appraisal Institute name and tag line to form the signature.

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## They Went That-A-Way

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### E-MAIL ADDRESS CHANGE

**Gerald M. Anderson, MAI**  
gma@rmi.net  
**Peggy Ballenger, SRA**  
pegiballenger@earthlink.net  
**F. John Batug, MAI**  
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BiberCo@frontier.net  
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**Karen Tool, SRA**  
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**Charles R. Travis, SRA**  
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**William H. Webster, SRA**  
whweb@rmfa.com

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**David L. Clark, MAI**  
**Carter D. Morrison, MAI**  
**Larry W. Stark, MAI**  
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Denver, CO 80246  
**Laurie Van Court, MAI**  
P. O. Box 968  
Franktown, CO 80116

**NEW FAX NUMBER**  
**Patzy G. Roberts, SRA**  
970.547.9387

**SWITCHED from AFFILIATE to GENERAL ASSOCIATE**  
**Sandra J. Schneider**

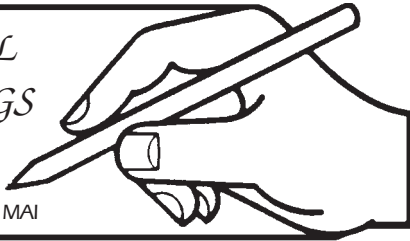
**SWITCHED from GENERAL to RESIDENTIAL ASSOCIATE**  
**Stephen M. Snyder**

**DESIGNATED MEMBER RESIGNED**  
**Robin L. Kunze**  
**Peter Olejnik**

**GENERAL ASSOCIATE RESIGNED**  
**Sina Goharjou**

**RESIDENTIAL ASSOCIATES RESIGNED**  
**Richard L. Springfield**  
**Leonard R. Vance**

EDITORIAL  
RAMBLINGS



By David H. Daniels, MAI

Is anyone questioning why a nature photographer and a freshman State Senator are again leading the charge to stop growth (don't kid yourself, there is nothing more John Fielder and Senate President Stan Matsunaka would love to have than everyone (except themselves) living in Soviet style apartment communes)?

For some reason, self-appointed "smart growth" crusader Fielder believes he is an expert in real estate development and finance. He once made the broad assumption that a land owner would make just as much money from subdividing a property into 35-acre ranchettes as he would from a traditional residential development – and how do you know this John? Furthermore, he seems to think he has been elected by a higher authority to save you and the rest of Colorado from ruining "the quality of your life." Spare me John, but I and a lot of other people like the current growth and the opportunities it provides – remember the defeat of Amendment 24?

Matsunaka, after stating "if we can't pass legislation that will protect Colorado, we sure as hell can make sure that nothing passes that will make it worse," appears to be trying to make a name for himself (either good or bad – he doesn't seem to care and I can't tell). This doesn't sound like an effective negotiating tactic or bipartisan approach to me. Matsunaka's qualifications on the "smart growth" issue are based on his observations of "sprawl" while driving from Loveland to Denver. By the way, is all of the growth we've been experiencing "dumb growth"? Apparently, Matsunaka doesn't like the quality and type of development he sees. I have to question why an environmentally concerned citizen such as himself is driving every day from Loveland. Shouldn't a good environmentalist take the bus or carpool? Like Fielder, Matsunaka has taken it upon himself to save us from cutting our throats – because the government and nature photographers always know best (thanks but no thanks for your help boys).

Speaking of government intervention, I'm waiting in anticipation to see how Texas appraisers will handle the posting of "I am a recovering child molester" sign in front yards of convicted child molesters. If you haven't heard, a Texas county is mandating that former child molesters post a sign in their front yard stating they have been convicted of child molestation. I don't know about you, but I wouldn't want to knowingly live next to a child molester and I wouldn't want my friends knowing either – and I don't even have kids. By the way, what's to stop "block busting" in these neighborhoods? Of course, I'm generalizing and making the assumption that living next to a convicted child molester and having everyone know it is a bad thing. Although a definitely don't support criminal activity of any kind (in fact, the more retribution, punishment, embarrassment, harass-

ment, etc. the better), I don't support government intervention of this type. The signs will only hurt the surrounding property owners and values.

As usual, the old adage "we're the government and we are here to help" applies here.

## Board of Real Estate Appraisers Report on Examinations and Licensing

by Lee Ormiston, Licensing and Education Specialist

As of May 1, 2001 the State of Colorado had the following number of each license type:

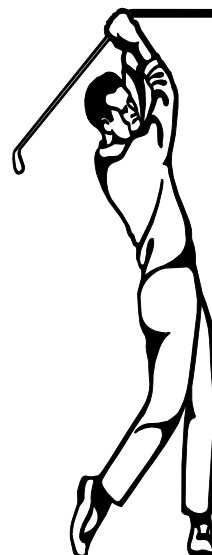
Registered Appraiser	902
Licensed Appraiser	609
Certified Residential Appraiser	895
<u>Certified General Appraiser</u>	<u>1,066</u>
Total Licensees	3,472
Inactive licenses	34
Temporary Practice Permits	19

The number of new applications received during April:

Registered Appraiser	25
Licensed Appraiser	12
Certified Residential Appraiser	7
<u>Certified General Appraiser</u>	<u>4</u>
Total Applications	48

Temporary Practice Permit applications received during April: 14

The number of first time test takers is lower than at this time last year. The pass rate for first time test takers is better than at this time last year.



### CCIM Golf Tournament

Monday, July 30, 2001  
Inverness Hotel & Golf Club  
\$120 Fee  
Benefiting NOCC  
National Ovarian  
Cancer Coalition

For more information  
Phone: 303-346-6626



# Spotlighting

## **Louis J. Garone, SRA Colorado Appraisal Licensing Board Member**

Effective January, 2001, the Governor appointed Louis J. Garone, SRA to the Colorado Appraisal Licensing Board for a three-year term.

Lou Garone left a 20 year career with the Bell System in 1985. During his tenure, work included equipment installation, engineering, short and long range planning, budget management and personnel administration.

During the transitional period between corporate life and real estate appraising he designed and built several homes in addition to taking the basic training required for residential real estate appraising. In 1989 he began training in the commercial appraisal market with Clifford L. Cryer, MAI, SRA.

During the period from 1997 through 1999 he worked as a staff review appraiser for Mellon Mortgage Company dealing with underwriting issues, secondary market buy back cases, quality control and fraud investigations.

Over the 15 year period since his career change, Lou has acquired the SRA designation through the Appraisal Institute and has successfully completed his commercial demonstration report and passed the comprehensive examination, working toward the MAI designation. Lou's level of license is Certified General Appraiser in the state of Colorado.

His appraising career includes experience in all facets of residential properties, widely varied experience in commercial properties, eminent domain from both the perspective of the taking authority, and the property owner, litigation in many venues, extensive review from administrative as well as technical aspects, and teaching. Then, effective in January of 2001, Lou accepted a position on the Colorado Appraisal Licensing Board.

Lou spends about 150 hours per year teaching appraisal theory and application for the University of Colorado. He is qualified to teach all of the appraisal related curriculum and has authored and co-authored several of the classes and seminars offered by the University.

Lou's passion is teaching, litigation work and review, all of which fall second only to his family and love for the out of doors.

## **Larry S. Massey Chair, Colorado Board of Real Estate Appraisers**

Larry is a fourth generation "native" Denver resident. He completed his public schooling in the Denver Public Schools system, and went on to graduate from the University of Southern Colorado with a Bachelor of Science Degree in Education. These undergraduate years in study were made possible by commercial and residential brokerage sales . . . as Larry first obtained his Colorado Real Estate Salesman License early in 1970 prior to his enrollment at USC.

Upon graduation from USC, Larry was hired as a full time teacher within the Jefferson County Public Schools system, teaching at Columbine High School in Littleton, Colorado and Bell Middle School in Golden, Colorado. After a few years teaching, Larry returned to real estate sales where from 1978 to 1982 he was a "Million Dollar Club" member and co-owner of a multi-office Century 21 brokerage firm. This real estate background eventually lead him, in early 1981, to the appraisal industry.

Over the past 20 years Larry has serviced a wide range of both public and private sector clients.

Larry served as Chief Appraiser for Douglas County Government during the late 1980's and early 1990's during a time when this jurisdiction was first (and then regularly) ranked annually as the "*fastest growing county in the nation*".

At present, as an active Real Estate Broker and Certified General Appraiser, Larry provides a variety of contract appraisal products and services to several area institutions and governmental (or quasi-governmental) entities.

Larry is an active participant in his many organizational affiliations, including Colorado Chapter Associates Coordinating Committee and General Associates Liaison to the Appraisal Institute, Governmental Affairs Committee of the Denver Metropolitan Commercial Association of Realtors (DMCAR) and the Denver Board of Realtors (DBR), Colorado Real Estate Commission Liaison for the Denver Realtors Association (DMCAR and DBR), International Right of Way Association (IRWA) and Colorado Association of Tax Appraisers (CATA) — to name but a few.

Larry is also a second term appointee of Governor Owens (Governor Romer 1st term appointee) to the Colorado Board of Real Estate Appraisers, having served twice as Vice-Chair (1997-1999) and Chair (1999-2000) to this regulatory authority for the appraisal industry.

# LDAC 2001

by Donald J. Shannon, MAI, SRA

I had the privilege of representing the Colorado Chapter of the Appraisal Institute at LDAC (Leadership Development and Advisory Council) in Washington, DC in March with the Appraisal Institute. I learned from the young members and was able to share much history of our organization with them. Overall, it was a great exchange of ideas.

The topics covered at LDAC were:

1. "True Analysis in the Information Age."
2. "Reinventing the Appraisal Institute."
3. "Business Model: Is Bigger Better?"
4. "AQB, Certification and the Future of your Designation."

The opportunity to lobby our senators and representatives was interesting and exciting. At each office, we met with young, energized individuals who work for our elected officials. They appeared interested in our issues, listened carefully and were appreciative of our efforts.

Most impressive were the LDAC participants. They *are* the future leaders of the Appraisal Institute and appear to be very capable. We have many qualified persons in the Colorado Chapter that need to become more involved. Our chapter has always been a leader and LDAC is the forum for new and innovative ideas. Each of you is encouraged to become more involved. Inclusion is where all this becomes fun.

The Appraisal Institute is striving to perform for you. Don Kelly and Bill Garber in our Washington Office are working diligently on our behalf. But your participation is imperative. We, as an organization can only succeed when our members are committed. Get involved! Work for the Appraisal Institute. You will be rewarded personally, professionally and financially.

LDAC recommendations to the Board of Directors are being coordinated and summarized into final form which I shall pass on to you when it's completed.

# Government Relations Committee, Washington DC, March 2001

by Diane M. Shannon, SRA

Wow! What an exciting event! I represented Region 2 at the Government Relations Committee meeting in DC, March 12.

GRC focused on many issues that concern us as appraisers. These included bills coming forth such as, "Privacy of Consumer Financial Information," "Temporary Appraisal Practice," "Banks in Real Estate Brokerage," "Mortgage Reform (bundling of services) and "Lender Pressure."

Our Chicago and Washington offices are very much involved with these issues that either do or will affect each of us in our practices. Please contact them with your specific concerns and problems. They can't deal with conflicts if they are not aware of the tribulations that you face.

The following day GRC lunched with LDAC before we jointly hit the hill for lobbying purposes. Our speaker was Colorado's Senator Wayne Allard. This was most appropriate as the Senator is on the Banking Committee. He addressed our issues and appeared to be empathetic. What a treat to have the Senator share his time with us.

Our team on the hill included myself, Don Shannon and John Cherica of Nebraska. We spoke with staff of Senator Wayne Allard (CO), Senator Ben Nighthorse Campbell (CO), Representative Bob Schaffer (CO 4th District) and Representative Lee Terry (NB). They were aware of some of our issues and asked thoughtful questions of us.

Be assured that you are well represented with intelligent, energetic persons that are vested in the Institute and its goals. It is recognized that our services are vital in the fair exchange of real estate but that we have additional services to offer the market. Your Appraisal Institute is working for each of us. We need your help and input.

*Welcome!*

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## Washington Meetings Update



**Diane M. Shannon, SRA** shown with (l to r) **Senator Wayne A. Allard** from Colorado District 4; **Alan Hummel, SRA**, Appraisal Institute Vice President and **Danny K. Wiley, SRA**, Chair of the Leadership Development Advisory Council (LDAC) in Washington, D.C.



From the Colorado Chapter, **Diane M. Shannon, SRA** joins **Senator Wayne A. Allard**, **Donald Kelly**, Appraisal Institute Vice President, Public Affairs; and **Brian A. Glanville, MAI**, President, Appraisal Institute at the Government Relations Committee/LDAC luncheon.



Shown at the Appraisal Institute Political Action Committee (APPAC) reception on the Hill are (l to r) **Robert W. Schaffer** from Ft. Collins, **Diane M. Shannon, SRA** and **Brian A. Glanville, MAI**.



**Senator Wayne A. Allard** addressed the Government Relations Committee members and the LDK representatives in Washington D.C.

Sharing his concern that the privacy provisions of the Gramm-Leach Bliley Act (GLB) were not intended to identify real estate appraisers as "Financial Institutions." He further noted, "In my opinion the bill was not intended to cover real estate appraisers."

**Donald E. Kelley** stated, "The Broad interpretation of the GLB by the Federal Reserve Board and Federal Trade Commission is erroneous." Further, "to conclude that real estate appraisers are tantamount to financial institutions, and must unreasonably restrict their real estate data collection practices, will only limit the efficient delivery of appraisal-related services to the home buying consumer."

## To Whom It May Concern...

April 1, 2001

Stuart W. Cruden, Appraiser  
27 Burlington Way  
Longmont, CO 80501  
303-702-1842  
stuwords@rmi.net

Longmont Board of Realtors  
IRES  
Boulder Board of Realtors  
State Attorney General  
Better Business Bureau

On April 1, 2001 IRES (Information and Real Estate Services) "upgraded" their subscriber MLS to internet access only. Formerly, the MLS was on a modern-based software-driven format which adequately served its purpose for the past 6+ years.

The new system is flawed mainly as a result of the inadequacy of telephone line capabilities for the user, which in my case, here in Longmont, phone lines are not particularly reliable and fast. I have contracted Qwest for a DSL line, which may or may not give reliable access to the new IRES system, at \$20/month.

The new system takes about 4 times longer to use than the old system, and sometimes data is not downloaded at all. Additionally, required data relevant to appraisals that was readily available and provided for in the past is now missing, such as deed records, census tract numbers, and CMA data. I am told some of the required data is "being worked on."

I've had to hire a computer consultant who still has not been able to de-bug my access, and had to literally beg the Boulder Board of Realtors to supply me with one of IRES's CD disc which would upgrade the internet explorer access. (IRES would not send me a disc.)

As my appraisal rates have not increased in the past 12 years, which is pretty much true with most other appraisers, I see my bottom line once again shrinking as others tell me that "progress" is being made. If this is progress, put it next to extortion in the dictionary. As usual, we appraisers are the red-haired children in the realtor's world, and our needs have literally been ignored. I have sent at least 3 E-mail inquiries to IRES which have not been responded to.

Denver's MLS system is still intact after more than 12 years, and provides a reasonable service. Now, not even print back-up is available of MLS material, probably as a result of expense. Two years ago IRES promoted the use of electronic lock-box keys which Denver realtors wisely rejected as more unnecessary "progress" (and expense). I wonder if there are any satisfied Boulder-Longmont appraisers using the new internet-based MLS system. What's happened to choice in this country?

Stuart W. Cruden,  
Appraiser

# Colorado Chapter = Education



Twenty-two students attended the National sponsored seminar "Section 8/HUD Rent Comparability" instructed by **John E. Doyle, MAI** on February 23, 2001.



**Clifford L. Cryer, MAI, SRA** (l) and **Kerry M. Jorgensen, MAI** (r) instructed C-310, Basic Income Capitalization, which had 22 students.



**Thomas J. Power, MAI, SRA**, National Director presented a program on membership in the Appraisal Institute during a luncheon meeting as a part of "Membership Month."



"Avoiding Liability As A Residential Appraiser" instructed by **Richard M. Heyn, SRA** was very well received by the 41 appraisers who attended this 7-hour seminar on May 7, 2001.



March 6, 2001 the Chapter presented "USPAP – 4-Hour Update" with **Louis J. Garone, SRA** (l) instructing 34 students. Then 47 attendees enjoyed a slide program on "Real Estate in Cuba" that **Mark L. Levine, MAI, SREA** narrated.

# The Political and Legislative Action Network

Taken from The Plan 3/29/01

- High Pressure Moves Through The Plains  
Appraisal Institute President Brian Glanville, MAI, met with officials of the American Bankers Association and the Mortgage Bankers Association of America on March 14th to discuss how the Appraisal Institute could work with the two organizations in addressing the issue of inappropriate client pressure on appraisers. The two meetings were in response to the Appraisal Institute's letter to Congress in January requesting Congressional hearings on the subject. The meetings were the first step in an effort to solve the problem of client pressure internally, without new legislation or regulation.

Both the ABA and the MBAA believe that the majority of their members comply with all relevant regulations, but agree that a dialog between lenders and appraisers would be useful to better understand how to work together effectively.

As a result of the meetings, the Appraisal Institute committed to develop educational materials on acceptable and unacceptable communications and practices between and client and the appraiser. The ABA, MBAA and the Appraisal Institute will publish educational materials pursuing a similar discussion with the National Association of Mortgage Brokers.

- John Ross reported that he and several staff members met with Joe Minnich from Fannie Mae on April 18th, 2001 to discuss joint seminars, client pressure,

and other issues. He announced that a co-sponsored appraisal seminar is planned for Fall 2001.

- Depreciation Topic for Legislation – Proposed Change in the Cost Recovery Rules Associated With Leasehold Improvements

Rep. Clay Shaw, R-Florida, has introduced legislation that would shorten the depreciable life of tenant improvements to 10 years. Shaw introduced the bill, H.R. 1030, on March 14th. Sixty-four House members have signed on as co-sponsors of the legislation thus far.

Simply stated, this legislation would allow building owners to depreciate specified building improvements using a 10-year depreciable like, rather than the 39 years required by current law, thereby matching more closely the expenses incurred to construct these improvements with the income the improvements generate under the lease.

As a result of this, after-tax cost of reconfiguring or building out office, retail or other commercial space to accommodate new tenants or modernizing a workplace is artificially high. In many cases, this hinders urban reinvestment and construction job opportunities as improvements are delayed or not undertaken at all. H.R. 1030 has been referred to the House Ways and Means Committee; no hearings have been scheduled on the legislation yet.

## Change in General Demo Report Requirement

General demo reports submitted after August 1, 2001, must include a market analysis — a detailed supply and demand study for the subject property type. The property must suffer from physical incurable obsolescence, but is not required to suffer from another form of depreciation. However, all forms of depreciation present in the subject property must be identified and measured.

While a demo submitted after August 1, 2001, MUST meet the new requirements, a demo submitted after August 1, 2000, MAY be written to conform to the new requirements. Questions should be directed to Nancy Morales at 312-335-4177 or [nmorales@appraisalinstitute.org](mailto:nmorales@appraisalinstitute.org).

Source: *The Professional Appraiser*, October 2000

## Whoa! This is getting way too serious



Richard C. Mosier, MAI celebrated "The Big 50" with (l to r) his wife, Sue; John V. Winslow; Bonnie D. Roerig, MAI, Jim Konzak, John A. Schwartz, MAI, and Peter D. Bowes, MAI.

# C L A S S I F I E D S

**Appraiser Position: Denver.** Established firm with multiple offices and national clientele seeks extremely quality-oriented commercial appraisers with 2+ years experience for a variety of property types. Position requires strong analytical/writing and computer skills including proficiency with spreadsheets, Pro-Ject, Argus and WordPerfect 8.0. Benefits include vacation, health insurance, education reimbursement and 401(k). Send resume to NVC; 950 S. Cherry St., #800; Denver, CO 80246 or fax resume to 303.753.9339.

**Researcher/Appraisal Intern Position: Denver.** Established firm with multiple offices and national clientele seeks extremely quality-oriented college grad with interest in the appraisal business. Requires strong analytical/writing skills and proficiency with wordprocessing and spreadsheets. Benefits. No experience necessary. Send resume to NVC; 950 S. Cherry St., #800; Denver, CO 80246 or fax resume to 303.753.9339.

**Chief Building Engineer** seeks "wing" to be taken under for new career and opportunity to learn industry and pursue required education and certification. Current commercial real estate experience and education will compliment desired position. I am a quick study and shall prove to be a valuable asset to my mentor. Please contact Jeff at 303-873-9696.

**Need a helper?** I need someone to train me during the 2000 training hours. I have finished some course work, I can be done as quick as you need. I am flexible with my time. I also have real estate experience. Please call me at 303.257.7623 or email at Chariybo@aol.com.

**Newly remodeled office** space two blocks from Denver Courts. Copier, fax, conference room, parking available. \$500 per month. Call Karen or Melissa at 303.623.9383.

**Firm For Sale** - Small, one MAI office located in Boulder, Colorado. 30-year firm specializing in litigation/eminent domain and general commercial assignments. "S" corporation. Well-established clientele. MAI seller will provide consultation and liaison with clients. Reasonable down payment and price negotiable, perhaps carry over several years. Contact Gerald M. Anderson, MAI, 303.442.4004.

**Wanted! Appraisers.** Primis is paving the way for experienced appraisers to become part of the industries first full service nationwide appraisal company. Our current merger with LandAmerica Financial Group has created an exciting opportunity for staff appraisers in all areas of Colorado. Please contact Randy Pierzina at 303.291.4973 or e-mail: rrpierzina@primis.com

**MAI Review Appraiser** needed by major mortgage investment group. Must have exceptional financial analysis and communication skills. Excellent compensation package offered, including comprehensive benefits/relo. E-Mail resume to: chrisgroup@attglobal.net. Current compensation must be included.

**DENVER - Appraiser** - National appraisal firm seeks MAI or advanced MAI Candidate with minimum of 3 years experience. Must be able to handle multi-project workload and possess superior analytical/communication skills. Excellent benefits, production support provided. Office systems: Microsoft Word, Excel, RealWorks, Argus. Resumes to: Integra Joseph Farber & Company, 2000 S. Colorado Blvd., Annex Bldg. Suite 250, Denver, CO 80222 or FAX 303-300-3789.

**DENVER - Appraiser Associate** - National appraisal firm seeks appraiser with some previous experience, interested in broadening their scope of experience with a range of property types in busy, well-supported office. Applicant needs to be proficient in Microsoft Word and Excel. Excellent benefits. Resumes to: Integra Joseph Farber & Company, 2000 S. Colorado Boulevard, Annex Building, Suite 250, Denver, CO 80222 or FAX 303-300-3789.

**Typing, transcription, editing, and proofreading services.** 13 years experience transcribing and producing commercial real estate reports. 100 words/minute typing, exceptional editing and grammar skills. Latest technology and software enabled. Fast, accurate and reliable. Contact Vicky Dietz at 303-651-7990 or [vdietz@earthlink.net](mailto:vdietz@earthlink.net) for references and more information.

**Commercial Appraisers Needed - Denver Metro Area.** Guaranteed higher income through the effective use of technology. Work at home or in the office. Bonuses paid for bringing your own clients. Every appraiser owes it to themselves to take a look at the proprietary technology we are using to support the appraisal process. We believe the appraiser should be focused on the technical appraisal issues rather than the administrative parts of the process. Company benefits include E & O insurance, contributions to group health insurance premiums, continuing education allowance, production support, and a pleasant group to work with. Please investigate joining our staff, which is headed by 3 MAIs. Fax inquiries to 303-443-9623 or e-mail [nvc@idcomm.com](mailto:nvc@idcomm.com).

**Associate Appraiser or Research Analyst** - Well established commercial/investment firm expanding staff for ordinary and unusual assignments. Residential appraisers wishing to move to commercial are welcome. No experience necessary but good writing, computer and analytical abilities are critical. Friendly office environment with benefits. Fax resume in confidence to 303-388-8756.

**Real Estate Appraisal office for rent.** Most expenses included. \$475 per month. Call Marv or John, 303.695.4636 or 303.671.7511.

**Senior Commercial Appraisers Needed - Denver Metro Area** - Guaranteed higher income through the effective use of our proprietary technology. Work at home or in the office. Bonuses paid for bringing your own clients. Company benefits include E & O insurance, contributions to group health insurance premiums, continuing education, and production support. Come join our close-knit workgroup that includes three MAI s. Fax inquiries to (303) 443-9623 or e-mail [Blee@Bristol-Realty.com](mailto:Blee@Bristol-Realty.com).

## ENROLLMENT FORM

## 4 Hour USPAP Update and Golf Event

Questions: 303.691.0487

### NO PHONE RESERVATIONS! PLEASE

Outside Denver Area:

1.800.571.0086

e-mail: [carol@colo-ai.org](mailto:carol@colo-ai.org)



Mail this and a check no later than July 3, 2001 to:

APPRAISAL INSTITUTE, 1540 SOUTH HOLLY STREET, #5, DENVER, CO 80222

or FAX (303.757.0158) this with your VISA or MasterCard number and expiration date (note: We do not accept American Express)

Name: _____		Social Security Number: _____	
Designation			
E-Mail Address: _____		Work Phone: (____) _____	
Fee: 4-Hour USPAP Update (includes lunch):	Members: FREE	Non-Members:	\$ 50.00 _____
Lunch Only:	Members: FREE	Non-Members:	\$ 15.00 _____
4-Hour USPAP Update, Lunch and Golf:	Members: \$85.00	Non-Members:	\$ 135.00 _____
Golf Only:	Members: \$85.00	Non-Members:	\$ 85.00 _____
VISA <input type="checkbox"/> MasterCard <input type="checkbox"/>		<b>Total \$</b> _____	
Credit Card Number: _____		Expiration Date: _____	
Name on Card: _____		Signature: _____	
Please type or print			