

COLORADO CHAPTER APPRAISAL NEWS

Appraisal Institute®
Professionals Providing Real Estate Solutions

Volume 14, No. 2 — March, 2004



Editor: Donald E. Boyson, MAI, SRA

www.colorado-ai.org

Publisher: Carol Brooks

THURSDAY, MARCH 4, 2004

The Colorado Chapter of the Appraisal Institute

presents

KEYS TO LONGEVITY IN A NOBLE PROFESSION

LOCATION: Four Points Sheraton at Denver University
 1475 S. Colorado Blvd.
 Denver, CO

SCHEDULE: 3:30 p.m. – 4 p.m. Registration
 4 p.m. – 6 p.m. Keys to Longevity in a Noble Profession
 6 p.m. – 7 p.m. Cocktails
 7 p.m. – 9 p.m. Dinner, Chapter Meeting, and Seminar Speakers
 Colorado Chapter Member Meeting – Selection of Members of Nominating Committee

FEE:

Seminar Only	
Members Appraisal Institute:	\$15.00
Non-members:	\$50.00
Seminar and Dinner	
Members Appraisal Institute:	\$25.00
Non-Members:	\$75.00
Dinner Only	
Members	\$15.00
Non-Members and Guests:	\$25.00

CONTINUING EDUCATION: Appraisal Institute – 3 hours including dinner – 2 hours – seminar only
 State of Colorado - 3 hours including dinner – 2 hours – seminar only

SPEAKERS: Matthew E. George, SRA
 Richard C. Mosier, MAI
 Craig S. Swanson, SRA
 Martin W. Ward, MAI, SRA

TOPICS: Personal approach and reflections on:

- Marketing Your Services
- Contracting for Services
- Delivering Appraisals
- Motivating Yourself and Others

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

REGISTRATION: See page 8 for Registration Form or go to our web site: www.colorado-ai.org

QUESTIONS: Call 303-691-0487 (outside Denver – 1-800-571-0086) web site: www.colorado-ai.org

BOARD OF DIRECTORS MEETING

Thursday, March 4, 2004, 1:30 p.m. – 3:30 pm.
 Sheraton Four Points – All Members Welcome

IN THIS ISSUE:

2004 Officers and Directors	2	Fourth Annual Outdoor Fun	3	The Company Wide Membership Program	6
Advertising Policy	2	Editorial Ramblings	4	Sponsor a Member 2004 Campaign	6
Colo. Chapter's 2004 Region II Representatives	2	Congratulations New MAI	4	Conferences, Meetings and Task Groups	7
PAID ADVERTISEMENT	2	14th Annual Installation Banquet	5	They Went That-A-Way	8
FYI	2	Chapter Library	6	Registration Form	8
President's Corner	3	MS Walk	6		
Welcome	3	Industry Experts Unveil Best Practices	6		

**2004 OFFICERS AND DIRECTORS
Colorado Chapter of the Appraisal Institute**

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PAID ADVERTISEMENT

Advertising Policy

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
Full Page	7" x 10"	\$165	\$175
Half Page	7" x 5" or 3 3/4" x 10"	\$ 90	\$100
Quarter Page	3 1/2" x 4 1/2"	\$ 50	\$ 60
1/8 Page	(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

FYI

As of January 1, 2004 the Colorado Board of Real Estate Appraisers announced that it has the following number of each license type:

Registered Appraiser	1,715
Licensed Appraiser	843
Certified Residential Appraiser	1,051
Certified General Appraiser	998
<hr/>	
Total Licensees	4,607
Temporary Practice Permits	20
Inactive Licenses	71

COLORADO CHAPTER'S 2004 REGION II REPRESENTATIVES

ALTERNATE

Bonnie D. Roerig, MAI - Denver

ONE-YEAR TERM

Matthew E. George, SRA - Denver
Richard G. Stahl, MAI, SRA - Englewood
Martin W. Ward, MAI, SRA - Boulder

TWO-YEAR TERM

Sue Anne Foster, MAI, SRA - Greeley
Claudia D. Klein, SRA - Colorado Springs
Beverley S. Phillips, MAI, SRA - Parker
Wm. Michael Rinner, MAI - Englewood

PRESIDENT'S CORNER

by Jack Nisley, MAI



I was recently asked what I expected from this year as Chapter President, what goals I had for the Chapter. Our chapter is one of the best chapters, based not only on finances, but also based on participation on national committees, national project teams, and services to our members. I hope to encourage involvement for members and to encourage designation for associate members.

At the January Board of Directors meeting, a motion came forward for the Chapter to provide \$500 toward a computer to any Residential Associate who meets the requirements for SRA designation by December 31, 2004. This will be limited to the first five (5) Residential Associates who become SRA's. Your Board is challenging Residential Associates to complete not only their demonstration reports, but to finalize their experience submissions and education, if needed, and get their SRA designation. There are becoming more and more opportunities for SRA's in the market. At the Board meeting, one specific instance was brought up where a lender was seeking an SRA to take a position in their company. They wanted an SRA, not just a licensed residential appraiser. Good news! By the way, there are some pretty decent computers out there for \$500 or less.

In April, many of us will be attending national meetings in Chicago. Ever wonder how many are truly involved from our chapter? I went online, and counted 18 members, including our Executive Secretary, that serve on committees or project teams. Out of that number, ten served on one committee or project team. Four served on two committees while four more served on three committees or project teams. Some who are serving may surprise you. After serving for years, sometimes decades, they still serve. **Peter Bowes** is on the 717 Business Model Project Team. **Nelson Bowes** is (still) on the General Comprehensive Exam Subcommittee. **Bonnie Roerig** serves on General Demos, **West Foster** on Ethics, and **John Schwartz** on Educational Publications, Publication Review Panel, and is the Regional Education Liaison. **Tom Power** is on the Board of Directors, Audit Committee, and Residential Demos. **Bill James** is on Admissions Appeals and the Masters Degree Subcommittee. **Mark Linne** is on Appraisal Journal Review Panel and Education Publications, with **Claudia Klein** on the Appraisal Standards Council, the Residential Experience and Residential Appraisal Council Admissions. **James Park** is also on Appraisal Standards, and **J.E.Cohn** is on Associate Member Guidance. **Bob Stevens** is on the General Appraisal Council and University Relations, with **Richard Stahl** on the Mark to Market Project Team. **Sue Foster** is Chair of Residential Demos, and serves on Qualifying Education and RAC Admissions. **Mark Levine** is on the Masters Degree Subcommittee

and **Don Damron** is on Client Advisory Committee. **Carol Brooks** is on the 717 Marketing Project Team, and I serve on General Experience and Residential Demos. These folks deserve KUDOS for their hard work and commitment to the Appraisal Institute. When Carol is asked a question about admissions, publications and many other areas, she has a wealth of knowledge and experience within the chapter to draw on.

By the time you receive the newsletter, the ABA/ Appraisal Institute Telephone Briefing will have already happened. The Chapter provided 6 locations free to members statewide with 2 hours of continuing education. Over 100 members took advantage of this opportunity. Thanks to Carol for organizing the various locations and handling the many details necessary to make this effort a success.

In hot air ballooning, we have been told in safety seminars that we are responsible for flying the aircraft until it is bagged and put away. Likewise, in our work, we need to properly work through the appraisal problem until the report is out the door and is used in the manner we expected. How many of us go back and review a report we did a few weeks or months ago and find things we wished we'd caught. One time after we hired a secretary from Texas, we found, in a report that had gone out, that the building was supported by wood pillows. The reviewer never asked if the pillows would support the building as well as wood pillars.

Welcome!

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OUTDOOR FUN!

FOURTH ANNUAL SUMMER EVENT!!! Copper Mountain • August 27, 28, 29, 2004

Mark your Calendars:

FREE CONTINUING EDUCATION FOR MEMBERS • NON-MEMBERS - \$50.00 PER DAY

Friday, August 27

1 p.m. - 5 p.m. Seminar
Land Uses
Conservation Easements
Water
5 p.m. - 6 p.m. Social Hour

Saturday, August 28

8 a.m. - Noon Seminar - Design in
a Down Market
1 P.M. - ? Golf - contact Randy
Pierzina, SRA
303.932.2362
(Price & location to be determined)

Saturday, August 28

7 p.m. Group Dinner
(Location to be determined)

Sunday, September 21

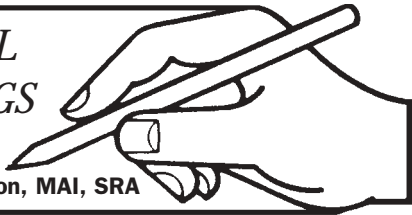
8 a.m. - Noon Seminar -
Resort Development
Transportation

Continuing Education: 12 hours (Colorado State and Appraisal Institute) FREE FOR MEMBERS

Topics, speakers, registration information will be coming soon!

**EDITORIAL
RAMBLINGS**

by Donald E. Boyson, MAI, SRA



TALK ABOUT ANTIQUES

December 10, 2003 and there was yours truly huffing and puffing his way along the steep and confined passageway to the burial chamber located one third of the way up the Great Pyramid of Khufu (Cheops) in the desert above the northwesterly suburbs of Cairo. This structure rises some 450 feet from the desert floor, contains some 2.3 million limestone blocks, each weighing an average of 2.5 tons and was completed about 4500 years ago.

Based on this inspection, combined with the dearth of comparable sales and income data, my opinion of value is based solely on the cost analysis and equates to “PRICE-LESS” as of current time . . .

My journey through Egypt was planned and executed to perfection by “People to People International” as part of the Global Peace Initiative and was led by Mary Eisenhower, granddaughter of the late General and President. We spent time in Cairo, Aswan, Luxor and Sharm El Sheikh, visited several temples, tombs at the Valley of the Kings, travelled by boat for three days on the Nile and enjoyed a snorkel in the Red Sea.

Egyptians are very friendly, apparently recognizing that tourism represents a major force in their economy. The fertile land along the Nile, varying from a few hundred feet to over a mile in depth, is intensely farmed with crops including tomatoes, many green vegetables, sugar cane, bananas and date palms.

Security was readily apparent, no doubt in recognition of the important and precious members of our group—Mary Eisenhower and an SRA/MAI from Colorado . . . the AK47 was the weapon of choice for both soldiers and police; however, regardless of flashing lights, horns and sirens, drivers and pedestrians alike go where they will in some chaos and with total disregard for attempted traffic control.

Egypt has been subject to occupation by the Greeks, Romans and the British and only the Brits continue to be the subject of scorn—when I asked the reason for this, our Egyptologist/Guide said it was due to their arrogance . . . so I was at my charming best and sincerely endorsing the premise that the British Museum should return the Rosetta Stone to its rightful and historic home.

Housing, with the exception of the Presidential Palace and mansions of the wealthy, manifests deferred maintenance such as cracked/missing exterior stucco and severely weathered brickwork. The majority of houses are constructed with a reinforced concrete rectangular framework and mud brick . . . many are in an “unfinished” condition which allows for future expansion as the extended family grows and excludes the dwelling from property taxation. The latter condition results in serious revenue shortfall and the Cairo government is desirous of amending the property tax laws appropriately. Did our developers/home builders learn this trick from the Egyptians or . . .?

In summary, Egypt offers a wealth of awesome construction, incredible pictorial and hieroglyphic history and a phenomenal assembly of beautiful artifacts.

Now—a couple of current issues—State Senator Ken Chlouber has introduced a bill which is intended to ban the use of discount membership cards issued by major grocery retailers. The basis for his opposition to the cards is a combination of discrimination and invasion of privacy issues. Thank you Senator for your concerns, but I suggest you pay attention to the more important issues facing Colorado—revenue shortfall, employment, transportation and perchance, the funding of appraiser licensure violation enforcement.

And—Joe Stengel has introduced a bill which “would cut the taxable value of a home by one half of the first \$100,000 of its worth . . . HE IS UNSURE WHERE THE STATE WILL FIND MONEY TO FUND HIS PLAN.” The issue of the property tax break for seniors was flawed from the beginning—(a) overall, the vast majority of seniors have more assets, net worth and income than younger couples who have children to raise and educate and who receive no property tax relief . . . (b) a senior, who relocates to another home in Colorado immediately loses the entitlement based on the minimum 10 years resident occupancy requirement.

And—apparently there is a disagreement in “Highlands Ranch”. One family is vehemently opposed to the idea of children using the road as a playground, while the majority of the parents feel it is safe based on the cul-de-sac configuration. As a parent and grandparent I would simply ask whether young children differentiate between “safe” and “unsafe” rights of way designated for vehicular use. Drivers are not always paying full attention to the surroundings—as an appraiser I recall many occasions when I was looking sideways for a house number rather than at activities straight ahead . . . and have there not been children run over on their own driveway? IS LEGISLATION NECESSARY OR COULD COMMON SENSE PREVAIL!!

Secondly—and please don’t interpret this as sour grapes from one who failed to qualify as an Appraisal Foundation USPAP instructor—could we have a moratorium on amendments to Uniform Standards for a while? In many instances, the “clarifications” have resulted in more confusion—such as the issue of “readdressing” an appraisal report, which issue West Foster valiantly addressed in the last issue of this newsletter. I still believe that Thomas Jefferson covered it all, when he stated:

“IN MATTERS OF PRINCIPLE, STAND LIKE A ROCK;
IN MATTERS OF TASTE, SWIM WITH THE CURRENT.”

Congratulations New MAI

by William T. Van Court, MAI

SHELLY K. KECHTER, MAI is our most recently designated MAI’s. Shelley is a Senior Commercial Appraiser in the Larimer County Assessor’s office. She was born and raised in Fort Collins, attending public schools there and graduated from Colorado State University. She has worked in the Assessor’s office for 9 years. Previously she worked in the fee appraisal offices of Jerry Moore and Dennis Marion. She has been well-trained!

We are delighted to have Shelley as a member of our Chapter. The more that fee appraisers and appraisers with assessor’s offices work together, the better job we can do with ad valorem tax assignments.

Shelley’s advice to those seeking a professional designation in real estate appraising: “DON’T GIVE UP!”

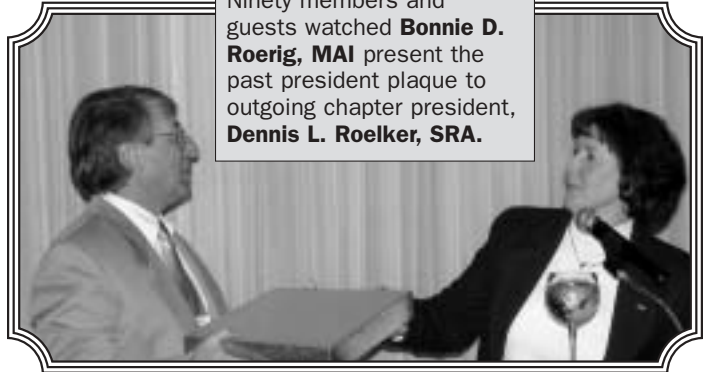
14th Annual Installation Banquet

Photographer: Robert O. Stevens, MAI, SRA

Mike Rinner, MAI, The Genesis Group and **Stephen W. Cole, MAI**, Apartment Appraisers & Consultants presented a three-hour PowerPoint seminar on "The Economics of Housing in Colorado's Volatile Market" prior to the Installation Banquet.



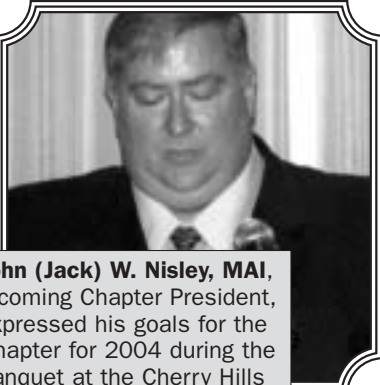
Ninety members and guests watched **Bonnie D. Roerig, MAI** present the past president plaque to outgoing chapter president, **Dennis L. Roelker, SRA**.



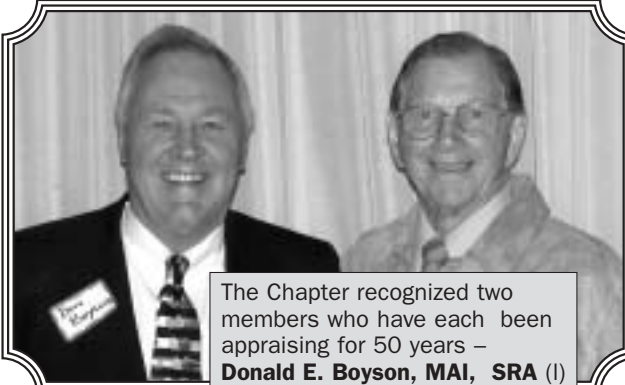
The last formal duty that **Dennis L. Roelker, SRA**, 2004 Chapter President had was the honor of presenting MAI designation certificates to (l) **Mark Pope** and **Anthony D. Cichello**.



The Installation Banquet started with a stirring rendition of **Matthew Nisley** singing the National Anthem.



John (Jack) W. Nisley, MAI, incoming Chapter President, expressed his goals for the Chapter for 2004 during the banquet at the Cherry Hills Country Club.



The Chapter recognized two members who have each been appraising for 50 years – **Donald E. Boyson, MAI, SRA** (l) and **Arthur H. Anderson, SRA**.



Dennis L. Roelker, SRA, Past President is shown leaving the banquet – does that big smile mean anything?



The Officers, Directors and Liaisons for 2004 took the oath of office: (front row l to r) **Martin W. Ward, MAI, SRA**; **Richard G. Stahl, MAI, SRA**; **John (Jack) W. Nisley, MAI**; **Dennis L. Roelker, SRA**; **Larry S. Massey, M. Jay Kramer, MAI**. (back row l to r) **Matthew E. George, SRA**; **Harold S. McCloud, MAI**; **Bret R. Poole, MAI**; **James R. Meurer, MAI, SRA**; **Lori M. Elliott, MAI**; **Wm. Michael Rinner, MAI**, **Martin S. Kane**.
Not present: **Christopher S. Weaver, MAI** and **Michael J. Kelley**.

CHAPTER LIBRARY

by Bill James, MAI

Remember the Chapter Library is a great FREE resource for commercial appraisal work! If you haven't used it, you will find that it includes a number of useful appraisal data sources that would otherwise cost you a lot. We have been looking for resources that are useful to residential appraisers as well but have found none yet that make sense to include. If you have any ideas, please contact me. The library includes the most recent editions of:

- Dollars and Cents of Shopping Centers – Urban Land Institute
- Denver Area Apartment Rent and Vacancy Survey
- IREM Income and Expense Analysis – Apartments
- IREM Income and Expense Analysis Federally Assisted Apartments
- BOMA Experience Exchange Report – Office
- NAIOP Industrial Income and Expense Report
- Frederick Ross Company Market Reports – Retail, Office and Industrial – Denver/Boulder
- Home Builders Association Report – Building permits
- Real Estate Research Corp – Real Estate Report
- Dollars and Cents of Multifamily Housing – Denver and Colorado Springs
- 2003 Income/Expense Analysis Federally Assisted Apartments

Come to the Chapter office to look these over at your first opportunity. You will find them very useful for commercial appraisal work. Carol Brooks says she can even offer use of the Chapter copier at no charge as well. Of course, if you would like any other resources added to the library, particularly for residential appraisal work, please let Carol or me know.

We have found one resource (actually three) that residential appraisers will find useful. The following websites include access to databases of contacts for Home Owners Associations so you can find out monthly dues, reserves, etc. They were compiled by two title companies and a brokerage.

<http://www.realestatecolorado.net/denver-hoas/index.html>

http://www.firstamheritage.com/Hoas/heritage_hoasearch.asp

<http://www.stgco.com/hoa/hoaview/hoasearch.asp>

Thanks to Phil Barru who is in the process of re-acquiring his SRA designation.

By the way, all Members of the Appraisal Institute can call 312.335.4469 for a complimentary copy of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, which includes a complete copy of the current version of USPAP.

Industry Experts Unveil Best Practices

Accomplished Business Leaders Discuss Keys to Entrepreneurial Success At University of Denver Conference

On April 2, 2004, Denver business professionals will get a rare, half-day opportunity to learn from leading entrepreneurs in real estate, business, and networking at the inaugural **Women of Enterprise Real Estate Forum**. The event is in partnership with the University of Denver, Franklin L. Burns School of Real Estate and Construction Management, and in affiliation with Commercial Real Estate Women (CREW).

WHEN: April 2, 2004, 7:30 a.m.–1:30 p.m.

WHERE: United Club Level – West Lounge,
Invesco Field, Denver, Colorado

CONTACT: Lida Citroen, 720-840-3388

The Company-Wide Membership Program

Whether your company has two or two hundred appraisal employees, by enrolling all appraisal employees in your company as either Designated or Associate members in the Appraisal Institute, you may be eligible for discounts on your annual national dues. The discount is determined by the number of employees in your company and can range from 5 to 20 percent.

In addition, if the principal of the company is a designated member of the Appraisal Institute, your company would be entitled to use the Appraisal Institute's logo on your company's letterhead along with other collateral material (exclusions may apply). By displaying the Appraisal Institute's logo, along with a supporting statement, you will be informing your clients that all of the appraisers in your company are designated or associate members of the Appraisal Institute.

Enrolling in the program is easy! Each employee that is not a member of the Appraisal Institute should complete and sign an application. The new member applications can be returned to the national office as a group. If your company has employees that are already members, there is no need for them to reapply with the company applications. AI will transfer those members into your group records. Only new members need to apply.

Sponsor a Member 2004 Campaign

Did you know that year round members can save money on their dues, simply by introducing a colleague to the Appraisal Institute? For each new Associate or Affiliate member you sponsor who joins the association in 2004, you can receive:

- 5% off your 2005 dues—up- to a maximum of 20%
- Reward points toward prizes and incentives in other 2004 recruitment campaigns (more information to follow)
- A chance to have your 2005 dues paid in full if you sponsor the most new members

How does it work? Members simply visit the Members page at www.appraisal institute.org or log online to the Members Only section and click on "Sponsor a Member." Once the prospect joins the Appraisal Institute, the current member receives an automatic five percent discount on 2005 dues.



MS Walk

Again this year the Colorado Chapter will have a team entered in the Multiple Sclerosis Walk. Please plan to join us or, if you cannot join us, please sponsor a walker.

2004 Event Schedule

Saturday, May 1 – Boulder, Colorado Springs, Grand Junction, Longmont, Loveland, Summit County

Saturday, May 8 – Denver, Durango, Fort Collins, Glenwood Springs, Pueblo

Saturday, May 15 – Estes Park



Conferences, Meetings and Task Groups: Update On Appraisal Institute Member Involvement with Industry Groups

by Mark R. Linne, MAI

Three recent meetings and conferences had important representation from Appraisal Institute members, including members of the Colorado Chapter.

Valuation 2003:

One of the first independently-sponsored valuation conferences that was not affiliated with any professional appraisal organization, Valuation 2003, was held December 3-5, 2003, in Orlando, Florida. The conference included more than 350 attendees and more than 50 exhibitors.

The conference was focused on providing real and tangible benefit to attendees, including real and practical presentations of tools and techniques that could be utilized in both residential and commercial practices.

The keynote address, "Fannie Mae's Perspective on the Residential Appraisal Process and Automated Valuation Models" by Mark Simpson of Fannie Mae, provided a strong indication of support for AVMs. Simpson noted that Simpson focused his discussion on AVMs and Fannie Mae's perspective on them. He also discussed Fannie Mae's perspective on appraiser enforcement efforts. Simpson indicated that he felt that one third of the states were relatively good with the enforcement of the referrals that Fannie Mae had made in the previous year with respect to appraisals. Simpson noted that one third of the states were very poor in their enforcement efforts. Simpson indicated that the chances were slim to non-existent in these latter states that some of these allegations would ever be looked into. It was more likely that the cases would be dismissed; an outcome that he felt was simply unacceptable. Simpson also reported that new appraisal form reports will be introduced in 2004 for residential appraisals.

Other panel discussions included "Leveraging Valuation Technology for the 21st Century-More Than Just an AVM", included various representatives of AVM vendors, who reiterate the theme that appraiser involvement with AVM usage provides the best solution in meeting lender needs for rapid and accurate valuations.

One of the recurring topics at the conference was appraiser fraud. CIT Chief Appraiser Joe Bandura commented that his company reviews each of the 50,000 appraisals it commissions annually. Approximately 15% to 20% of those appraisals are not usable, and the company does not feel comfortable lending on these. Some of the problems that Bandura has seen recently included collusion in which appraisers, brokers and bankers had all contributed to fraudulent values, lending practices and actual consumer fraud. He has also seen cases of values being changed by brokers and bankers, and conditions being substantially misrepresented. The incidence of fraud has increased in the last several years, though Bandura noted that while he and his staff spend a great deal of time submitting appraisals to the various state boards, the cases never seem to go anywhere.

"Cool Tools" was an ongoing presentation that has been provided at previous Appraisal Institute conferences. It included a broad array of tools and websites that can help appraisers to increase and enhance their productivity. Hosted by Wayne Pugh, SRPA, the presentation examined a variety of software options, and hardware devices.

Some of the most remarkable products included the newest generation of narrative report generation software, including Appraiser Paradise and @Value, which both provide remarkable operating efficiencies for appraisers, permitting them to concentrate on valuation analysis rather than the nuances of putting the appraisal report together.

The final presentation, "Re-engineering the Process", focused on those perspectives and concepts that enhance the

ability of appraisers to compete through the utilization of technology and innovation. Moderated by John Cirincione, SRA, who chairs the Appraisal Institute's Technology Outreach effort, the panel included Mark Linné, MAI of Denver and M. Steven Kane, both of whom discussed the concept of Appraisal-Centric Valuation Modeling, demonstrating the need for appraisers to embrace the technology and analytic techniques and software that are presently available. The highlight of the presentation was an AVM "autopsy" that demonstrated that an AVM without appraisal judgment could lead to an erroneous valuation conclusion. The focus on augmenting appraisal judgment with technology was well received by the audience. Other presentation topics include an examination of the paperless office, presented by Jim Jacobs, SRA, and various client-centered presenters who commented on what clients want in the appraisal process.

MISMO:

The Mortgage Industry Standards Maintenance Organization (MISMO) held a critical meeting in January 2004 which focused on the continuing integration of electronic commerce and the digitization of the real estate transaction. The importance of this effort to appraisers is the ongoing development of applicable data standards for the appraisal component of the overall transaction in this \$5 trillion industry.

MISMO was established by the Mortgage Bankers of America (MBA) to coordinate the development of Internet-based Extensible Markup Language (XML) for real estate finance specifications and utilization. MISMO utilizes an open and democratic vendor-neutral approach to the development and maintenance of a single real estate finance XML DTD transaction repository.

MISMO has developed and continues to develop specifications that support mortgage insurance application, mortgage loan boarding, real estate services, credit reporting and underwriting process areas.

MISMO has identified two deliverables, which will enable the mortgage industry to share data among trading partners. These include:

- An XML architecture, which encompasses data origination, secondary market and serving data.
- A data dictionary to provide business definitions and corresponding architecture data element tag names.

MISMO has established the Real Estate Property Information core group, which is of the greatest immediate interest to appraisers.

The group most critical to this effort is the Real Estate Property Information (REPI) core group, chaired by Appraisal Institute member John Cirincione, SRA. Elected to head the group, Cirincione will be responsible for guiding the effort to standardize the common standards that are used to integrate the appraisal work process within the greater real estate transaction. The REPI group, still in its early stages, has moved rapidly to adopt standards. At the Laguna Beach meetings, educational introductory presentations on the basics of Appraisal/ Property XML and Overview of Open Appraisal/Property-Request-Response XML Standards were provided. The group decided product names and agreed on the initial stage for commonly ordered form names. It was decided to identify Appraisal Fulfillment as Enveloped Appraisal XML Request/Response. Appraisal Enveloped Appraisal XML Request-Response was also discussed and

(continued on next page)

analyzed. The group agreed on a structure for Enveloped Appraisal XML Request-Response. The Property Sales History Description and Lender Loan Type Description categories were also discussed. The Tax Service Work Group stressed the importance of REPI efforts to closely monitor and consult with them for any proposed changes to the Property Description XML structure. Core Data and Architecture REPI Reps were appointed. Group Leaders were assigned to Invoice Structure, Enveloped Appraisal XML Request/Response, AVM Applications, Lender Communications, CMISMO and Data Dictionary Review functions.

Selected to head other core groups within MISMO include Mark Linné, MAI and M. Steve Kane, who will function as the REPI liaison to CMISMO, the commercial work group that is developing the commercial standards for the mortgage industry.

CARDS:

The Appraisal Institute continues to participate in the development of a standardized commercial appraisal report, through the CARDS task group initiative. A prototype has been under development for more than two years, and is presently being reviewed by participating organizations. The CARDS initiative is being prompted, in part, by the growing demand for standardization and more information from public markets, and a desire for greater transparency in investment transactions. Groups involved in the CARDS effort include the National Council of Real Estate Investment Fiduciaries (NCREIF), the Mortgage Bankers of America (MBA), Commercial Mortgage Securities Association, and the Appraisal Institute of Canada. Other affiliated groups include the CCIM, NAIOP, and IREM.

The CARDS (Commercial Appraisal Report Data Standards) work group is working towards the development of the format that will be utilized for a variety of property valuation purposes. The group works closely with CMISMO, NCREIF, and various client group and industry representatives to help craft the nature and format of the report.

Four property-specific versions of the CARDS format are initially in the works, including office, retail, industrial and multi-family. Reports and key data can be saved in a database

format, offering users the ability to transfer data into and out of the report. Bruce Kellogg, MAI, 2004 Appraisal Institute Vice President, has been chairing the group, and notes that CARDS will offer an industry standard and serve as the valuation link between valuation practitioners and property investors. Kellogg believes that in tandem with the AI Commercial Database, the AI Data Standards and the NCREIF valuation database, CARDS will provide the ability to track and pinpoint property value trends as never before.

At its January 2004 meeting, the group invited various software developers, to obtain their support in understanding the importance of standards and their assistance in developing the report format. Various client representatives, including ABN Amro, Bank One, GMAC, and Wells Fargo, agreed to cooperative cost underwriting to speed development along for a multi-family prototype in 2004. Colorado Chapter member Mark Linné, MAI, was selected as the CMISMO representative to CARDS. Linné will serve as an observer member on behalf of the Appraisal Institute.

They Went That-A-Way

Corrections to 2004 Membership Directory:

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Semi-Retired

Omitted in error:

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ENROLLMENT Form — No Phone Reservations! Please

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Mail this and a check no later than March 1, 2004 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

Name: _____ Designation: _____

Company _____

Social Security Number: _____

Work Phone: (_____) _____ E-Mail Address: _____

Address: _____ City, State, Zip: _____

VISA MasterCard **Note: The Chapter does not accept American Express**

Credit Card Number: _____

Name on Card: _____ Expiration Date: _____
Please type or print

Signature: _____

Schedule: Registration:3:30pm – 4:00pm
Seminar:4:00pm – 6:00pm
Cocktails:6:00pm – 7:00pm
Dinner:7:00pm – 9:00pm

Continuing Education:
Appraisal Institute and
State of Colorado
Including Dinner:3 Hours
Seminar Only:2 Hours

Fee: Seminar Only
Members: **\$15.00** _____
Non-Members: **\$50.00** _____
Seminar and Dinner:
Members: **\$25.00** _____
Non-Members: **\$75.00** _____
Dinner Only
members, **\$15.00** _____
non-members,
and guests **\$25.00** _____
Total \$ _____



Questions: 303.691.0487, Outside Denver Area: 1.800.571.0086, e-mail: carol@colo-ai.org