

**Charles Kelly, MAI, Vice Chair
Region VIII, Appraisal Institute**

will present

State of the Valuation Profession

at the North Texas Chapter's Monthly Business Meeting

Thursday, February 15, 2001

Lincoln City Club
5440 LBJ Freeway, Third Level

Cocktails: 5:00-5:45 p.m.

Dinner and Chapter Business: 5:45-6:15 p.m.

Program: 6:15-8:15 p.m.

Meal Cost: \$20.00 per person (No Shows Will Be Billed)

Reservations Required: Call 972/233-2244 (Deadline-Wednesday, February 14)

Approved by the Appraisal Institute for 2 hours continuing education credit

February is Membership Month!

All members are invited to bring prospective members to the February 15 Chapter meeting. All individuals involved in the practice of real estate appraisal or in a field related to real estate appraising are welcome.

Attendees will receive two hours Appraisal Institute continuing education credit, and two hours ACE credit (for Texas state licensed and certified appraisers) while learning about the state of the valuation profession and the value of Appraisal Institute membership. Individuals that join the organization after the meeting will immediately enjoy the benefits of membership through a special waiver of the \$125 membership application fee.

Appraisal Institute members will receive a 5% discount off their annual dues (up to a maximum of 20%) for each member they recruit. The member who recruits the most new members during the month of February will win a free registration to a two-day seminar of their choosing.

For more information on this program, contact the Chapter Office (972-233-2244) or Julie Greenfield (312-335-4191).

Win \$100!

You can win \$100 just by attending the February 15 North Texas Chapter meeting. If you are a member of the North Texas Chapter, your name will be entered in the drawing. The drawing will be held at the February meeting. The winner must be present to win.

Alternative to Chapter Dinner Meetings Proposed

*by Jack Poe, MAI
Vice President*

In October 2000 the North Texas Chapter Board of Directors approved the 2001 Budget. The board did not raise chapter dues because we agreed that our local members would object. An interesting alternative to the way we pay for dinners surfaced this year at the Finance Committee meeting, and I wanted to get more feedback before making a recommendation to the Finance Committee next September.

This alternative plan would include a dues increase, but your dues would include the cost of dinner meetings. The San Antonio Chapter charges about \$60 a year more than we do, but they have free dinners at their meetings, and it has reportedly increased meeting attendance. Anyway, according to the math, the Chapter could double the attendance at all eight of our dinner meetings (with two hours of continuing education included) by increasing our chapter dues about \$50 for members and \$25 for associates. If you have any interest in pursuing this idea please email me at jpoe@poeco.net.

Nominating Committee Election February 15

Two members of the Chapter Nominating Committee are elected by the membership. The election of these members will be held at the February 15 Chapter meeting. All nominations for the two elected members shall be made from the floor.

Nominating Committee members cannot serve consecutive terms. Members of the 2000 Nominating Committee were: Emma Rhodes, MAI, Chair, J. B. Brill, MAI, James W. Cullar, Jr., SRPA, SRA, Mark Lamb, MAI, and Andy McRoberts, MAI. Lance Coyle, MAI, shall serve as Chair of the 2001 Nominating Committee.

The Chapter Nominating Committee will be preparing the 2002 slate of Officers, Directors, and Regional Representatives in March and April. The committee will be filling the positions of President, Vice President, Secretary, Treasurer, four members of the Board of Directors, four Regional Representatives, and five Regional Representative Alternates. Complete the attached Nominations Application Form if you are interested in serving in any of those positions next year.

Legislative Update

*by George N. Naeter, MAI
Chair, Legislative Committee*

Ready, Aim, Action!

On January 12, the Appraisal Institute called upon Congress to initiate hearings on the issue of lender pressure and directed appraisals. The letter, delivered to the House and Senate Banking Committees, reported that, too often, real estate mortgage creditors, lenders and realty agents apply undue influence on an appraiser to artificially "make the value" on a property being appraised.

Predatory lending, property flipping, and comprehensive mortgage reform, including the bundling of mortgage related services, are important issues affecting consumers and industry interests alike. Appraiser impartiality and the consumer's right to receive a copy of the appraisal without having to request one are matters to be considered. Congressional attention to inappropriate pressure from lenders and others designed to skew the property valuation process should be an agenda priority for this year.

Members of the Appraisal Institute have inquired about an Internet-based petition being circulated within the appraisal community for delivery to the Federal Appraisal Subcommittee. The petition requests

recourse against lenders who pressure appraisers to meet a pre-determined value. While the petition is well intended, additional actions are required for definitive action to be taken on this issue.

In that regard, this issue is best addressed by a Congressional investigation and legislative action in the 107th Congress. For further information on this issue, contact Bill Garber, Director of Government Affairs, at 202-298-5586 or via email at bgarber@appraisalinstitute.org.

Bigger Banks, Bigger Committee

The House Financial Services Committee has been expanded to the second-largest panel in the House, amid the Committee's newly authorized jurisdiction over the securities and insurance industries. The Financial Services Committee will be of great importance to real estate appraisers because of its jurisdiction over banking, housing, and privacy issues.

A more powerful offspring of the 60-member House Banking Committee, the Financial Services Committees will have 37 Republicans, 32 Democrats, and one independent. While some believe the new Committee's size will be cumbersome and lead to lengthy public hearings, some believe the Committee's increased jurisdiction over securities and insurance could prove to be valuable for pushing the Committee's agenda through the full House.

The Tax Man a Commeth

On January 2, the Internal Revenue Service issued a proposed rule providing guidance on "third-party contacts" in determining or collecting of tax liabilities. Within the rule, the IRS used a real estate appraiser as an example of how the rule would be applied.

The proposed rule prohibits IRS officers or employees, including appraisers hired under contract from the IRS, from contacting any person other than the taxpayer with respect to the determination or collection of the taxpayer's liability without first giving the taxpayer reasonable advance notice that such contacts may be made. The rule also requires that a record of the person contacted be provided to the taxpayer both periodically and upon the taxpayer's request.

The IRS must receive written and electronic comments and request for a public hearing by April 2. Submissions should be sent to: CC:M&SP:RU (REG-1-4906-99), Room 5226, Internal Revenue Service, POB 7604, 1111 Constitution Avenue, NW., Washington, D.C. 20044.

Compilation Without Representation!

A proposed rule by the Department of Housing and Urban Development (HUD) would require Fannie Mae and Freddie Mac to report additional data on loans. In November, HUD set new affordable housing goals for Fannie Mae and Freddie Mac, calling on the two government-sponsored-enterprises to buy \$2.4 trillion in mortgages over the next 10 years to provide housing for low- and moderate-income families. Part of this effort required Fannie Mae and Freddie Mac to collect and report new categories of loan data in an effort to battle predatory lending.

Although HUD gave Fannie and Freddie the opportunity to comment on the burdens associated with data collection, mortgage lenders complain that are also affected by the new rule and that they never had a chance to offer their feedback. Because of this, the American Bankers Association, America's Community Bankers, the Independent Community Bankers of America, and the Mortgage Bankers Association of America have are urging regulators to withdraw the proposal and allow them to comment on it. The four banking organizations say that the proposed rule fails to spell out which data elements would be collected, and contend the regulation should be pulled and revised to identify the data elements.

For a copy of the original HUD press release announcing the proposed rules visit the HUD Web site at: www.hud.gov/pressrel/pr00-317.

Taking a Risk on Appraisal Quality

The General Accounting Office (GAO), on January 17, took the Department of Housing and Urban Development (HUD) Community Planning and Development (CPD) program off its "high risk" list in a report to Congress. The move to take CPD off came as a result of management reforms taken by the Department. However, GAO criticized HUD for not holding lenders accountable for the quality of an appraisal, a position strongly supported by the Appraisal Institute. In addition, GAO kept the HUD Single-Family Insurance and Rental Housing program on the high-risk list and added the "strategic human capital management" area.

For a copy of the GAO report, visit the GAO Web site at www.gao.gov and click on the link for "GAO's Performance and Accountability Series and High Risk Update, 2001."

Chapter 2001 Education Catalog

The North Texas Chapter's 2001 Education Schedule is enclosed. A complete catalog that includes course and seminar details and registration information is in the mail. Catalog information or specific program information is also available by emailing the Chapter Office at rdkelton@altinet.net. Program registration is available on the Chapter's website at www.appraisers.net/ai-northtexas. Contact the Chapter Office (972-233-2244) with any questions.

Announcements

2001 Committee Volunteer Registration Form – The Chapter is still accepting 2001 Committee Volunteer Registration forms. Get involved in the Chapter and enjoy the benefits of participation! Complete the 2001 Committee Volunteer Registration Form, and return it to the Chapter Office

Charles Bissell, MAI has been awarded the CRE (Counselor of Real Estate) designation by The Counselors of Real Estate. Charles is Managing Director of the Dallas office of Integra Realty Resources.

Calendar of Events

February

15 Chapter Meeting-Lincoln City Club

March

15 Chapter Meeting-Lincoln City Club
23-24 *Standards of Professional Practice, Part C* (430)
25-31 *Appraisal Principles* (110)

April

1-7 *Appraisal Procedures* (120)
9 *Appraising Manufactured Housing Seminar*
10 *Real Estate Fraud Seminar*
19 Chapter Meeting-Lincoln City Club
25-May 1 *General Applications* (320)

North Texas Chapter

2001 Officers

President.....Ken P. Wilson, MAI, SRA
Vice PresidentJack Poe, MAI
Secretary..... MacKenzie S. Bottum, MAI
Treasurer John Hirschy, MAI, SRA

