

## Privacy Act Goes Into Effect

Over the past few months, it is likely that you have seen references to the federal law known as the Gramm-Leach-Bliley Act of 1999 (GLB) and its accompanying privacy provisions. You may have seen references from clients asking you to sign confidentiality agreements or from associates wondering what the legislation is all about. No matter what, it is important that you become familiar with this law and the accompanying Final Rule from the Federal Trade Commission because it places requirements, in certain circumstances, on real estate appraisers, and that compliance was required on July 1, 2001.

The Appraisal Institute recently released summaries of the Gramm-Leach-Bliley Act's requirements for the disclosure of nonpublic personal information by real estate appraisers. A four-page Revised Summary and a 12-page Expanded Summary provide guidance to Appraisal Institute members on the privacy disclosure requirements of the GLB Act and the Final Rule by the Federal Trade Commission and is intended to assist them in complying with those requirements. The summaries can be found on the Appraisal Institute Web site at <http://www.appraisalinstitute.org/govrnmnt/prvcy.htm>. In connection with this document, the Appraisal Institute has formed a Privacy Team to monitor the implementation of GLB and to make recommendations to the Board of Directors.

This fall, House Financial Services Committee Chairman Michael Oxley, R-Ohio, has indicated that his committee will commence hearings to establish whether federal regulatory agencies' implementation of the Gramm-Leach-Bliley Act corresponds with Congress's original intent. While some Democrats and consumers' groups are already questioning the effectiveness of the Act, he states that it's premature to warrant actual reforms; the law needs more time to work first. In the meantime, his top priority is examining how the Act's privacy standards effect consumer financial information among affiliates of financial institutions, including appraisers.

If you should experience problems with the requirements of the GLB, please forward your comments to Don Kelly, Vice President of Public Affairs, at 202-298-6449 or [dkelly@appraisalinstitute.org](mailto:dkelly@appraisalinstitute.org). In the meantime, we hope that the summary will provide assistance to you in complying with the new law.

## Chapters, Individuals Recognized During Awards Ceremony

Excellence in communications, recruitment and other initiatives by chapters and individuals were recognized during the annual awards ceremony at the Summer Conference.

The Award for Innovative Marketing (AIM) recognizes outstanding marketing efforts by Chapters of the Appraisal Institute. AIM encourages Chapters to aggressively pursue marketing campaigns that promote individual members, the Chapters themselves, the Appraisal Institute, and the industry in general. The North Texas Chapter was one of the four Chapters that were recognized for this award. The West Coast Florida Chapter was the overall winner, and the Houston Chapter received honorable mention.

During the awards ceremony, three members received certificates of recognition for getting their Master of Science Degree in Real Estate Appraisal from the University of St. Thomas Graduate School of Business. One of those members was **Jack Van Poe, MAI**, Vice President of the North Texas Chapter.

## Appraisal Institute Commercial Database

After three years of development, the Appraisal Institute Commercial Database™ and its related online tool-suite was unveiled in Minneapolis, prompting over 60 members to subscribe on-site.

The Appraisal Institute Commercial Database™, developed in conjunction with PropertyFirst, is the first-ever national online cooperative of appraiser-verified commercial property sale, lease and operating statement data. The database is designed around the Appraisal Institute Commercial Data Standard, which specifies the fields and information appraisers should consider when developing sale, lease and operating statement data records. The Data Standard was developed over a two-year period by the Appraisal Institute Commercial Data Standards Committee, senior leadership of the Appraisal Institute, and with input from over 100 of its appraiser members. The suite of related online tools was designed to help commercial appraisers reduce their data acquisition time and cost.

Wells Fargo Bank announced its endorsement and support for the use and adoption of the Appraisal Institute Commercial Data Standards. Wells Fargo intends to use its best efforts to incorporate these data standards into its commercial appraisal department, and will encourage commercial appraisers to adopt and use these standards in preparation of work for Wells Fargo.

Furthermore, PropertyFirst has developed a strategic alliance that will allow the RealDCF™ software developed by Evaluation Consultants, Inc. to exchange data with the Appraisal Institute Commercial Database. The RealDCF™ software allows commercial appraisers to compare assumptions made when valuing income-producing real estate with assumptions that were made for comparable properties in the Appraisal Institute Commercial Database.

Evaluation Consultants, Inc. will also provide an Import/Export tool that will allow RealDCF™ as well as other leading cash flow analysis software data, such as Argus and Dyna to be imported to and exported from the Appraisal Institute Commercial Database. This will allow the data to be entered once, making the process more efficient and accurate. When necessary, a record for an individual property can be designated confidential. Confidential records will mask the identity of the property and tenants while still allowing access to the detailed transactional information.

For more information, or to sign up for the Commercial Database, go to [www.propertyfirst.com/appraisal](http://www.propertyfirst.com/appraisal).

## Summer Recruitment Contest Has a Month to Go

Since the beginning of 2001, Appraisal Institute chapters, as well as individual members, have been successful in recruiting numerous new members. As of mid-July, more than 1,200 individuals had applied for membership. During June, July and August, the Appraisal Institute is taking a further step to reward those individuals who share the benefits of membership with their colleagues.

The individual member who recruits the most new members between June 1, 2001, and August 31, 2001, will be asked to join the Appraisal Institute's Summer Conference 2002 in Waikiki, Hawaii, and will win a full conference registration as well as four nights at the Sheraton Waikiki Hotel – valued at \$1,100!

**New Members benefit, too!** New members joining between June 1, 2001, and August 31, 2001, will save 50% off the membership application fee. They pay only \$62.50 to join! Plus, annual dues are pro-rated for the remainder of 2001. To receive special membership applications, please contact Lauren Powers at [lpowers@appraisalinstitute.org](mailto:lpowers@appraisalinstitute.org).

## Upcoming Education Programs

A schedule of North Texas Chapter education programs offered during the remainder of 2001 is enclosed.

Members can earn a total of 58 hours of Appraisal Institute and ACE (Texas certified/licensed appraiser) continuing education credits by attending the programs. In addition, all of the programs qualify for MCE credit (Texas salesmen/brokers).

Appraisal Institute members receive reduced tuition rates on Chapter education programs. Discounted tuition rates are offered for members and nonmembers that enroll in either pair of seminars that are scheduled in September and October.

Contact the Chapter office (972-233-2244) with any questions.

## **Company Wide Membership Available**

In January, the Appraisal Institute initiated Company Wide Membership. Participating firms agree to a minimum two-year partnership with the Appraisal Institute in membership and education among its appraisal staff, and appraisers employed by the firm are expected to make an active commitment to their own professional development. The program offers participating firms special discounts of up to 20 percent by enrolling all of their employees who provide appraisal services as either associate members or designated members of the Appraisal Institute for a minimum of two years. In return, the new members receive member discounts on continuing education seminars and courses, textbooks and other benefits, while the participating firm gains from the advanced training and professional contact its employees receive as Appraisal Institute members.

The amount of discount a participating firm receives is based on the number of appraisers the firm employs, and can be received in the form of a direct dues reduction for its members, in coupons for upcoming educational sessions, special course or seminar offerings tailored specifically for the firm's member employees or as a combination of benefits. Participating firms can also use the Appraisal Institute logo in their communications and advertising, proclaiming their commitment to the highest level of professionalism in appraisal services. For more information and details regarding this program, contact Julie B. Greenfield, Manager, Membership Services, at (312) 335-4191 or e-mail [jgreenfield@appraisalinstitute.org](mailto:jgreenfield@appraisalinstitute.org).

## **Three "Appraisal Reports" Alternative Approved by Board**

The Board of Directors approved the three "appraisal reports" alternative to the General demonstration appraisal report at their meeting in Minneapolis June 24-26. All of the other amendments to the Bylaws and Regulations proposed in the 45-day notice were also adopted except for governance restructure. For a complete summary of actions on 45-day notice, go to the Members Only page at <http://www.appraisalinstitute.org>.

The appraisal reports alternative provides that the general associate member must be the sole signatory to the reports; it also enables general associate members to enhance appraisal reports delivered to clients for submission to meet this requirement. The alternative is designed to comparably test and measure the general associate member's knowledge, understanding and application of certain principles and practices of real property valuation. This alternative becomes effective January 1, 2002.

As mentioned, the proposed Governance Restructure was not adopted. The Board authorized the president to appoint a project team to continue to study the governance structure and report back to the Board in November. The team will be composed of one member from each region, selected from among directors having terms from 2000 through 2003.

The Board did approve the proposal to extend Inactive membership to members in good standing who are no longer in the real estate field.

Several proposals dealing with membership-related matters will be presented for further consideration in the 60-day notice for the November 2001 Board meeting. They include a proposal to reinstate the SRPA path to the MAI designation that expired on December 31, 2000; and a proposal to offer

members of the NAIFA and ASA a “fast track” to obtain the SRA designation on the basis of their having fulfilled equivalent requirements with other organizations.

As indicated in the preceding paragraph, the notice timeline for amending Regulations and Bylaws was extended to 60 days from 45 days. This will provide additional time for members to review and discuss proposed changes at chapter and regional meetings and provide input to their representatives on the Board.

## Associates' Update

### Demo Report Grading to Finish Soon

The over 350 general demonstration appraisal reports submitted late December and early January are currently in the grading process. Associates will be contacted as soon as the results are returned from the graders. Please be aware that the reports must be thoroughly reviewed and properly graded. Questions should be directed to Nancy Morales at (312) 335-4177 or [nmorales@appraisalinstitute.org](mailto:nmorales@appraisalinstitute.org).

### Element K – New Member Benefit

In keeping with actions taken by the Board in Minneapolis directed at improving members' technology skill sets, the Appraisal Institute has arranged to provide a new member benefit: online computer training through **Element K**, one of the largest online learning centers offering affordable training solutions. Members have the option of purchasing a twelve-month subscription for \$199, which entitles them to receive one month absolutely free! This subscription gives a member the ability to take each course offered within a particular library, such as *Office Productivity*, which includes *Word*, *Excel*, *Access*, and *PowerPoint*. For more information on this special offer, visit [www.elementk.com](http://www.elementk.com) or contact Julie Greenfield at [jgreenfield@appraisalinstitute.org](mailto:jgreenfield@appraisalinstitute.org).

## Calendar of Events

### August

27-28 Comprehensive Examination-Houston, TX

### September

14 *Appraisal of Local Retail Properties Seminar*  
15 *Dynamics of Office Building Valuation Seminar*  
20 Board of Directors Meeting/Chapter Meeting-  
Lincoln City Club

### October

18 Board of Directors Meeting/Chapter Meeting-  
Lincoln City Club  
19 *Analyzing Operating Expenses Seminar*  
20 *Special Purpose Properties: The Challenge of Real Estate Appraising in Limited Markets Seminar*  
19-20 Region VIII Meeting-Dallas