

President's Message

by John G. Hirschy, MAI, SRA

Thank you for allowing me to be the President of the Appraisal Institute, North Texas Chapter. It has been an honor, and a rewarding experience.

There have been many accomplishments this year thanks to all the members' work! We had our first combined Chapter meeting with the CCIMs and the Mortgage Brokers. We had two newly designated MAIs in the Chapter this year. During the summer months, non-dues paying members were called by local leadership to encourage them to pay their dues and keep their membership. (I had one member tell me that he had been "sitting on the fence" about whether to pay his dues or not and, that because of receiving a call, he was going to mail in his dues that day!!!) While the Budget Committee last year predicted that the Chapter would have 260 dues paying members at the end of 2004, as of our November Chapter meeting, there were 271 dues paying members. The Chapter is financially healthy, and will hopefully end the year with a positive cash flow – thanks to Jim Underhill, MAI, Education Chair, and his successful year with our educational offerings. Kevin Carson, MAI, Guidance Chair, held a Chapter Associates' meeting in May – the first offered in several years – which was well received by our Associate members. We have established a relationship with The Dozier Company, a public relations firm that is compensated for articles written

about Appraisal Institute members that are actually published. The Board of Directors approved two free Chapter meetings during 2005, plus a \$50 education coupon for dues paying members' attendance at any Chapter-offered education classes or seminars. One of the things that I was most proud of was having two appraisers speak at two of the Chapter meetings – Foy Mitchell, Chief Appraiser for the Dallas Central Appraisal District, and Senator D. Todd Staples, SRA. I like hearing from other appraisers, whether from banks, property tax authorities, eminent domain authorities, or others – and, to my recollection, it has been awhile since one has spoken to us in the Chapter. There were a lot of good things that happened during the year 2004.

If you have desires to give service in the Appraisal Institute, including being President of the local Chapter, let it be known. Next year I will serve as Chair of the Nominating Committee. The Committee will be looking for several individuals to fill leadership positions within the Chapter. If you volunteer to serve in the North Texas Chapter, I can assure you that your experience will be rewarding.

I want to again thank everyone, especially my Board Members and Ruth Kelton for all of their hard work and support. I have learned many things from all of you and feel that our work together has moved the North Texas Chapter forward!

MVP Leadership Survey Data Critical to Restructure Process

As Governance Restructure now moves forward, it's important for every member to complete the Member Volunteer Participation and Leadership Survey, accessible through our Web site. Information from the survey will play a critical role in selecting members to serve on future committees and project teams and in other leadership positions. All information collected in the Survey is for internal Appraisal Institute use only. To access the MVP Leadership Survey, go to <http://www.appraisalinstitute.org/membersonly/restrict/mvplshp.asp>.

USPAP 15-Hour vs. 7-Hour Requirement Effective January 1, 2005

Beginning January 1, 2005, appraisers will be required to take the 15-Hour (2-day) USPAP course for **qualifying** education credit.

Appraisers taking USPAP for **continuing** education credit are **required** to take the 7-Hour (1-day) USPAP Update course **for the USPAP hours portion of their continuing education requirement**. Texas appraisers are required to have 28 ce hours every 2-year cycle, and 7 of those hours must be USPAP hours. So beginning 1/1/05, appraisers **MUST** take the 7-Hour USPAP Update to meet that 7-hour requirement. Appraisers **CANNOT** take the 15-Hour USPAP to meet the 7-hour requirement.

Rationale:

The 15-Hour USPAP is a basic course that covers USPAP from A to Z for new appraisers.

The 7-Hour USPAP Update is a difference course in that it covers changes to USPAP, misconceptions, problems appraisers are having, etc. This course provides information that is geared toward existing or experienced appraisers.

These are two different courses. Apparently, The Appraisal Foundation (or the AQB) received feedback that the 15-Hour USPAP was too basic for the seasoned appraisers and many left the course feeling frustrated. The new requirement is intended to provide appraisers with USPAP information more appropriate to their level of experience.

Please note that experienced appraisers can always take the 15-Hour USPAP course for continuing education hours. However, that course won't apply to the 7-Hour state USPAP requirement.

As a final twist(!), some states require appraisers to take the 15-hour USPAP every 5 years. But, that is not the case in Texas.

Marketplace

Commercial Appraiser Wanted. Minimum 5 years experience. Texas State Certification required, MAI designation preferred. Must be Argus and Word proficient. Complex commercial properties, globally recognized company. Competitive compensation and benefits package including 401K. Send resume to jblatt@cbre.com

Congratulations New Members

Congratulations to the following members who recently completed the requirements to earn the MAI designation!

KYLE REDFEARN, MAI

BRIAN REID, MAI

USPAP (Course 410) Scheduled Dec. 16-17

The 15-Hour USPAP (Course 410) will be held in Dallas on December 16-17, 2004 at the University of Phoenix Building located at 12400 Coit Road.

Take advantage of the last opportunity in 2004 to meet education requirements locally. You may register for the course on the Chapter web site at www.ainorthtexas.org or by contacting the Chapter Office at ainorthtexas@worldlogon.com or 972-233-2244.

Announcements

Doug Prickett, CRE, Director of Research, Archon Group, Inc. of Irving has been awarded the CRE (Counselor of Real Estate) Designation by the Counselors of Real Estate, an international group of high profile real estate practitioners who provide expert advisory services to clients on complex real property and land-related matters. Phillip S. Cottone, CRE Chairman of the Board of the Counselors of Real Estate, recently made the presentation during the Counselors' Annual Meeting in Los Angeles, California.

Professionally, Prickett specializes in market research and strategic studies as it pertains to real estate investment and planning. Doug serves as Head of Research for Archon's Equity Debt Real Estate activities. Archon, headquartered in Irving, Texas, is a diversified international real estate services and advisory company owned by Goldman Sachs Group, Inc.

Group of U.S. lenders is seeking appraisers with experience appraising residential properties in Mexico. If you have this type of experience and would like to be part of a newly developing panel of appraisers, please call or e-mail Bob Stanley, PH: 281-597-1722, Fax: 281-597-1244; e-mail: rlstan@reappraiser.com

Board Approves Governance Restructure and Visibility Campaign

By a nearly two-thirds majority, the Appraisal Institute's Board of Directors adopted Bylaws and Regulation changes that allow the governance restructure plan to become operational as of January 1, 2005. The action taken by the Board occurred during its meeting in Chicago November 7-9.

Governance Restructure: In addition to creating a 26-member Board of Directors, reflecting two directors from each region, the new system decreases the overall number of national committees. Several key groups in the new structure include the Strategic Planning Committee (SPC) and Leadership Development and Nominating Committee (LDNC). The LDNC will be responsible for identifying, mentoring and recommending members throughout the organization for various leadership positions.

The restructure effort emphasizes the need for grassroots involvement and participation, both in identifying member needs and in implementing programs and services to meet those needs.

A new Admissions Designations and Qualifying Committee (ADQC) will replace the General and Residential Appraiser Councils. Other changes include having four Board meetings a year and specifying a 30-day notice, rather than a 60-day notice, to members on Bylaws and Regulations changes requiring such notice. The first meeting of the new Board will occur February 4-5, 2005, with others scheduled for April, July and November.

Visibility Campaign: Responding to continuing member feedback that promoting their designations is a key benefit of membership, the Board approved funding for a \$1.4 million multimedia Visibility Campaign for 2005. The campaign will target four key client groups for appraisers—lawyers, financial planners, accountants and lenders—and will include national print advertising, local market radio, and online advertising. In addition the campaign is designed to generate media interest by placing articles in national and/or regional publications highlighting the value of using Appraisal Institute designated appraisers. The campaign is envisioned to continue over a three-year period.

2005 Leadership Team: At the conclusion of the Board meeting, the following officers were sworn in to serve in 2005: President Bruce Kellogg, MAI; President Elect Richard Powers, MAI, SRA, and Vice President Terry Dunkin, MAI, SRA, who was elected to that office by the Board earlier in the meeting. In remarks to the Board, Kellogg introduced his theme for the coming year, "Valuing our members, our profession, and the world," emphasizing his desire for the Appraisal Institute to be a

visionary and inclusive organization both for the benefit of the membership and the world in which members do business. Gary Taylor, MAI, SRA will work with the other officers as Immediate Past President.

North Texas Chapter Wins Award at National Meeting

The annual Awards Ceremony, on November 6 in Chicago, saluted outstanding efforts by a number of Appraisal Institute chapters in various categories of service and programs.

The **North Texas Chapter** received the Chapter Meeting Attendance Award for attaining the largest percentage of membership at a chapter meeting during the year.

Other winners included:

- Seattle Chapter – State Government Relations Award
- Northern California Chapter - Outstanding Education Network Provider Award
- Northern California Chapter - Associate Member Guidance Award
- Northern California Chapter - Chapter Web Site Award
- South Carolina Chapter - Newsletter Award for Medium Size Chapters
- Virginia Commonwealth and Hampton Roads Chapters – Honorable Mention for 21st Century Version E-newsletter

Mark Your Calendar! 2005 Chapter Meetings

Thursday, January 13
Thursday, February 10
Thursday, March 10
Thursday, April 14 (Tyler, Texas)
Thursday, May 12
Thursday, September 8
Tuesday, October 11 (location TBD)
Thursday, November 10

Most meetings will be held at Prestonwood Country Club, with the exception of the April 14 and October 11 meetings. Please note that all meetings will be held on Thursdays except the October 11 meeting.

Changes to SRA Requirements Go Forward Except for Demo Report

The changes to the SRA requirements proposed by the Residential Admissions Project Team included in the 60-day notice for November 2004 meeting of the Board of Directors were adopted by a nearly 90 percent majority vote, except for the recommendation regarding the SRA demonstration appraisal report, which the project team withdrew for further study. The project team will continue developing an alternative requirement for the demonstration appraisal report, expected to roll out by 1/1/2006. The project team will now enter Phase II, with work on development of specializations, additional membership benefits, continuing education and professional development, and marketing in conjunction with the new Visibility Campaign (promotion of the designations).

A more recently formed General Admissions Project Team outlined for the Board a series of initial considerations addressing MAI designation requirements; any recommendations for change will not be forthcoming until next year.

Business Marketing Opportunity Available to Members

Approximately 1,700 designated members have already taken advantage of a free business marketing opportunity available through the Appraisal Institute. They have their Member Profile on display in the Appraisal Institute's web site Directory of Members-www.appraisalinstitute.org/search.asp (Find an Appraiser). As a result, these members can be located in searches by property types and/or business services as well as by geographical parameters. The Member Profile gives designated members the opportunity to provide information on their specific types of practice in their directory listing.

There is no charge for having a Member Profile. In addition to business services, other information such as the market areas served, formal education, foreign language ability and other professional affiliations can be highlighted in the profile. Take advantage of this free business marketing tool. Members must submit their data electronically by accessing the Member Profile Setup via the Members Only area of www.appraisalinstitute.org. For more information about the Member Profile project, contact Jan Seefeldt at 312-335-4440 or jseefeldt@appraisalinstitute.org.

Chapter Nominating Committee Election to be Held Jan. 13

The North Texas Chapter Nominating Committee consists of the immediate past President of the Chapter, two appointed members, and two members elected by the Chapter membership. The membership will elect two members of the Nominating Committee at the Thursday, January 13, 2005 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 2004 Nominating Committee were: Mac Bottum, MAI, Chair, Ron Box, SRA, J.B. Brill, MAI, Joe Milkes, MAI and Ken Wilson, MAI. John Hirschy, MAI, SRA shall serve as Chair of the 2005 Nominating Committee.

The Nominating Committee will prepare a slate for the year 2006 to fill the positions of President, Vice President, Secretary, Treasurer, three (3) members of the Board of Directors (three-year terms), three (3) Regional Representatives (two-year terms), and five (5) Alternate Regional Representatives (one-year terms).

The Committee will also fill the position of one Alternate Regional Representative for the year 2005 to fill the unexpired term of a member who has relocated.

Contact Ruth Kelton (ainorthtexas@worldlogon.com or 972-233-2244) if you are interested in serving in any of these positions in 2006.

Residential Demo Report Writing Seminar Now Available Online

Residential Associate Members who still need to write their demonstration report can now take the report writing seminar online. This one-day program focuses on the mechanics of demonstration appraisal report writing and will help ensure that the appraiser's presentation is logical and understandable. The seminar also provides an extensive examination of the cost, sales comparison and income capitalization approaches; highest and best use; reconciliation and the final value opinion. Associate members are encouraged to attend the seminar before beginning their demonstration report. (Attendance is mandatory for those associates who have never taken the seminar and need to review and resubmit their demo report.) Designated members are encouraged to attend at any time. *The online version offers 15 Appraisal Institute CE hours. This seminar is not yet approved for state CE credit.*

Calendar of Events

December

16-17 *15-Hour USPAP 2004 (410)*-Univ. of Phoenix

January

4 *USPAP Update 2005 (400)*-LandSafe
5 *USPAP Update 2005 (400)*-LandSafe
13 Board of Directors/Chapter Luncheon
Meetings-Prestonwood Country Club

February

10 Board of Directors/Chapter Luncheon
Meetings-Prestonwood Country Club
23-26 *Basic Appraisal Principles Course*-
Southfork Hotel, Plano
28-3/3 *Basic Appraisal Procedures Course*-
Southfork Hotel, Plano

Chapter Education Scholarships Available

North Texas Chapter Associate Members are eligible to receive education scholarships in 2005. The scholarships are awarded by the North Texas Chapter, and will apply toward North Texas Chapter sponsored designation track courses in 2005. (See the attached 2005 Education Schedule).

The Scholarship Committee considers the following criteria in determining scholarship award recipients:

- Associate Member must be in good standing with the Appraisal Institute
- General background regarding the applicant's membership
- Appraisal Institute courses successfully completed
- Educational background
- Experience credit earned
- Anticipated date of designation
- Present employment
- Financial need
- Involvement in Chapter activities and the number of meetings attended
- Additional information that is pertinent in conjunction with the scholarship request

A Scholarship Application must be completed. The Scholarship Committee reviews all applications. Contact Ruth Kelton (ainorthtexas@worldlogon.com or 972-233-2244) with questions or for a Scholarship Application.

North Texas Chapter

2004 Officers

President..... John Hirschy, MAI, SRA
Vice PresidentGeorge Naeter, MAI
Secretary.....Shannon Fawcett, MAI, SRA
Treasurer Mark O'Briant, MAI

2004 Committee Chairs

Client Advisory Marc Farmer, MAI
Data Exchange Charles Kelly, MAI
Education Jim Underhill, MAI
Finance..... Mark O'Briant, MAI
Guidance Kevin Carson, MAI
Legislative Affairs/FACT.....Greg Stephens, SRA
Meeting Sponsorship..... Julius Blatt, MAI
Membership Development/
Retention..... Mitchell Todd, MAI
Newsletter Jack Poe, MAI
Programs..... Shannon Fawcett, MAI, SRA
John Hirschy, MAI, SRA
Bryan Humphries, MAI
Public Relations..... Jimmy Jackson, MAI
Telephone Richard Brown
Web Site Richard Baker, MAI
Jim Getto, MAI, SRA

Chapter Office

Executive Director..... Ruth A. Kelton
Assistant Nancy Young
972/233-2244
972/239-6857 (fax)
www.ainorthtexas.org (web site)
ainorthtexas@worldlogon.com (e-mail)

Interested in Residential Energy Efficient Features Program?

The National Association of Homebuilders would like your feedback regarding your interest in an education program, presented by the EPA, regarding energy efficient features of homes. Seminar topics may include: (1) the added value of energy efficient features; (2) valuation of energy efficient features; and (3) renewable energy sources.

If you would be interested in attending a program of this type, please notify Ruth Kelton (972-233-2244 or ainorthtexas@worldlogon.com). A summary of responses will be provided to the National Association of Homebuilders.



**Appraisal
Institute®**

*Professionals Providing
Real Estate Solutions*

2005 Education Schedule Appraisal Institute, North Texas Chapter

Date(s)	Course/Seminar	Instructor(s)
Jan. 4	USPAP Update (400)	G. Stephens
Jan. 5	USPAP Update (400)	G. Stephens
Feb. 23-26	Basic Appraisal Principles	L. Coyle/G. Naeter
Feb. 28-March 3	Basic Appraisal Procedures	L. Coyle/G. Naeter
March 4-5	USPAP (410)	J. Jacobs
March 11, 12, 13 & 18, 19, 20	General Applications (320)	J. Massey
April 1	USPAP Update (400)	G. Stephens
April 14	USPAP Update (400) - Tyler	G. Naeter
April 18	Avoiding Liability-Residential	J. Jacobs
April 19	Understanding & Testing DCF Models	M. Farmer
April 19	Analyzing Distressed Real Estate	M. Farmer
May 13	Appraisal Consulting	J. Amarin
Sept. 14-17	Basic Appraisal Principles	L. Coyle/G. Naeter
Sept. 19-22	Basic Appraisal Procedures	L. Coyle/G. Naeter
Sept 23-24	USPAP (410)	J. Jacobs
Sept. 26-27	Residential Market Analysis and Highest & Best Use	G. Naeter
Oct 17	USPAP Update (400)	G. Stephens
Oct. 18	Appraisal Review-Single Family	G. Stephens
Nov. 17	Analyzing Operating Expenses	M. Farmer
Nov. 18	Scope of Work	J. Jacobs
Dec 12	USPAP Update (400)	J. Jacobs
Dec 13	Real Estate Finance, Value, and Investment Performance	A. Hansz