

**North Texas Chapter Luncheon Meeting
in TYLER, TX**

TUESDAY, April 8, 2008

Kresha Foster, Vice President, Citizens National Bank
Mike Henderson, President, Bank Corp. South, Tyler
Kim Raney, Senior Vice President/Senior Credit Analyst, Austin Bank
Steve Wiggs, President, ARP State Bank

will present:

***From Origination to Closing:
A Bankers' Perspective on the Loan and Appraisal Process***

Location:

Ramada Tyler Conference Center, 3310 Troup Highway, Tyler, TX, 75701

Schedule:

Lunch Meeting - 11:30 a.m. to 1:30 p.m.

Continuing Education:

Appraisal Institute—2 hours approved; TALCB—2 hours accepted

Fees:

Appraisal Institute Members:

\$20.00 Reservations before Tuesday, April 8

\$25.00 Walkins

*North Texas Chapter Members may attend the program free of charge
if they do not eat a meal or apply for continuing education credit.*

Nonmembers:

\$25.00 Reservations before Tuesday, April 8

\$30.00 Walkins

Cancellations/No Shows – Full refund less a \$5.00 processing fee

Registration:

Preferred Registration (credit card) - Online at www.appraisalinstitute.org/education/northtexas.aspx

Alternate Registration (check) - Complete the form below and submit it to the Chapter office:

Email: ainorthtexas@sbcglobal.net; Fax: 972-239-6857; Mail: P. O. Box 801807, Dallas, TX 75380-1807

PLEASE NOTE:

Reviewing and Underwriting Residential Appraisal Reports Seminar offered in conjunction with Luncheon Meeting-
8:00am to 11:30am/1:30pm to 5:00pm (see online registration information above)

Registration Deadline is Friday, April 4

Education Scholarships Awarded

The North Texas Chapter Scholarship Committee received numerous applications for 2008 education scholarships. After thorough review of the applicants and qualifications, scholarships were awarded to the following North Texas Chapter Associate Members. Congratulations to all awardees as you pursue designation!

Blake Davis
Richard Hess
Craig Marek
Victor McConnell
Matt Newton
Clark Turner
Greg Zachary

Matthew Gilmore
Nicole Knopick
Robert McCarty
Gavin Mogan
Taylor Smith
Brett Wilkerson

Did You Know... Membership Benefits

FREE 7-Hour National USPAP Update Course

Members of the North Texas Chapter can attend the Chapter's April 14 or October 2 *7-Hour National USPAP Course* free! This benefit applies to North Texas Chapter members only, and represents a \$155.00 value!

Register online with a credit card at www.appraisalinstitute.org/education/northtexas.aspx. If paying by check, or contact the Chapter office for a registration form.

Nominating Committee Preparing 2009 Slate

The North Texas Chapter Nominating Committee is in the process of preparing a slate for the year 2009 to fill the positions of President, Vice President, Secretary, Treasurer, three (3) members of the Board of Directors (three-year terms), four (4) Regional Representatives (two-year terms), and up to ten (10) Alternate Regional Representatives (one-year terms).

Contact Ruth Kelton (ainorthtexas@sbcglobal.net or 972-233-2244) if you are interested in serving in any of these positions in 2009.

Nominating Committee members are Mark O'Briant, MAI, Chair, Richard N. Baker, MAI, Jeff Briggs, MAI, Bill Morris, MAI, and Jack Poe, MAI.

Meet Education Requirements with Local Programs

Appraisers can meet Texas and Appraisal Institute education requirements by taking Dallas area programs (see listing below). Program details and registration – www.appraisalinstitute.org/education/northtexas.aspx.

Real Estate Finance, Statistics, and Valuation Modeling

April 3-4 – Southfork Hotel, Plano
Credits – AI/ACE-14/1 exam hour; QE-15 hours; MCE-16/0 legal hours

Reviewing & Underwriting Residential Appraisal Reports Seminar

April 8 – Ramada Tyler Conference Center, Tyler
Credits – AI/ACE-7 hours; MCE-8/0 legal hours

Appraising the Tough Ones Seminar

April 10 – University of Phoenix Bldg./Dallas Campus
Credits – AI/ACE-7 hours; MCE-8/0 legal hours

Small Hotel/Motel Valuation Seminar

April 11 – University of Phoenix Bldg./Dallas Campus
Credits – AI/ACE-7 hours; MCE-pending

7-Hour National USPAP Update

April 14 – University of Phoenix Bldg./Dallas Campus
Credits – AI/ACE-7 hours; MCE-8/0 legal hours

Office Building Valuation Seminar

April 15 – University of Phoenix Bldg./Dallas Campus
Credits – AI/ACE-7 hours; MCE-8/0 legal hours

Appraising Convenience Stores Seminar

April 16 – University of Phoenix Bldg./Dallas Campus
Credits – AI/ACE-7 hours; MCE-8/0 legal hours

General Market Analysis and Highest & Best Use

April 17-20 – Admiral Hotel, Arlington
Credits – AI/ACE-28/2 exam hours; QE-30 hours

General Appraiser Report Writing & Case Studies

April 21-24 – Admiral Hotel, Arlington
Credits – AI/ACE-28/2 exam hours; QE-30 hours

Advanced Income Capitalization

April 27-May 3 – Admiral Hotel, Arlington
Credits – AI/ACE/QE-36/4 exam hours

Income Valuation of Small, Mixed-Use Properties

May 5-6 – Southfork Hotel, Plano
Credits–AI/ACE/QE-15/1 exam hour; MCE-to be submitted

Basic Appraisal Principles

May 12-15 – Admiral Hotel, Arlington
Credits – AI/ACE/QE-28/2 exam hours

Basic Appraisal Procedures

May 16-19 – Admiral Hotel, Arlington
Credits – AI/ACE/QE-28-2 exam hours

15-Hour National USPAP

May 20-21 – Admiral Hotel, Arlington
Credits – AI/ACE/QE-14/1 exam hour

Cuomo, Fannie, Freddie, OFHEO Enter Landmark Independence Agreement; Appraisal Institute Applauds

In order to strengthen the independence of the appraisal process, New York State Attorney General Andrew Cuomo has brokered an agreement with Fannie Mae, Freddie Mac and the Office of Federal Housing Enterprise Oversight, their primary regulator. The March 3 agreement eliminates mortgage broker-ordered appraisals, prohibits appraiser coercion, and reduces the use of appraisals prepared in-house or through captive appraisal management companies in underwriting mortgages. The agreement also enhances quality control in the appraisal process and establishes a complaint hotline for consumers and appraisers facing appraiser coercion.

The agreements include a Home Valuation Code of Conduct that the government-sponsored enterprises will apply to lenders selling mortgages to Fannie Mae or Freddie Mac. At its core, the Code of Conduct states, "No employee, director, officer, or agent of the lender, or any other third party acting as joint venture partner, independent contractor, appraisal management company or partner on behalf of the lender, shall influence or attempt to influence the development, reporting, result or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner." It also lists 10 examples of such activities that are specifically prohibited. In addition, the Code forbids the lender from using appraisers employed by the following when underwriting a loan: the lender; an affiliate of the lender; an entity that is owned, in whole or in part, by the lender; an entity that owns, in whole or in part, the lender; a real estate "settlement services" provider, as defined in the Real Estate Settlement Procedures Act; or an entity that is owned, in whole or in part, by a "settlement services" provider. Furthermore, the Code also requires the GSEs to set up a complaint hotline.

The full Home Valuation Code of Conduct, which becomes effective on January 1, 2009, is available at www.ofheo.gov/media/agreements/3308HomeValuationCodeofConduct.pdf.

The parties also agreed to establish an Independent Valuation Protection Institute, funded by Fannie Mae and Freddie Mac, designed to supplement current efforts to provide an appraisal complaint process, mediation of appraisal disputes, and mortgage fraud reporting. The agreement seeks the comments and concurrence of the federal banking agencies and solicits the comments of market participants that will be considered in making amendments to the Code during the implementation process.

"Accurate, independent appraisals are very important to ensuring the safety and soundness of Fannie Mae, Freddie Mac and the mortgage market," said OFHEO

Director James B. Lockhart. "These agreements build upon existing federal and state laws and regulations to further strengthen the single-family home appraisal process. The agreements should help restore confidence in the mortgage market by enhancing underwriting practices, reducing mortgage fraud and making home valuations more reliable."

The Appraisal Institute's Government Relations Committee passed a motion supporting Cuomo's "efforts to work with Fannie Mae and Freddie Mac to address appraisal-related issues stemming from the current subprime mortgage crisis."

Furthermore, in a March 3 letter to Cuomo following signing of the agreement, the Appraisal Institute said it "strongly support[s] your efforts to work with Fannie Mae and Freddie Mac to reinforce the independence of real estate appraisers and the integrity of appraisals in connection with mortgage loans sold to the government-sponsored enterprises. Further, we welcome the opportunity to provide input to you on the development and completion of your plan."

At its core, the Code of Conduct states, "No employee, director, officer, or agent of the lender, or any other third party acting as joint venture partner, independent contractor, appraisal management company or partner on behalf of the lender, shall influence or attempt to influence the development, reporting, result or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery or in any other manner."

Writing on behalf of itself, the American Society of Appraisers, the American Society of Farm Managers and Rural Appraisers, and the National Association of Independent Fee Appraisers, the organization wrote, "For more than 75 years, our organizations have developed and promoted standards of practice and codes of conduct for real estate appraisers; protecting the independence of appraisers and the appraisal process is our highest mission. We are pleased to see that today's agreement attempts to address weaknesses in appraisal independence, and we look forward to working with you during the comment period to resolve any concerns."

Cuomo has been investigating the causes of inflated home appraisals for nearly a year, after issuing

Appraisal Institute Unveils New Web Site

subpoenas to Washington-area home finance companies in an effort to discern how widespread the problem had become. Last year Cuomo sued eAppraisalIT, a unit of real estate conglomerate First American, which is fighting charges that it affixed overvalued price tags on properties under pressure from one of its largest clients, Washington Mutual (WaMu). WaMu said it has conducted an investigation and found "no systematic effort to inflate appraisals."

At a news conference last year involving that case, Cuomo called appraisals the "foundation of the entire housing system."

Terry Dunkin, MAI, past president of the Appraisal Institute, who spoke at a press conference held by Cuomo last November, said: "Anything that encourages an independent appraisal process ... is a good thing for the public. Continued diligence on this is the order of the day."

In a March 3 release, OFHEO's Lockhart said, "In addition, OFHEO will continue its work to combat mortgage fraud, including its joint efforts with state and federal regulators. It is imperative that state appraisal licensing bodies be active in policing appraisal practices at the state level and that federal agencies share information on a timely basis in order to assist law enforcement and regulatory efforts to fight mortgage fraud."

The two GSEs signed separate agreements suited to their own internal structure. For the Fannie Mae agreement, visit www.ofheo.gov/media/agreements/3308FannieAgree.pdf; and for the Freddie Mac agreement, visit www.ofheo.gov/media/agreements/3308FreddieAgree.pdf.

The Appraisal Institute seeks comments from its members on the substance of the agreement for inclusion in comments to the Attorney General's office on the agreement's implementation. Please send your comments to appraisalcomments@appraisalinstitute.org.

The Appraisal Institute unveiled its redesigned [Web site](#) March 4. The redesigned Web site features streamlined content and intuitive navigation for greater ease and efficiency, according to Yoon Hernandez, Manager, Online Marketing. It now also offers even more useful resources and timely information to serve members and visitors as an all-in-one portal. Links to the most frequently accessed areas of the Web site appear on the new home page's left side, including:

- "Find an Appraiser," the Appraisal Institute's online member directory
- Login fields for "My Appraisal Institute," the new members-only area
- "Go" buttons leading to prominent pages, such as the Lum Library and the *Appraiser News Online* sign-up page

In addition, links to the member benefits page and the online membership application (the "Join" button) are prominently displayed so that prospective members can instantly learn more about membership opportunities. Moreover, chapter leaders and staff can now find the majority of chapter-related tools, including back issues of the *Chapter Leader Communiqué*, under the "[Chapter Business Tools](#)" link in "My Appraisal Institute." Hernandez added that the recent launch of the redesigned Web site also marks the beginning of a new branding campaign for the entire organization. "Our marketing and communication initiatives, moving forward, will incorporate the color palette and imagery of the new site," she said.

For more information on all of the new features, look for the First Quarter issue of *Valuation* magazine to hit mailboxes in mid-March or visit our [home page](#) for a first-hand look!

Coming Soon: 2008 Resources Catalog

A Spring 2008 Resources Catalog promoting Appraisal Institute products and services will be mailed to members in early April. The 28-page catalog will feature listings for the latest publications and classroom and online education programs, as well as information about the Appraisal Institute's many other offerings. Watch for your copy, and be sure to take advantage of a special 10% discount on book orders placed before May 15, 2008.

Mark Your Calendar! 2008 Chapter Meeting Dates

The following are North Texas Chapter 2008 meeting dates. Please note that all meetings are scheduled on the second TUESDAY of the month. All meetings will be held at Prestonwood Country Club, located at 15909 Preston Road in Dallas, except the April 8 meeting, which will be held in Tyler.

April 8 (Tyler)	October 14
May 13	November 11
September 9	

The Holiday party and Installation Banquet will be held at Prestonwood Country Club on Tuesday, December 9.

North Texas Chapter Leadership

2008 Calendar of Events

2008 Officers

President K. Lynn Ray, MAI
Vice President James Jacobs, SRA
Secretary Jim Underhill, MAI
Treasurer James Justice, MAI

2008 Committee Chairs

Education Ann Kostishak, MAI
Finance James Justice, MAI
Government Relations Greg Stephens, SRA
Bruce Minchey
Newsletter John Scarborough, SRA
Nominating Mark O'Briant, MAI
Programs James Jacobs, SRA
Jim Underhill, MAI
Public Relations Mark O'Briant, MAI
Peter Malin, MAI
Web Site Richard N. Baker, MAI
Gary Ray, MAI

Chapter Office

Executive Director Ruth A. Kelton
972-233-2244; 972-239-6857 (fax)
www.ainorthtexas.org (web site)
ainorthtexas@sbcglobal.net (e-mail)

**The North Texas Chapter's 2008
Education Schedule is posted on
the Chapter web site at
www.ainorthtexas.org/education2/**

APRIL

- 3-4 *Real Estate Finance, Statistics, and Valuation Modeling* - Southfork Hotel, Plano
8 *Reviewing & Underwriting Residential Appraisal Reports Seminar* – Ramada Tyler Conference Center, Tyler
8 Chapter Meetings-Ramada Tyler Conference Center, Tyler
10 *Appraising The Tough Ones Seminar* - University of Phoenix Bldg./Dallas Campus
11 *Small Hotel/Motel Valuation Seminar* - University of Phoenix Bldg./Dallas Campus
14 *7-Hour National USPAP Update* – University of Phoenix Bldg./Dallas Campus
15 *Office Building Valuation: A Contemporary Perspective Seminar* - University of Phoenix Bldg./Dallas Campus
16 *Appraising Convenience Stores Seminar* - University of Phoenix Bldg./Dallas Campus
17-20 *General Market Analysis and Highest & Best Use* - Admiral Hotel, Arlington
21-24 *General Appraiser Report Writing & Case Studies* - Admiral Hotel, Arlington
27-5/3 *Advanced Income Capitalization* – Admiral Hotel, Arlington

MAY

- 5-6 *Income Valuation of Small, Mixed-Use Properties* - Southfork Hotel, Plano
12-15 *Basic Appraisal Principles* – Admiral Hotel, Arlington
13 Board of Directors/Chapter Meetings- Prestonwood Country Club
16-19 *Basic Appraisal Procedures* – Admiral Hotel, Arlington
20-21 *15-Hour National USPAP* – Admiral Hotel, Arlington

JUNE

- 20-22 Region VIII Meeting – Hyatt Regency Hotel, Austin
22-25 IRWA/AI National Meeting – Hyatt Regency Hotel, Austin

Visit the Chapter's web site at www.appraisalinstitute.org for information about upcoming meetings and education programs, the Chapter's membership directory and newsletters, online discussions, employment forum, resources, and information about the valuation process.