

Order Free USPAP Before Year End!

***Special Offer Expires
on December 31, 2010***

Appraisal Institute members are entitled to receive **one** free printed copy of the current edition of Standards of Professional Appraisal Practice. The Standards set forth requirements for developing and reporting appraisal, appraisal review, and appraisal consulting analyses, opinions, and conclusions.

USPAP also includes ten (10) Statements on Appraisal Standards which clarify, interpret, explain, or elaborate on a Standards Rule and which have the full weight of a Standards Rule and twenty three (23) Advisory Opinions which illustrate the applicability of appraisal standards in specific situations and offer advice from the Appraisal Standards Board for the resolution of appraisal issues and problems. Advisory Opinions do not establish or interpret existing standards.

AI Members - Order Before December 31, 2010!
Please note: USPAP is only available to Appraisal Institute members.

2010-2011 USPAP - Printed copy

Member Price: First copy is FREE, additional copies are available for \$25 each

PLEASE NOTE: Due to limited inventory, there is a five-copy maximum for each member.

To order, please contact the AI Service Center at 888-7JOINAI (756-4624) or aiservice@appraisalinstitute.org.

Community of Practice Established for Excel Users

A new Community of Practice (COP) for Excel users has been established for Appraisal Institute members. The purpose of the community is to provide an opportunity for Excel users to exchange ideas and answer questions related to spreadsheets and modeling techniques for appraisers.

Appraisal Institute members can join the community at <http://communities.appraisalinstitute.org/COP/Excel/>.

Mark Your Calendar! 2011 Chapter Meeting Dates

January 11
February 8
March 8
April 12 (Tyler)
May 10
September 13
October 11
November 8
December 6

Not a Member of the Appraisal Institute?

***Join today at <http://www.appraisalinstitute.org/join>
and start enjoying all the benefits that membership can offer.***

Chapter Members In the News

Allen Gardiner, SRA and Jack Poe, MAI were guest speakers at the annual Thanksgiving dinner for Community Development Corporations on November 10, 2010. The nonprofit Dallas area community development corporations develop housing in south Dallas.

The audience was comprised of individuals who develop affordable housing. In addition, the City of Dallas (DHA) and Habitat for Humanity representatives were in attendance.

Many developers in attendance are often affected by appraisals they don't agree with or understand. So, Allen and Jack presented a two-hour program on appraisal theory and practices. In addition to providing valuable information to help the attendees understand appraisers, Allen and Jack recommended using and consulting designated appraisers.

Allen and Jack met extraordinary people doing extraordinary things for their neighborhoods, and were treated to a wonderful Thanksgiving dinner.



Follow the North Texas Chapter

<http://twitter.com/ainorthtexas>

2011 STDB Subscription Renewals and Sweepstakes

The Site To Do Business (STDB) is not increasing 2011 subscription rates and will continue to offer the STDB Online Lite version for free.

To incentivize users to renew full subscriptions before the end of 2010, the Appraisal Institute and STDB have created an opportunity for five lucky STDB users to have free access for 2011. Each Friday in December (Dec. 10, 17, 24, 31), a name will be drawn from the list of users who have renewed for 2011. Congratulations to Mark Newsome, our Dec. 3 winner. The winners' subscription fee will be credited, and they will receive free access through 2011. To renew, visit www.appraisalinstitute.org/myappraisalinstitute/stdb.aspx.

TREC and TALCB Online Services Improved

Just in time for the holidays, the TREC and TALCB licensing database system has been improved to add new features requested by license holders. Licensees with a business email address have voluntarily provided this information to the agency for over a decade. Starting January 1, 2011, license holders must provide an available primary business email address, and the agency will use this address as its principal method to communicate securely with its license holders. Since email addresses can change over time, license holders would often call the agency to determine what address the agency had in its records. Not any more; the "Licensee Lookup" tool on the agency's website now displays the license holder's business email address and business phone number. This addition also allows the public to search for and find a license holder and that licensee's business contact information.

Enhanced security on the agency's system requires each license holder to establish an online account in order to do business via the agency's website. To establish an account, license holders provide an email address and select a password using requirements similar to most websites. However, the first time a license holder tries to access his or her license record, a security token is required to authenticate the request. This is a one-time requirement for each license held and need not be repeated for all future access to a license record. The token is sent by email to each license holder 60-90 days prior to a current license expiration date. However, now license holders can request the security token at any time via an online link available after logging into the license holder's online account. Selecting the link will cause the security token to be sent electronically to the license holder's primary business email address to maintain the required authentication feature.

Both of these improvements will now allow license holders to obtain information that previously required a telephone call or email inquiry to the agency staff. The agency continues to seek and find ways to be more responsive to the needs of the public and better serve its license holders. Currently, 22 online services are available, and more are planned for early in 2011. All license holders are encouraged to always go online first when dealing with the agency.

In Memoriam

The North Texas Chapter acknowledges with sincere regret the passing of:

Guy Reese, MAI, a longtime member
of the Appraisal Institute

Appraisal Institute Member Benefit: Communities of Practice

The Appraisal Institute's Communities of Practice serve as a convenient, online meeting place for Appraisal Institute members with shared interests. As long as you have Internet access, you can login from any computer. While in the AI Communities, members can exchange news and share information with colleagues, check the AI Communities' calendar to stay abreast of upcoming events, participate in online discussion boards, suggest a poll to community facilitators and chat online with other members.

Thirteen Communities of Practice are open to ALL members in good standing:

1. AI Forum
2. Appraisal Review
3. Appraising in Declining Markets
4. Core Competency
5. Eminent Domain, Right of Way and Land Law Valuation
6. Excel Users
7. International Valuation
8. Litigation/Expert Witness
9. Modular/Systems-Built and Manufactured Housing
10. Sustainable Buildings
11. Tax Valuation
12. Technology
13. Valuation for Financial Reporting

Two Communities are accessible only to Associate members on the MAI or SRA path:

1. Associate Members Pursuing MAI Membership
2. Associate Members Pursuing SRA Membership

Texas Court Upholds Appraiser's Testimony

In an unpublished Dec. 1 opinion, the U.S. Court of Appeals for the Fifth Circuit found that a Texas property valued at \$25 million was accurately appraised, dismissing the executor's contention that appraiser Jack Friedman, MAI, SRA, used flawed valuation methodology, according to a Bureau of National Affairs' Daily Tax story.

In the case of Levy v. United States, the estate of Meyer Levy filed action seeking a \$3.2 million estate tax refund claiming the property was overvalued for estate tax purposes. The estate contended part of the erroneous determination of estate tax value was based on Friedman's appraisal. The government used Friedman as its valuation expert, BNA's Daily Tax reported.

The estate claimed Friedman's valuation was based, in part, on an "unrecognized appraisal method" and, therefore, should be thrown out. According to BNA's Daily Tax, the estate took particular aim at Friedman's assumption that the property would be rezoned for residential use. The Fifth Circuit disagreed with the estate's appeal.

"Because we have already recognized the admissibility of offers under the circumstances of this case, we cannot say that the court abused its discretion in permitting Friedman to refer to such offers, with appropriate contingencies, in his valuation analysis," the Fifth Circuit found, BNA's Daily Tax reported. "Friedman's assumption that the property would be rezoned for single-family housing was reasonable. The trial court did not abuse its discretion in admitting Friedman's expert testimony."

Glenn Garoon, MAI, a Fort Worth, Texas-based appraiser, told Appraiser News Online that the court's ruling was consistent with "The Appraisal of Real Estate," 12th edition, which was the edition current at the time of the valuation determination in question. Garoon noted that listings and offerings consideration historically has been accepted and particularly would be the case with a retrospective analysis like the one Friedman performed.

ASB Issues Exposure Draft

The Appraisal Standards Board (ASB) has issued the following Exposure Draft:

Fourth Exposure Draft of proposed changes for the 2012-13 edition of the Uniform Standards of Professional Appraisal Practice and Request for Public Comment

Link: <https://appraisalfoundation.sharefile.com/d/se001d41a1384c57b>

Issued on December 10, 2010. Written comments requested by January 14, 2010.

Send Comments to
ASBComments@appraisalfoundation.org

FACT President's Report

by James E. Jacobs
FACT President 2010 - 2012

FACT is preparing for the pending 82nd Texas Legislative session.

Three primary issues will be facing the Texas Legislature this session: redistricting, balancing the state's biennial budget and state agency oversight. The redistricting process is mandated at least every ten years after the federal census and will result in the redrawing of congressional, state representative and senatorial districts. The budget short fall is estimated at \$20 billion or more, over the upcoming two years. The Legislature will also consider the continuation of 28 state agencies through Texas' Sunset process.

As might be expected these issues will command much of the Legislature's attention this session.

Legislative dates you might wish to keep an eye on:

- Tuesday, January 11, 2011 (1st day) - Session Begins - 82nd Legislature convenes at noon;
- Monday, May 30, 2011 (140th day) - Session Ends - Last day of 82nd Regular Session; corrections only in house and senate;
- Sunday, June 19, 2011 (20th day following final adjournment) - Last day governor can sign or veto bills passed during the - regular legislative session; and
- Monday, August 29, 2011 (91st day following final adjournment) - Date that bills without specific effective dates (that could not be effective immediately) become law.

Two items specific to appraisers (proposed AMC regulation/registration and a cleanup bill for the Texas Appraisal Licensing and Certification Board) have already emerged and should be introduced as legislation during the session.

What FACT is doing with regard to these issues?

Proposed AMC (Appraisal Management Company) Regulation & Registration - Most appraisers are interested in seeing AMCs regulated by the TALCB (Texas Appraisers Licensing & Certification Board) to protect consumers as well as clarify and ratify appraiser independence issues. FACT is drafting a proposal that would accomplish this.

Earlier this year FACT formed a project team, headed by Austin appraiser Brian Hearne. Brian and his team have been working on this one issue ever since. Steps they have taken include: reviewing a number of other states' AMC legislation as well as model legislation as proposed by various appraisal organizations, conducted numerous conference calls with experts on the local, state and national level, as well as face-to-face meetings with

appraisers in a number of Texas cities. This effort will continue, as it is both an ongoing process as well as representing a moving target. The latest draft is available for download at our website (www.supportfact.org). Send any comments to FACT's Executive Director, Amy Ables at aables@supportfact.org, and she will forward your comments to the appropriate individuals.

The outlook for a favorable response from the Legislature is good. AMC regulation is widely recognized as a key *Texas consumer protection issue*. Also, FACT's proposal mirrors recent federal requirements under Dodd-Frank, which mandates AMC regulation by the states while also reinforcing appraiser independence issues.

AMC regulation is widely recognized as a key Texas consumer protection issue.

Additionally, the Texas Association of REALTORS recently came out in favor of AMC regulation, as reflected by statements from the most recent issue of "Texas REALTOR": "The association supports licensing of appraisal management companies as a necessary tool to ensure consumers are protected" and "Such legislation would likely include regulation of AMCs as well as language intended to draw a distinct line between appraisals and broker price opinions".

TREC/TALCB Cleanup Bills - Both the TREC and TALCB will have proposed "cleanup" legislation considered this session. The legislation should address needs for more streamlined licensing and enforcement processes as well as assistance in defining the roles of various real estate professionals.

A key consumer protection issue will be language in the legislation to clarify the functions and roles of appraisals versus broker price opinions; something both real estate agents and appraisers have been clamoring for several years. A project team, headed by Joe Woller, a San Antonio appraiser, has been actively involved from the beginning to insure that appraisers' concerns and needs are recognized. This will be an ongoing activity for both the project team as well as the FACT Legislation Management Team.

The TREC/TALCB Cleanup Bills are not presently believed to be anything more than housekeeping issues so positive action by the legislature is considered likely.

Other issues affecting appraisers that could be considered during this legislative session include:

- Tax on real estate transactions;
- Tax on professional services;
- Mandatory sales-price disclosure;
- Private transfer fees; and
- Eminent domain.

While FACT will continue to monitor all legislative activity regarding these and other issues, given the crowded legislative calendar facing the members of the legislature the likelihood of action on many of the above issues is considered remote.

Check with your FACT representatives for additional information or to make your thoughts and opinions known. Also, as previously discussed you may send Amy an email at aables@supportfact.org and she will see that it is distributed as appropriate.

While you are at it, take a moment to express thanks to your volunteer FACT representative for the job he or she is doing. It is a time-consuming process that is important for Texas consumers and appraisers. Your FACT representative deserves recognition for all their hard work.

If you would like to donate to the FACTPAC or volunteer to help, again e-mail Amy and I can promise that she will take care of you.

Web sites that may be of interest:

- Foundation Appraisers Coalition of Texas - www.supportfact.org;
The Foundation Appraisers Coalition of Texas serves as the face and voice of the appraisal industry in Texas. FACT enhances the professional lives of its members through advocacy, communication, education and service.
- Texas Legislative Council - www.tlc.state.tx.us;
The mission of the council is to provide professional, nonpartisan service and support to the Texas Legislature and the legislative agencies. In every area of responsibility, council staff strives for quality and efficiency.
- Texas Register - www.sos.state.tx.us/texreg;
A weekly publication, the *Texas Register* serves as the journal of state agency rulemaking for Texas. Information published in the *Texas Register* includes proposed, adopted, withdrawn and emergency rule actions, notices of state agency review of agency rules, governor's appointments, attorney general opinions, and miscellaneous documents such as requests for proposals. After adoption, these rulemaking actions are codified into the *Texas Administrative Code*.

*Happy New Year
from the
Officers and Directors
of the North Texas Chapter!*

FACTPAC Update

by Amy Ables
FACT Executive Director

We are very pleased with growth of the PAC (Political Action Committee) from last year to this year. The 2010 PAC contributions totaled \$11,093 from 28 FACT members.

Now, FACTPAC needs you. The time to prepare for the future is NOW! Please take the time to contribute to the PAC today. Your PAC donation will assist FACT in representing Texas appraisers throughout the 85th Texas Legislature Session.

Think what we could accomplish if every Texas appraiser donated one appraisal fee (\$250-\$350) each!

FACTPAC is supported by donations solicited from FACT members and Texas appraisers. Federal law requires that these contributions be voluntary. Your support of FACTPAC demonstrates your support of the hard-working appraisers in the state of Texas.

New Directory Features Created Exclusively for Designated Members!

A new member benefit has been introduced for Designated members. You now have an exclusive opportunity to highlight your areas of expertise in the National online member directory by creating a Designated Member Profile. New and enhanced features will help you showcase your experience and connect with prospective clients!

These directory features have been added for Designated members only:

- Ability to specify specialty property types valued and include descriptions of recent assignments
- Enhanced photo feature automatically re-sizes image when uploaded
- Resume uploads in PDF format so that prospective clients and other directory users can easily view it
- Showcase international valuation experience (if applicable) in a free-form field

To view a sample profile with the new features and enhancements, [click here](#). To access and update their profiles, Designated members can log in to www.appraisalinstitute.org and click "My Member Profile" in the left sidebar.

