

# THE IOWA APPRAISER

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FEBRUARY 2019

IOWA DIVISION OF BANKING  
IOWA REAL ESTATE APPRAISER EXAMINING BOARD

## A Letter From The Editor

A new year is upon us and resolutions are being broken by the minute. If you are one of the strong who are still meeting your goal, congratulations and keep up the good work. If not, next year will come quicker than you think and you can try again.

If you are in need of a resolution, perhaps consider one of the below.

- ⇒ Take more in-person continuing education.
- ⇒ Supervise an associate appraiser.
- ⇒ Improve your communication skills with homeowners or clients.
- ⇒ Volunteer.

The changes to the Board's Administrative Rules, Chapter 193F, pertaining to the 2018 AQB Criteria went into effect on January 9, 2019. Anyone who is currently an associate appraiser or who registers as an associate appraiser will now fall under the 2018 AQB

Criteria. This means that current associates may be able to apply for certification status earlier than originally anticipated. Associate appraisers who may be up for certification based on the 2018 Criteria's minimum length of experience should have received an email on January 3, 2019 with pertinent information.

There is another change to the Board's Administrative Rules. These changes are at the notice of intended action stage. A public hearing will be held on February 8, 2019 at 8:30 am in the Board's office. These changes to the Administrative Rules ensure the Board's rules adequately reflect the relocation to the Division of Banking. You can find the proposed changes on the Board's website.

The last FAQ on page four of the newsletter, provides information on how to become a Board member. There will be one opening for

a certified appraiser.

The Board is also continually looking for peer reviewers to perform Standard 3 or Standard 6 USPAP compliant reviews. If you are interested in becoming a peer reviewer, please send an email to the Board at: [Realestateappraiserboard@iowa.gov](mailto:Realestateappraiserboard@iowa.gov).

—Brandy March,  
Executive Officer



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## Contact Information

Iowa Division of Banking  
200 E. Grand Ave; Suite 350  
Des Moines, IA 50309  
[AMCSupervision@iowa.gov](mailto:AMCSupervision@iowa.gov)  
[realestateappraiserboard@iowa.gov](mailto:realestateappraiserboard@iowa.gov)  
Phone: 515-725-9025 Fax: 515-725-9032

## Welcome Appraisers

### ASSOCIATE APPRAISER

Heying, Elizabeth (AG03665)  
Klemish, Isaac (AG03664)  
Morische, Jessie (AG03656)  
Plate, Jennifer (AG03658)  
Triggs, Merle (AG03655)  
Wessling, Jolee (AG03663)

### INITIAL CERTIFICATION

Alleger, Chad (CR03458)  
Connor, Jason (CR03195)  
Kirchner, Megan (CG03244)  
Kolpek, Alyssa (CR03510)  
Porter, Chancellor (CR03500)  
Richardson, Charity (CR03417)

### RECIPROCITY

Arthur, Damon (CR03667)  
Flaherty, Daniel (CR03666)  
Hansen, Nathan (CG03657)

Jones, Todd (CG03668)  
Livingston, Donald (CG03659)  
Saunders, Stephen (CG03669)

### REACTIVATION / REINSTATEMENT

Bentle, Thomas (CG03536)  
Chandler, Brian (CG03172)  
Olbrecht, Kari (CG03295)



## Welcome AMC Registrants

Appraisal Logistic Solutions, LLC (00106)  
Caffrey Corporation DBA Arivs (00112)  
Electronic Appraisal Solutions DBA Valligent (00107)  
Lenders Allies, LLC (00111)  
USAMC, LLC (00113)

## Lapsed or Voluntary Surrendered AMC Registrations

Appraisal and Valuation Services, LLC  
Appraisal MC, LLC  
Arivs Illinois, LLC  
CoesterVMS.com, Inc.  
Kairos Appraisal Services, LLC  
Land Gorilla  
Landmark Network, Inc.  
Lincoln Appraisal & Settlement Services, LLC

RPM Appraisal Services, Inc.  
Speedy Title & Appraisal Review Services, LLC  
Valocity, LLC  
Val-u-Nation, LLC  
Valuation Management Group0, LLC  
Value Trend Solutions, LLC



## Word From The Board



Happy New Year from the Appraisal Board!

While appraising in 2018 I managed to fall down, walk into a clothes line, had a dog get a mouth full, was attacked by a cat and got my SUV stuck in the mud while looking at a farm. I know 2019 is going to be my year!

As the junior member of the board, I was asked to be part of the work product committee. An important step for appraisers seeking certification is to pass the work product review requirement. This process involves having three appraisals reviewed by one or more of our independent reviewers and then coming in for an interview with yours truly and one other board member. Work product review is by far the most rewarding portion of my board responsibilities and something I look forward to each month. It

amazes me how nervous candidates are during the interview with me. If the candidates only knew what a klutz I am, they would feel more relaxed. I will admit I was probably more nervous providing my first interview than the candidate was.

Iowa is rated the best state in the nation and I would like to think we have the best appraisers in the nation. I am very encouraged by the quality of new appraisers coming through the board's door. This fall, while attending an appraisal continuing education class, I took a poll of the room. I asked how many appraisers plan on retiring within the next five years. More than half raised their hands. I have seen a wave of the established generation handing off the business to a grandchild or younger associate.

The partial government shutdown has had some impacts to the residential appraiser industry as of early January. FHA is operating with reduced staff. USDA is not accepting new loan applications at this time. The VA is fully funded for 2019 and is not impacted at this time. Fannie Mae and Freddie Mac are operating as usual. My hope is the partial government shutdown will come to an end prior to the start of the busy spring selling season.

January is typically the time of year I prepare for the upcoming busy season and take a few continuing education classes. A few live classes will be offered in Iowa this spring. I encourage you to support the providers who have made an effort to bring quality education to us right here in Iowa.

Best wishes for a healthy, happy and prosperous 2019,

Dan Fuhrmeister, Board Member

## Future Board Meetings

On December 20, 2018, the Board voted to eliminate board meetings in February, July, and December. The November board meeting is to be held after Thanksgiving and the January Board meeting is to be held before January 15, to reduce wait times on associate appraisers upgrading to certified status.

Board meeting times are subject to change. The public is welcome to attend at the Board office located at: 200 East Grand Ave, Suite 350 in Des Moines, IA 50309. Agendas can be found on the Board's website at: <https://www.idob.state.ia.us/REAP/> by clicking on "About the Board," "Board Meeting Schedule, Agendas and Minutes," and "2019."

Wednesday, January 30, 2019 (In-Person) 12:00 pm

Thursday, March 7, 2019 (In-Person) 12:00 pm

## FAQ (Frequently Asked Questions)

**Q:** I'm currently a real estate salesperson and I wanted to also obtain my appraiser's license. I completed a background check for the Real Estate Commission. Can this be used to satisfy the background check for my associate appraiser's registration?

**A:** No. A background check completed by the Real Estate Commission cannot be used for the Real Estate Appraiser Examining Board. Each Board has its own statutes authorizing the acquisition and use of background check information. Likewise, the Real Estate Commission cannot use background checks completed for appraiser licensing.

**Q:** I was disciplined in another state. Do I need to notify the IA Board?

**A:** Yes, Per Iowa Administrative Code (IAC) 193F—7.3(9)(a), grounds for discipline include: Failure by a registrant or certificate holder or an applicant for a registration or certificate to report in writing to the board any revocation, suspension, or other disciplinary action taken by a licensing authority, in Iowa or any other jurisdiction, within 30 calendar days of the final action. IAC 193F—7.3(9) goes on to list additional items that must be reported to the Board including but not limited to, failure to update your business address within 10 calendar days of the change or criminal convictions within 30 days of the action. Anything listed under IAC 193F—7.3 can be grounds for discipline in Iowa.

**Q:** I need to change my business name or address. How do I go about getting that done?

**A:** A business name change or business address change, which is what is displayed on your license, can only be changed by application in DataPro. Log into your "My PLB account" in and submit a new application. Be sure to select the Real Estate Appraiser Examining Board. The application is titled, "General-Request to Change License Address." Once this is processed, it will automatically generate a new license card. Go back to "My PLB Home" (top left of the screen) and click on your license number, scroll to the bottom, and you'll be able to view and then print your new card. Notification of a principal place of business change is required within 10 calendar days of such change.



**Q:** What makes an experience log AQB compliant?

**A:** The Criteria address the minimum requirements for an associate appraiser's log. The Criteria states that logs must include the type of property, the date of the report, the address of the appraised property, a description of work performed by the trainee, the scope of the review of the supervisor, the level of supervision of the supervisor, the number of actual work hours by the associate, associate signature, and the signature and state certification number of the supervisor. Separate logs must be maintained for each supervisor. In addition to the Criteria requirements, IAC 193F—4.2 (3) requires that every page of the log contain the name and signature of the associate appraiser performing the appraisal; name, certification number and signature of the supervisor; and the date signed. Guide Note 6 in the Criteria published by the Appraisal Foundation provides a sample log. In addition, blank log templates can be found on the Board's website at: <https://www.idob.state.ia.us/REAP/>.

**Q:** I saw that the 2018 Criteria was adopted by the Board. If I received my associate registration prior to its adoption, do I still fall under the 2015 Guidelines?

**A:** No, all associate appraisers fall under the guidelines currently in effect. Once you meet the 2018 Criteria and Board's requirements for education, core criteria, and experience, you may start the upgrade process, which consists of the exam and experience application, a background check, meeting with the Work Product Review Committee, and the conversion application. Contact the Board's office if you'd like more information on the process.

**Q:** How can I become a Board member?

**A:** Go to: <https://openup.iowa.gov/home> and click on "Begin Application Process." The Board is expecting an opening for an appraiser on May 1, 2019.





### Fannie Mae, Taking Steps Towards Change

Fannie Mae's new program, MH Advantage, "pairs affordable financing with specially designed manufactured housing." Agreements with manufacturers are already in place. According to Rick Walker, Fannie Mae's Collateral Policy and Strategy Risk Manager, appraisers are not responsible for verifying all of the MH Advantage central features, but they must provide photos of the Data Plate, HUD Certification Labels, and the driveway and sidewalks on the property.

### Maintaining Your Standards as a Mentor

With the recent Criteria changes, this article boasts the need for mentors to carefully choose the reports they sign off on. Mentors are encouraged to maintain their standards even if the standards have been lowered as a whole by the profession. The article also links a podcast titled, *305 Lower Standards for Becoming an Appraiser*.



### The Housing Slowdown Is Here- and These 10 Cities Are Getting Hit Hardest

This article states that within the last few months, the real estate market has been slowing down. Prices aren't necessarily dropping, but they are decelerating. Other signs of market adjustments include the amount of inventory for sale and the number of days on the market. Metros, especially on the west coast, are seeing the biggest slowdowns. Mortgage rates increased by 0.91% recently. Home prices went up, and in some cases, increased by 22.2% between 2016 and 2017.

### The Good, The Bad, and The Complex

Dustin Harris, owner and operator of The Appraiser Coach, answers questions on the best way to appraise a complex property. He mentions using Excel for regression analysis, paired sales, and adequate amounts of explanation for the appraiser's conclusion. He stated that appraisers should not use any tool they do not completely understand. In the end, he says it comes down to fundamentals.

### Report Observation & Trigger Points

Dave Towne, Certified Residential Appraiser in Washington, wrote this article on a report he saw. It identifies some "trigger points" such as inconsistencies in the report where the opinion of value is different, overly large neighborhood boundary description, and claiming an industry standard when one does not exist. Dissection of an appraisal report is a great way to learn from others and help ensure your reports don't get flagged for review.

## **Submit A Story**

We'd love to hear from you. If you have a story to submit, or are aware of something going on in the profession, let us know. Maybe you have an interesting story that pertains to the profession or one that would benefit our readers. Email Brandy March at: [brandy.march@iowa.gov](mailto:brandy.march@iowa.gov) with the subject line, Story Submission. Your story may be published in the next newsletter.

## Discipline (November 1, 2018-January 31, 2019)

Since November 1, 2019, the Board has received eight (8) new complaints and closed nine (9) complaints.

There have been three (3) consent orders, suspensions, or voluntary surrenders in lieu of discipline during this period. You can find existing consent orders on the Board's website at: <https://www.idob.state.ia.us/REAP/> and clicking on "Disciplinary Index" on the left side of the screen and performing a search by an individual's last name or by a case number.

### **16-03 & 16-11 Williams, Carrie (CR02812) Altoona, IA**

On December 26, 2018, the Board entered an order acknowledging Carrie Williams complied with all terms of the August 30, 2018 Reinstatement Order/Settlement Agreement. Ms. Williams has been released from the prior order as of December 20, 2018. A copy of the order is located on the Board's website under the Disciplinary Index/Adverse Action page.

### **16-05 Boswell, Jeff CR02714 Altoona, IA**

On January 30, 2019, the Board released Mr. Boswell from the terms of his Amendment to Consent Order filed on March 14, 2018,<sup>7</sup> as a result of Respondent's failure to adhere to USPAP, failure to exercise reasonable diligent in the development of multiple appraisals, and demonstrating negligence or incompetence in the development, preparation and communication of multiple appraisals. Respondent was required to take education and report review.

### **17-30 Ellis, Corey (CG01931) Rock Island, IL**

On November 30, 2018, the Board and Respondent entered into a Consent Order/Voluntary Surrender to resolve case number 17-30. A copy of the order is located on the Board's website under the Disciplinary Index/Adverse Action page. The Board charged Mr. Ellis with failing to comply with the terms of a Board Order by failing to complete the required continuing education requirements set forth in the previous Settlement Agreement within the applicable time frame in violation of Iowa Code section 272C.3(2)(a). Mr. Ellis ultimately elected to voluntarily surrender his license. A voluntary surrender constitutes discipline against Mr. Ellis and shall be treated for all intents and purposes as a revocation. Any future order granting an application for reinstatement must, at a minimum, require Mr. Ellis to continue under the terms of the prior Settlement Agreement previously entered in case number 17-30.



### **Did You know...**

The Appraisal Subcommittee distributes a daily report to all state administrators on disciplinary actions taken on an appraiser. This report lists the appraiser's name, license number of the state that issued the discipline, type of discipline, and the other states, including that state's license number, that the appraiser holds a credential, even if it's no longer active. Iowa utilizes this report, along with other measures, to ensure that appraisers conform with Iowa Administrative Rules and Statutes.

IAC 193F can be found at: <https://www.legis.iowa.gov/docs/iac/agency/193F.pdf>. Chapter seven (7) outlines the grounds pursuant to which disciplinary action may be instituted against certified and associate appraisers.

## Spotlight Interview— Julie Ann Griffith (CR02366)

Meet Julie Ann Griffith, a certified residential appraiser in the Des Moines metro. She's been in the business since the early 90s. She worked part-time with a small father and son appraisal business, owned by Cliff Pawol, while she attended the University of Nebraska. She then went on to become a state licensed appraiser in 1994. In 2004, she upgraded to certified residential status. She hopes to retire from the industry, but plans to continue to stay up-to-date with and adapt to the changes within the profession as they come.

Julie Ann said she was lucky to work with her first mentor Duane Rozendaal in Jasper County. She carries fond memories or working with Duane and considers him a very special person in her career. Together they served the city of Newton and all of rural Jasper County. She helped him with rural water easements. Unfortunately, Duane passed away last year but Julie Ann will never forget his contributions to getting her started in the profession. She says supervisors play a pivotal role in your career and she was lucky enough to have several good ones.

When asked about the positive and negative aspects of being an appraiser, Julie Ann said that flexibility, starting something new each day, and the interesting people are definite benefits. She also enjoys being able to view Iowa's rural beauty since she does a lot of rural work. The uncertainty of work flow, which can create income ups and downs and the pressing demand to eliminate the human component from the valuation process are her biggest concerns for the profession.

Julie Ann cited many changes in the industry since she's been in the profession. She said a typical day included two or three inspections, drawing floor plans, dropping off the film at the 1-Hour Photo shot and picking it up after lunch, compiling reports and using rubber cement to adhere the photos to the pages. She used to spend countless hours in the courthouse getting assessor records, deeds, plat maps, and delivering reports to the post office and local banks. Her "MLS" was comprised of index cards of the sales in a recipe box she kept in her car. She was fortunate to maintain employment during the 2008 economic downturn and primarily did foreclosure work. She said this had to have been her most challenging time during her career due to the rapidly changing markets and the emotional turmoil from seeing the effects of the economic disaster when working with those who lost their homes and jobs. She said she will never forget the aftermath of that downturn, and it has instilled a compassion in her interactions with others.



On a more personal note, Julie Ann likes spending time with her partner Vince, her family and her friends. She likes to spend time in nature and do activities such as hiking, boating, fishing, and horseback riding at Lake Red Rock. She also likes to cook. She has two Labrador Retrievers—her primary source for conversation most days. Julie Ann and Vince became grandparents this year and are excited to spend time watching their new grandson grow up and complete all his "firsts."

## Compliance Corner (AO 7)

*This communication by the Appraisal Standards Board (ASB) does not establish new standards or interpret existing standards. Advisory Opinions are issued to illustrate the applicability of appraisal standards in specific situations and to offer advice from the ASB for the resolution of appraisal issues and problems.*

### **SUBJECT: Marketing Time Opinions**

### **APPLICATION: Real Property, Personal Property**

### **THE ISSUE:**

The *Uniform Standards of Professional Appraisal Practice* recognizes that some assignment conditions require the appraiser to analyze and report a reasonable marketing period (also referred to as marketing time) for the subject property when developing and reporting an opinion of market value of real or personal property.

How is this reasonable marketing period opinion developed, and what is the relationship of this opinion of marketing time to the appraisal process?

### **ADVICE FROM THE ASB ON THE ISSUE:**

The reasonable marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal.

Stakeholders often confuse exposure time and marketing time. Marketing time is a forecast that is made looking forward from the effective date. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

### **Rationale and Method for Developing a Marketing Time Opinion**

The development of a marketing time opinion uses some of the same data analyzed in the process of developing a reasonable exposure time opinion as part of the appraisal process and is not intended to be a prediction of a date of sale or a one-line statement. It is an integral part of the analyses conducted during the appraisal assignment. The opinion may be expressed as a range or a number. An Appraisal Report should include a summary of the analysis upon which that opinion is based. The opinion can be based on one or more of the following:

- statistical information about days on market,
- information from data collection services,
- information gathered through sales verification,
- interviews of market participants, and
- anticipated changes in market conditions.

Related information garnered through this process includes other market conditions that may affect marketing time, such as the identification of typical buyers and sellers for the type of real or personal property involved and typical equity investment levels and/or financing terms. The reasonable marketing time is a function of price, time, use, and anticipated market conditions, such as changes in the cost and availability of funds, and is not an isolated opinion of time alone.



## Compliance Corner (AO 7) Continued

Appraisers should not simply use the estimate of reasonable exposure time as their forecast of the marketing period. A key difference in the analysis of marketing time is that the appraiser must also research and consider anticipated changes in market conditions. For example, while conducting research, the appraiser observes signs of strengthening in the market place. Signs could include shortening exposure periods, rising prices, lowering interest rates, increases in the ratio of listing price to sale price or reductions in inventory. An improving market place suggests property may be selling faster than it has in the past. The opposite is also true.

### Discussion of Marketing Time in the Appraisal Report

Marketing time occurs after the effective date of the market value opinion and the marketing time opinion is related to, yet apart from, the appraisal process. Therefore, it is appropriate for the section of the appraisal report that discusses marketing time and its implications to appear toward the end of the report after the market value conclusion. The request to provide a reasonable marketing time opinion exceeds the normal information required for the appraisal process and should be treated separately from that process.

It is also appropriate for the appraiser to discuss the impact of price/value relationships on marketing time and to contrast different potential prices and their associated marketing times with an appraiser's market value opinion for the subject property.

### Applications of Client Conditions on an Appraisal

Clients concerned with marketing real or personal properties who obtain a market value appraisal as part of their decision-making process should be aware that it may be inappropriate to assume that the value remains stable during the marketing period. Therefore, it is technically incorrect for the user of an appraisal to take a current value opinion, carry it forward to the end of a concluded marketing period, and then discount back to the present.

Some clients attempt to solve their problem by ordering a "120-day market value," a "six-month market value," or a "one-year market value" from the appraiser. Unless the opinion of reasonable exposure time made by the appraiser in the course of such an assignment coincides with the precondition imposed by the client, the answer to this assignment will not necessarily be market value under a typical definition of the term. In such situations, the appraiser must clearly distinguish between a market value opinion allowing for reasonable exposure time and any alternative, appropriately defined, value opinion(s) subject to a special limiting condition resulting from the client-imposed marketing time.



Whether or not the appraiser and client define the appraisal problem to include more than one opinion of value, the roles of the parties must be kept clear. The appraiser provides the client with a supported opinion of defined value in an appropriately documented report that includes a section on reasonable marketing time and any inherent price/value implications. The ultimate decision on issues such as what price to ask, when to accept a particular offering price, and how to account for the asset during the interim rests with the client.

## Compliance Corner (AO 7) Continued

### SUMMARY:

- An estimate of marketing time is often an assignment condition but it is not a requirement of USPAP.
- The appraiser's opinion of marketing time is a forecast of time that begins as of the effective date of the appraisal.
- Marketing time is different for various types of property and under various market conditions.
- Marketing time may be expressed as a single point in time or a range.
- The answer to the question "what is a reasonable forecast of marketing time," should always incorporate the answer to the question "for what kind of property at what price range," rather than appear as a statement of an isolated time period.
- When value is predicated on a marketing time that differs from the subject's reasonable exposure time the resulting value will not necessarily be market value.

**AO-11 is published by the Appraisal Standards Board of The Appraisal Foundation.**

**Assignment  
Condition**

**Varies by  
Type**

**Single Point  
or Range**

**Appraisal Effective Date**

## Appraisal Management Company Bond Claims

An Appraisal Management Company (AMC) registered in Iowa is required to be covered by a \$25,000 bond per Iowa Code 543E.19. The requirements for a surety bond shall only relate to liabilities, damages, losses, or claims arising out of the appraisal management services performed by the appraisal management company involving real estate located in this state. The bond shall provide that a person having a claim against an appraisal management company may bring suit directly on the bond or the administrator may bring suit on behalf of such person.

In Iowa, it is recommended that the person having a claim against an AMC bring suit directly on the bond. A claimant may contact the Executive Officer at 515-725-9025 or via email at [AMCSupervision@iowa.gov](mailto:AMCSupervision@iowa.gov) to obtain bond information of an AMC.

The Iowa Division of Banking will attempt to make bond information readily available to claimants when aware of adverse circumstances with an AMC. Due to recent queries made on CoesterVMS.com, Inc., their bond information is provided. Additionally, Damitta Straughter, from International Fidelity Insurance Company, contacted the Iowa Division of Banking requesting claimants contact her directly to file a claim on CoesterVMS.com, Inc.'s bond.

AMC: CoesterVMS.com, Inc.

Bond Company: International Fidelity Insurance Company

Contact: Damitta Straughter

(972) 398-6912

[dstraughter@ifc.com](mailto:dstraughter@ifc.com)

Bond Number: TXIFSU0713517

Issue Date: 1/1/2017

Cancel Date: 12/19/2018

