

# THE IOWA APPRAISER

VOLUME 3, ISSUE 3

November 2019

IOWA DIVISION OF BANKING  
IOWA REAL ESTATE APPRAISER EXAMINING BOARD

## A Letter From The Editor

Greetings All!  
Fall seems to be upon us. We've been doused with rain lately and the temperatures have dropped significantly. We even had snow already; you gotta love Iowa weather.

The Division of Banking and the Professional Licensing Bureau have seen a lot of staffing changes. The Superintendent of Banking Ron Hansen retired and was replaced by Jeff Plagge on September 16, 2019. Jeff serves on the Northwest Financial Corp and subsidiary bank boards, the Sheltered Harbor board and on the board of the American Bankers Mutual Insurance, LTD. He just completed his service as Chairman of The Clearing House Real Time Payments Advisory Committee. His full bio can be found at: <https://www.idob.state.ia.us/>.

Ashley Thompson with the Real Estate Commission was promoted to Background Manager and Danielle Bartkiw is the new licensing specialist for the Real Estate Commission, Architects, Landscape Architects, and Interior Design. Kimberly Gleason is the new licensing specialist for the Appraiser Board, Accountancy, and Engineers and Land Surveyors. Teresa Stull was promoted to the Accountant / Personnel Assistant Position and Renee Paulsen took over as the Investigator for all boards except the Appraiser Board. If you come into the office, say hello and introduce yourself.

Some of you may have noticed that my signature block has changed a little. I finally earned my Master's Degree in Public Administration and I

also hold the Certified Public Manager designation. I hope both of these will help me become a better Board Administrator as I serve Iowans.

Appraisal Management Company (AMC) registration renewals open up today. AMCs may renew their registrations by November 30 without a late fee. Late renewals will still be allowed between December 1 and December 31, 2019.

—Brandy March, CPM, MPA  
Executive Officer



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## Welcome Appraisers

### ASSOCIATE APPRAISERS

Baish, Aaron (AR03709)  
Howard, Madison (AG03716)

Whitehead, Grant (CR03703)  
Wilson, Michael (CG03704)

### INITIAL CERTIFICATION

Gearhart, Trevor (CR03522)  
Glaser, Clint (CG03566)  
Isaacson, Benjamin (CG03358)

### REINSTATEMENTS/REACTIVATIONS

Mausbach, Scott (CG03398)  
Miles, Benjamin (CG03634)  
Nordquist, Richard (CG02904)

### RECIPROCITY

Behning, Angela (CR03713)  
Costello, Stacey (CG03712)  
Bickford, Angela (CG03708)  
Finkle, Alex (CG03717)  
Gillespie, Timothy (CG03714)  
Glauber, David (CG03710)  
Haack, Jonathan (CG03715)  
Johnson, Matthew (CG03705)  
Krueger, Colleen (CG03707)  
Magdziarz, Matthew (CG03718)  
Schierbeck, Charles (CG03711)  
Vegliacich, Joseph (CG03706)

## Welcome AMC Registrants

Applied Valuation Services, Inc. (00114)  
E Street Appraisal Management LLC (00115)

## Future Board Meetings

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" or "2020."

December 10, 2019 at 12:30 PM

January 22, 2020 at 12:30 PM

March 26, 2020 at 12:30 PM

## **Word From The Board**

“That government is the strongest of which every man feels himself a part.” - Thomas Jefferson

Your Real Estate Appraiser Examining Board did something on September 18, 2019, that hasn't been done for many years...they met in a location other than Des Moines, Iowa. Mason City, Iowa was the chosen location, which also happens to be home to the Board's Chair, Fred Greder.

The express purpose of going to Mason City, Iowa for our monthly meeting was to hear new ideas, thoughts, wisdom and even criticism from Iowans who have an interest in or are impacted by the mission and actions of the Board.

Twelve people showed up on a very rainy and gloomy September day. Some were from financial institutions but most were owners and employees of appraisal firms in North Central Iowa. Being a border community, some had comments on appraisers crossing state lines and coming into Iowa. Others had comments on certification and continuing education requirements and the changes Iowa recently made to better conform to national standards. The biggest concerns dealt with the dwindling number of young appraisers coming into the field, especially in our state's rural areas. Like many professions in Iowa, retirements are taking their toll.

You may have issues that you feel strongly about. We want to hear from you. Our meetings are always open to the public and I would encourage you to attend a meeting or contact any board member to express your thoughts and ideas. Our next meeting is scheduled for December 10th at 12:30 PM. It will be held at 200 E. Grand Ave., Suite 350, in Des Moines, Iowa. We hope to see you there. After all, the ultimate objective, aside from ensuring public trust, is to build a stronger profession.

- Mark Kapfer, Board Member



## FAQ (Frequently Asked Questions)

**Q:** What happens when I am ready to sit for the national exam?

**A:** When an associate appraiser is ready to sit for the national exam, they must submit an exam and experience application. This requires the associate to provide Appraiser Qualifications Board (AQB) compliant logs for the entire duration of their experience. Any gaps in the log (months with no appraisals) must be explained. The applicant's official transcript must be uploaded to the online application as well as copies of the course certificates. Transcripts from the course providers will not be accepted. Once the applicant's application is approved, the Executive Officer will select three random reports from the log. The reports will be from different years so that the Board may determine how well the associate appraiser has progressed through the training phase. The applicant, and their supervisor, will meet with the work product review committee. The full Board must approve the applicant's work product in order for the applicant to submit the conversion application to become certified. Once the Work Product Review (WPR) is approved by the Board and the applicant has passed the national exam, the applicant may submit the Conversion application. This requires the applicant to upload the original copy of their exam pass notice and have a current background check on file. Background checks are only good for 180 days and should be submitted around the time of the work product file submission to the Board.

**Q:** Can I submit a report to the Board for review?

**A:** Yes, an associate appraiser may choose to submit a report anytime after 500 hours of experience is obtained in an effort to obtain feedback on their training and compliance with USPAP. There is a nominal fee for this option as outlined in IAC 193F Chapter 12. Associate appraisers may also supplement the reports selected by the Executive Officer during the WPR by choosing to submit an additional report at the time of the Work Product Review. Reports may be demonstration reports or appraisals completed for a client.

**Q:** What is the scope of practice for the associate appraiser?

**A:** The scope of practice for an associate appraiser is the same as that of their supervisor. However, the associate appraiser must ensure that they collect enough hours for their certification type in

order to be eligible to take the national exam. For instance, an associate residential appraiser must have 1,500 hours of residential experience in no less than 12 months. Therefore, if the associate residential appraiser has a certified general supervisor and is also performing non-residential work, they will likely have more than the 1,500 hours of experience before they apply for the national exam.

**Q:** I am an associate appraiser. Do I have to submit logs to the board periodically?

**A:** No. You only have to supply a log when requested by the Board. This would typically take place during the exam process, when the Board conducts a log audit, or wishes to obtain progress information on the associate appraiser. An associate appraiser may submit a log for Board review at anytime to ensure they are keeping AQB complaint log.

**Q:** I am not licensed in Iowa, but I need to do an appraisal for which a license is required. What is the difference between a Temporary Practice Permit (TPP) and Reciprocity? What if I have a lapsed license in Iowa?

**A:** A person, even a lapsed or inactive appraiser in Iowa, may apply for a TPP. No more than 2 TPPs can be issued per calendar year. TPPs are per engagement letter. If there are multiple properties on one engagement letter, it would be one TPP. If there are multiple properties, but have been assigned by more than one engagement letter, the applicant would need more than one TPP. If more than 2 TPPs are needed, the person would need to seek Reciprocity if they've never held a license in Iowa. A TPP is \$150 each. A reciprocal license is \$440 (more than 12 months) or \$245 (less than 12 months). Applicants with a last name starting with A-K will expire 6/30/even years and applicants with a last name of L-Z will expire on 6/30/odd years. A person who has never been licensed in Iowa may seek either the TPP or Reciprocity. If the applicant has held a license in Iowa, they may obtain a TPP or reinstate/reactivate their license. Reinstatement and reactivation fees are outlined in IAC 193F-Chapter 12. In order to reinstate, the applicant will need to provide continuing education certificates for all years since their last active renewal. Therefore, if a person lapsed on 6/30/2016, they'd need to show CE back from 7/1/2014.



### [An Overview of Solar Photovoltaic \(PV\) System Characteristics](#)

In this article, Sandra Adomatis covers the characteristics that must be gathered from the homeowner before a proper value can be developed. Some of the characteristics lists include, but are not limited to, the system's age and size, the ownership status, and the mounting type. She says, "Solar PV valuation is a complex appraisal assignment." She also has a "Field Guide to Solar Energy" at: <http://www.adomatisappraisalservice.com/Field-Guide-to-Solar-Energy.pdf>.

### [Understanding Federally Related Transactions \(FRTs\)](#)

Appraisal Buzz interviewed John Russell, Senior Director of Government Relations and Business Development for the American Society of Appraisers. John talks about the North Dakota waiver and the definition of an FRT. John also explains what a future regulatory system should look like.

### [Drones and Scope of Work](#)

On September 17, 2019, Valbridge News posted an article on drone usage in the appraisal process. Drones can help "enhance an appraiser's ability to inspect a property." Drone usage must be addressed in the scope of work. The Appraisal Foundation addressed drone usage in its USPAP Q&A issue in September 2016 (FAQ 214). They state, "unless an appraiser makes a visitation of the property it does not constitute a personal inspection of the property." A visit must take place with the drone usage. The article provides sample statements to include in your scope of work comments.

### [A Spreadsheet Solution for Estimating Gross Living Area \(GLA\) Adjustments](#)

Richard Price wrote this article. He claims that the method he was originally taught to calculate GLA does not satisfy the requirement for support for adjustment factors. Mr. Price has "done a certain amount of research on methods of arriving at GLA adjustments based on data analysis as opposed to rules of thumb." He covers matched pair, multiple regression, and linear regression in this article.

### [Coester Loses Appraiser Lawsuit](#)

Mark Skapinetz won a Summary Judgement against CoesterVMS and Brian Coester individually. Mr. Coestner stated in a disposition that he hacked the appraiser's e-mail accounts. "The Court ruled that Coester and CoesterVMS violated the Stored Communications Act (SCA), and committed unlawful trespass to chattel, conversion, and intrusion upon seclusion when Coester accessed Skapinetz's email accounts."

## **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 (May 1, 2019 - July 30, 2019)

Since August 1, 2019, the Board has received six (6) new complaints and has closed eleven (11) cases.

There has been one (1) 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.

### **19-23 Pals, Richard (CG01005) Alexander, Iowa**

On October 31, 2019, the Board and Respondent entered into a Combined Statement of Charges, Settlement Agreement, and Order Accepting Voluntary Surrender to re-solve case number 19-23. A copy of the order is located on the Board's website under the Disciplinary Index/Adverse Action page. The Board charged Mr. Pals with Professional Misconduct for "[e]ngaging in . . . conduct that subverts or attempts to subvert a board investigation, . . . fail[ing] to fully cooperate with a disciplinary investigation of the . . . certificate holder" in violation of Iowa Administrative Code rule 193F—7.3(7)( c ). Mr. Pals ultimately elected to voluntarily surrender his license. A voluntary surrender constitutes discipline against Mr. Pals 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. Pals to continue under the terms of the prior Settlement Agreement previously entered in case number 19-23.

## Did You know...

The Appraisal Subcommittee (ASC) 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.

The Board rules 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.

A licensee must report any revocation, suspension, or other disciplinary action taken by a licensing authority, in Iowa or any other jurisdiction, to the Board within 30 days of the final action. Because it says any licensing authority, it is not restricted to discipline on your appraisal license only and would include discipline to other licenses you may hold such as a salesperson, broker, architect, or the like.



## Spotlight Interview— (Dan Fuhrmeister CG02572)

Dan Fuhrmeister started in the appraisal business when he was twenty completing mass appraisals for add valorem tax purposes. His grandfather had recently passed away and his farm needed to be appraised. Robert Crane and Greg Downes completed the appraisal. Both of these appraisers later became mentors to Dan when he was reintroduced to Downes and Associates through his mother's co-worker, Julie Teachout. Julie introduced Dan to Patrica Matthews, Greg Downes' secretary. By 2002, he was working on a fee basis in Iowa City. In 2004, he received his certified residential appraisers license and in 2007, he upgraded to certified general status. About six years ago, Dan opened his own appraisal business in downtown Iowa City. Dan can't imagine doing anything else besides appraising.

Dan enjoys being an appraiser and helping people. He says the technology changes in the industry, especially topography maps and public records are so much better compared to his early days. However, he thinks Zillow can be very misleading and harmful to the public. According to Dan, the A in Zillow is for accuracy. He feels lender pressure continues to be a problem in the appraisal industry. Low fees and fast turnaround times are not helping. He'd like to see changes in this area. He feels the shortage of appraisers is actually the unwillingness of appraisers working for unreasonable fees and fast turn times.

Dan maintains his farm. He has row crops and will be adding cattle soon. He keeps honey bees as a hobby. He serves on the Iowa Real Estate Appraiser Examining Board and is on the Work Product Committee. Dan says to feel free to contact your board members if you ever have questions or a problem. The Board works for you. He also suggests appraisers think about becoming a board member because it is a wonderful learning experience.



From Left to Right: Teresa Selberg, Luke Dawson, Brandy March, Fred Greder, Dan Fuhrmeister, Tracy Crimmins

## Compliance Corner (AO 17)

*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: Appraisals of Real Property with Proposed Improvements**

**APPLICATION: Real Property**

### **THE ISSUE:**

Can either a current or a prospective value opinion for a property subject to completion of proposed improvements be provided in compliance with the *Uniform Standards of Professional Appraisal Practice (USPAP)*?

### **BACKGROUND:**

An appraisal of real property with proposed improvements presents complex analysis and reporting issues because some portion of the property appraised does not exist at the time of the appraisal. Consequently, an appraiser must use particular care when performing an appraisal of such property to ensure that the results are credible and the appraisal report is not misleading.

A client may have a legitimate need for either a current or a prospective opinion of value (or both) concerning proposed improvements to real property. This kind of appraisal may be performed for a variety of client types, such as lenders, developers, private investors, trusts, attorneys, government agencies, or insurance companies. Further, such an appraisal may be for purposes other than providing an opinion of market value.

Many real property appraisers have been uncertain whether a current value opinion, rather than a prospective value opinion, may be provided in compliance with USPAP for a property subject to completion of proposed improvements and, if so, which portions of USPAP are most relevant to the assignment.

Advisory Opinion 34 addresses how an appraiser may provide a prospective value opinion in a manner that is not misleading. This Advisory Opinion provides guidance in performing an assignment involving proposed improvements to real property, whether the purpose of the assignment is to develop a current value opinion or to develop a prospective value opinion.

The value opinion in an appraisal assignment involving proposed improvements is developed on the basis of one or more extraordinary assumptions. Using an extraordinary assumption always requires specific reporting steps. An appraiser must properly address the requirements set forth in Standards Rule 1-2(f) related to use of an extraordinary assumption in developing an appraisal and must address Standards Rules 2-2(a)(xi) and (b)(xi) in reporting the appraisal opinions and conclusions so as to ensure that the results are credible and not misleading.



## Compliance Corner (AO 17) Continued

### ADVICE FROM THE ASB ON THE ISSUE:

#### Relevant USPAP & Advisory References

The following USPAP references are applicable when completing an assignment involving proposed improvements to real property:

- COMPETENCY RULE, as it relates to the complexity of an appraisal assignment involving proposed improvements;
- SCOPE OF WORK RULE particularly regarding laws, regulations, or guidelines which may augment USPAP;
- JURISDICTIONAL EXCEPTION RULE;
- STANDARD 1, particularly Standards Rules 1-1(a), 1-2(d), 1-2(e), 1-2(h), 1-3(a); and
- STANDARD 2, particularly Standards Rules 2-1(a), 2-1(c), and Standards Rule 2-2.

Additional guidance appears in the following Advisory Opinions:

- AO-7, *Marketing Time Opinions*;
- AO-30, *Appraisals for Use by a Federally Regulated Financial Institution*;
- AO-33, *Discounted Cash Flow Analysis*;
- AO-34, *Retrospective and Prospective Value Opinions*;
- AO-35, *Reasonable Exposure Time in Real and Personal Property Opinions of Value*.

Additional guidance appears in Advisory Opinion 7, which addresses marketing time opinions. AO-30, *Appraisals for Use by a Federally Regulated Financial Institution* addresses when other requirements may augment USPAP.

#### General Comments

Both current and prospective value appraisals subject to completion of proposed improvements to real property are permitted under USPAP. As noted in Advisory Opinion 34, a current value appraisal occurs when the effective date of appraisal is contemporaneous with the date of the report, and a prospective value appraisal occurs when the effective date of appraisal is after the date of the report.

Development of a value opinion(s) for a subject property with proposed improvements in a current value appraisal involves at least one hypothetical condition, specifically that the described improvements have been completed as of the date of value. The use of a hypothetical condition, in turn, imposes additional reporting requirements as set forth in Standards Rule 1-2(g) and Standards Rules 2-2(a)(xi) and (b)(xi). The additional reporting requirements are to ensure that an intended user understands that:

- (a) the improved subject property does not yet, in fact, exist as of the date of appraisal;
- (b) the analyses performed to develop the opinion of value are based on a hypothesis, specifically that the improved subject property is assumed to exist when in fact it does not exist;
- (c) certain events need to occur, as disclosed in the report, before the property appraised with the proposed improvements will in fact exist; and

## Compliance Corner (AO 17) Continued

(d) the appraisal does not address unforeseeable events that could alter the proposed property improvements and/or the market conditions reflected in the analyses.

Development of a value opinion based on a hypothetical condition is addressed in Standards Rule 1-2(g). Use of a hypothetical condition is permitted when it is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison. An analysis based on a hypothetical condition must not result in an appraisal or appraisal review report that is misleading. The hypothetical condition must be clearly and conspicuously disclosed in the report with a description of the hypothetical condition and a statement that its use might have affected the assignment results.

There may be laws, regulations or guidelines that affect how and when a hypothetical condition may be used in an appraisal assignment. An appraiser should consider these assignment conditions, but he or she must make certain that developing and reporting a current value opinion under a hypothetical condition in accordance with the assignment conditions still results in an appraisal that complies with USPAP.

### Assignment Considerations

An appraiser asked to complete an assignment involving proposed improvements to real property should consider and discuss with the client:

- the intended use of the appraisal report;
- the effective date of the appraisal and the date when the proposed improvements are expected to be complete;
- the physical and economic changes to the existing property and changes in the market for the property that may result from completion of the proposed improvement; and
- the possible change in market competition from other properties over the time frame of the improvement project.

It is important for an appraiser to ensure that the client knows that the differences in the information considered in the two types of analyses can result in significant differences between a current and a prospective value opinion concerning the same subject property.

Taken together, these factors and the client's needs determine whether it is most appropriate to develop:

- a current value opinion on the basis of a hypothetical condition that the proposed improvements already have been completed, or
- a prospective value opinion on the basis of an extraordinary assumption that the property will be improved as of a future date, as proposed.

## Compliance Corner (AO 17) Continued

If a prospective value opinion is the most appropriate, the appraiser should review and follow the guidance in Advisory Opinion 34 in the course of completing the assignment.

As stated in “General Comments” above, an appraisal of a property subject to completion of proposed improvements with a current date of value always involves use of at least one hypothetical condition (i.e., the proposed improvements have been completed as of the date of value), and this always requires reporting that the proposed improvements are appraised as if completed as described in the report, as of the date of value.

In an appraisal with a prospective date of value, the extraordinary assumption that the proposed improvements are complete as of that future date must be disclosed clearly and conspicuously. The appraiser also should report that the extraordinary assumption might have affected the assignment results.

An appraiser should carefully review Standards Rule 1-2(e) and determine whether the information available for analysis is sufficient to identify the extent and character of the proposed improvements. If sufficient information is not available, an appraiser may use an extraordinary assumption about the extent and character of the proposed improvements, if credible assignment results can still be developed. In an appraisal with a prospective date of value, the extraordinary assumption about the extent and character of the improvements is in addition to the extraordinary assumption about those improvements being completed on the future date of value.

A current value opinion assignment does not require an appraiser to provide a prospective value opinion. However, so as to not be misleading the appraisal report should clearly indicate the fact that the value of the property that actually exists as of the date of the report would be different from the value concluded for the property with the proposed improvements completed as described in the hypothetical condition(s) used in the appraisal.

### Illustrations:

1. A client is considering financing the construction of a single-family residence. Construction is expected to be complete in six to eight months from the date of the appraisal report. No significant changes in market conditions are foreseeable during the construction period. The client requests a current value opinion based on the hypothetical condition that the improvements are complete as of the current date. Can such an appraisal be provided in compliance with USPAP?

Yes, provided sufficient information about the extent and character of the proposed improvements is available or can be reasonably assumed under a hypothetical condition used for purposes of reasonable analysis in this case. Given the intended use of the appraisal (construction financing) and the lack of significant change in the market conditions during the construction period, in this case, a current value appraisal would not be misleading solely on the basis of the hypothetical condition that the improvements are complete as of a current date.

## Compliance Corner (AO 17) Continued

2. A client requests an appraisal to assist in establishing contract rent in a build-to-suit agreement. The agreement stipulates that contract rent will be based on a stated percentage of the market value of the property as if it were completed as of a current date. The client requests a current value opinion based on the hypothetical condition that the improvements are complete as of the current date. Can such an appraisal be provided in compliance with USPAP?

Yes. Given the intended use of the appraisal, the use of the hypothetical condition is necessary for purposes of reasonable analysis and would not in itself result in a misleading appraisal.

3. A client is considering making a current loan on a hotel and requests an opinion of the current value. The current occupancy levels are below 60% and are not expected to improve for at least two years. The client has requested the appraiser to utilize a hypothetical condition which assumes that the occupancy level of the hotel is 70%. Can such an appraisal be provided in compliance with USPAP?

No. The resulting appraisal would be misleading because of the combination of the intended use of the appraisal to make a current loan and the market conditions that are expected to affect the subject property.

4. A client is considering construction of a large apartment complex. The client expects construction to be complete in about two years. Currently, demand for similar apartment units is strong, but because of the amount of new construction under way or planned in the near future, vacancy levels are expected to rise from the current level (below 1 percent) to about 20 percent in two years.

A. The client requests an appraisal with a current value opinion for use in obtaining financing from a nonregulated financial institution, based on the hypothetical condition that the apartment complex is complete and at stabilized occupancy. Can such an appraisal be provided in compliance with USPAP?

No, because given the intended use and the foreseeable changes in market competition during the course of construction, a current value opinion for the property, as if complete, would most likely be misleading. A prospective value opinion, with an effective value date as of the expected completion date, would more realistically reflect market conditions affecting the subject property as proposed.

B. The client requests an appraisal with a current value opinion for use in testing project feasibility or investment alternatives, based on the hypothetical condition that the apartment complex is complete and at stabilized occupancy. Can such an appraisal be provided in compliance with USPAP?

Yes, because the intended use of the appraisal and the hypothesis, in this type of assignment, is for purposes of reasonable analysis and comparison. However, so as not to be misleading, the appraisal analyses should reflect the market risk resulting from the foreseeable trend in vacancy and its probable impact on cash flow and market.

**AO 17 is published by the Appraisal Standards Board of The Appraisal Foundation.**

## Appraisal Management Company Bond Claims

An Appraisal Management Company (AMC) registered in Iowa is required to be covered by a \$25,000 surety bond per Iowa Code 543E.19. An action on the surety bond shall only relate to liabilities, damages, losses, or claims arising out of the appraisal management services performed by the AMC involving real estate located in Iowa. The bond provides that a person having a claim against an AMC 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 make bond information readily available to claimants when aware of adverse circumstances with an AMC.

The Bond for Elliott & Company Appraisers Inc. is set to expire on 1/3/2020.

## September Board Meeting Recap

As we mentioned previously in "Word from the Board," Page 3 of this Iowa Appraiser, the September 18, 2019 Board Meeting was held at the Mason City Chamber of Commerce in Mason City, Iowa. In addition to the 6 Board members and 4 staff, 12 members from the public attended: Terry Kestner with RABO Diversified Services, Abe Hackman with Wells Fargo Bank, Mary Hackman with Wells Fargo Bank, Dave Nebel with Hertz Appraisal Services, Mike Albrecht with North Iowa Appraisal, Ben Young with Independent Appraisal Management, Randy York with Independent Appraisal Management, Charles Wearda with Wearda Farm Management, Cliff Rossler with Farm Credit Services of America, Eric Losen with North Iowa Appraisal, Julie Wulfekuhle with Kremer Appraisals, LLC and Susan Ellison with Preferred Appraisal Services.

The Board voted to adopt the changes to IAC 193F Chapters 21 and 25 and new chapters 26-29 as published in ARC 4556C as well as changes to IAC 193F Chapters 1, 5, 6, and 15 as published in ARC 4567C. The Board Chair, Fred Greder, made a presentation to spark public comment concerning the conversations and Board votes regarding the 2018 AQB Criteria adoption; evaluations and the appraisal industry concerning how to conform to USPAP and be qualified to conduct evaluations; the complaint investigation and disciplinary process; appraisal waivers, and The Appraisal Foundation's Practical Application of Real Estate Appraisal (PAREA) concept.

Ultimately, the purpose of the public meeting was to obtain more feedback from the public, including appraisers and users of appraisal services, so that the Board can discuss matters that affect the industry. The Board appreciates feedback and hopes you will attend a meeting in the future. The Board would appreciate feedback on interest in attendance and locations for future Board meetings throughout the State of Iowa.

After the Board Meeting, some of the attendees toured the Historic Park Inn Hotel in Mason City, Iowa, the last remaining Frank Lloyd Wright designed hotel in the world.