



**Appraisal  
Institute®**  
Wisconsin Chapter  
*Professionals Providing  
Real Estate Solutions*

*The  
Wisconsin  
Chapter*

# MESSENGER

<http://www.wisai.com>

DECEMBER 2019

## PRESIDENT'S MESSAGE

**Garrett Warner, MAI**

At the close of another year, I wish everyone Happy Holidays. This year the Wisconsin Chapter of the Appraisal Institute Board continued in their mission to promote quality education, provide member support, and facilitating administrative and housekeeping efforts to enable us to continue to serve our members in a direct and meaningful way.



The 2020 Annual Kick-off Symposium will be January 14, 2020 at the WCAI Offices. The Symposium is approved for 5 hours of state continuing education credits. The morning session will include economic and market data presented by CoStar. This will be followed by a lunch, then the afternoon sessions will include presentations by Rocky Marcoux, Commissioner, Department of City Development, City of Milwaukee, and Blair Williams, President, WiRED Properties. They will be followed by Leslie McGranahan, Vice President and Director of Regional Research in the Economic Research Department of the Federal Reserve Bank of Chicago, and Dirk Debbink of MSI General Construction and Development. This will be followed by a reception for networking and socializing.

That evening we will have the General Membership Meeting & Past President's Dinner at North Hills Country Club. This event is open to all members and I and the Board strongly encourage all members to attend, not just Past Presidents.

The following day, January 15th, we will host the 2020-2021 USPAP continuing education course. This will be held again at the WCAI Offices. This is part of the required continuing education for all practicing appraisers and if you attend both the Annual Kickoff Symposium and the USPAP course,

you will receive 12 hours of continuing education, which is almost half of the requirement in two days. These two events were scheduled back to back in order to facilitate travel and hopefully minimize hotel costs for those traveling to the events.

In June, we went live with the Chapter Financial Management and Administration Program. We joined all of the National Appraisal Institute Regions and 43 chapters currently using the system. Six new chapters have launched on December 1, 2019, for a total of 49 chapters. It is reported that three chapters have not selected a date to enter the program. All chapters must be enrolled by the end of 2020. The National Board reports the new system provides easier financial management and mitigates financial risk to the organization. Our representatives from Wisconsin Association Management, primarily run the day to day tasks for the Chapter in this new system. They report that once we merged our previous accounting categories into the National categories, we were able to function well with the system. The new system allows the Treasurer and President to easily review accounts payable requests and have access to necessary information much easier than before.

The Appraisal Institute held its 2019 Annual Conference in Denver, July 22-24, 2019. Valuation and real estate professionals from around the world will celebrated the theme of "Climbing Even Higher". Five-hundred and

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## 2019 OFFICERS & DIRECTORS

### President

Garrett Warner, MAI.....(262) 784-7377  
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### Vice President

Erik Hanson, MAI.....(608) 279-1164  
*La Crosse, WI*

### Secretary

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*Waukesha, WI*

### Treasurer

Cherie Laffin, MAI.....(715) 842-3311  
*Wausau, WI*

### Past President

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### Directors

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### Chapter Office / Executive Director

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 Milwaukee, WI 53225  
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### Office Hours:

8:00 a.m. - 5:00 p.m. Monday-Friday

sixty-one people attended the event with 503 attendees and 58 guests. The AI Women's Initiative Breakfast had 85 registrants and the LDAC Alumni Reception had 99 registrants.

Rick Larkin, SRA attended the conference, primarily to attend the Appraisal Institute's Residential Appraisal Practice Team (RAPT) and the National Residential Appraisal Roundtable (NRT). His report on these break-out conferences and initiatives are included in this newsletter.

The 2020 Annual Conference will be held August 3-5, in Orlando, Florida. at the JW Marriott Grand Lakes Resort from Monday, August 3, with regional meetings to be held in Orlando on Sunday, August 2 through Wednesday, August 5. Registration for the Annual Conference will open in the Spring of 2020. I would strongly encourage anyone interested to attend.

Leadership Development and Advisory Council will be held from Monday, May 18, 2020 through Wednesday, May 20, 2020 at the new Hilton Washington DC National Mall hotel. The number of participants selected will increase to 125 from previous year's 100. Registration for LDAC will open on February 11, 2020. If you are interested in attended this popular event through the Chapter, please contact me or a board member.

Lastly, in other exciting news, the National Board has indicated that the 15th Edition of The Appraisal of Real Estate was originally slated to be issued in 2019. It is reported that delays were encountered as some significant changes were being debated. The release is now scheduled for the first quarter of 2020. The previous edition, the 14th Edition was released in 2013.

It has been a pleasure serving as your President this year. I look forward to serving in the Past President role on the board for 2020, then making room for future leaders of our organization.

Please enjoy the Holidays and this winter; may your practices thrive; and I hope to see you all at an event or class later this year!

- *Garrett Warner*

# BOARD MEETING MINUTES

## October 16, 2019

Garret Warner called the meeting to order at 4:05 p.m. at the office of Wisconsin Association Management, 11801 West Silver Spring Drive, Milwaukee, WI.

### Members Present

Leah Murphy, Curt Kolell, Jorge Barreiro, Garret Warner were in attendance.

Detlef Weiler, Art Sullivan, Bob Quamm, Erik Hanson, Chrie Laffin and Kevin Dumman joined via teleconference.

Staff members present included Douglas Stangohr

### Approval of minutes from 8/21/19

Motion made by Jorge Barreiro

2nd by Chrie Laffin

Notes: All approved

### Treasurer’s Report

Adapting to A.I. National format and will conduct an email vote when WI Chapter budget made.

### Chapter Reserve Fund Placement

Money market fund to be raised to \$10,000 minimum balance. Email to be sent with exact account balances and will conduct an email vote for fund placement amounts to checking, money market and A.I. pooled accounts.

### Education Report

Profit made on five of the six courses offered in 2019. USPAP the only course that had a negative balance. UPSAP in January of 2020 has trainer allocated at a very reasonable fee. Condemnation seminar lined up for 2020 thus far.

Material fees will henceforth be referred to as a licensing fee.

### Year in Review

Tuesday January 14th will kick-off annual symposium.

Morning session will be conducted by Costar for no charge. They will also be asked to be a sponsor of the afternoon session costs.

Afternoon session will consist of four presentations on the following topics: city development, wired properties, chief economist and general construction.

Five hours of continuing education credits to be confirmed with DRL for full attendance and the cost for the day sessions will be a total of \$20 per student. The sessions will be wrapped up a social event.

Past Presidents Dinner will be scheduled in the evening and USPAP 2020-2021 will be offered the following day.

### Chapter Office and Director Eligibility Requirements

Erroneously in agenda.

### Residential Practice Group Team Update

Two emails sent on evaluation standards with directions to communicate to TAF .

Licensed and Certified Residential list obtained from state is in the process of being organized.

Letter will be sent to appraisers after being developed.

### New/Old Business

LDAC candidates needed for the 2020 year.

### Adjournment

At 5:02 p.m. the meeting adjourned.

Motion made by Curt Kolell

2nd by Chrie Laffin

Notes: All approved

## WCAI JOB POSTING

### STANDARD INFORMATION REQUIRED...

- Company:**
- Location:**
- Position:**
- Job Description:**
- Compensation:**
- Benefits:**
- Required Skills:**
- Required Education:**
- Experience:**
- Contact Information:**

### Includes...

- A six month posting on the Chapter Website under Jobs Board
- An ad in the most current Chapter newsletter
- A posting on the Chapter Facebook page
- An email out to the Chapter membership
- Free for AI members. \$300 for non-members
- Contact doug@wamllc.net for inquiries

## 2019 APPRAISAL INSTITUTE CONVENTION SUMMARY

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Richard Larkin, SRA

I attended the 2019 Appraisal Institute Convention in Denver this July, primarily to attend AI's Residential Appraisal Practice Team (RAPT) and attend the National Residential Appraisal Roundtable (NRT). I also attended the General Session, breakout sessions on various appraisal topics, and talked to the vendors in the exhibit hall. Power Point presentations from the Breakout Sessions are available on AI's website for those interested. While most of the session topics reflect my residential appraisal practice, there are a number of significant takeaways for my commercial colleagues as well. I will try to briefly summarize them as follows:

1.) Breakout Session on Diminution of Value Appraisal Assignments, especially commercial assignments, require a detailed Highest and Best Use analysis in both the "before" and "after" condition. HABU can change dramatically from "before" to "after". The use of case studies detailing the alteration of physical or legal attributes of a property and resulting value changes illustrated the need for a higher level of analysis. Topics included Conservation Easements, title defects, and partial takings.

2.) Hybrids and Bifurcated Appraisals will soon be the new normal for residential appraising for mortgage lending. The amount of data, now in possession of the GSE's is staggering. Two of the four major GSE's (Freddie, Fannie) are now heavily implementing the Hybrid/Bifurcated appraisal process. Bifurcation is the separation the property data process from the valuation process. Residential mortgage loans which do not qualify for an appraisal waiver will first be screened through a "Value Verification" process which can include a bifurcated appraisal. The appraiser will rely on a "property data collector", government sources (UAD and CU data), and public sources as sources for the bifurcated appraisal report. Appraisers do not inspect

properties. Properties which do not "fit" this process will have a traditional appraisal. This will be a comparatively small percentage. Takeaway: far fewer secondary market appraisals. Second takeaway: Increased risk associated with the bypassing of an appraiser's honed skills of observation and increased risk for appraisers who sign a bifurcated or hybrid report.

3.) From the session, "Is the Appraisal Process Ready for a Remodel?" the following takeaways are: Technology in all forms is now readily accepted (duh!). The Cloud, Big Data, mobile technology, social media, analytics, and algorithms rule. Real estate is becoming much more liquid. Appraisals are seen as slow and a barrier to liquidity. The demand for much faster appraisal turnaround is increasing even more. Newer (younger) consumers of appraisal product cannot understand why an appraisal takes so long (common borrower complaint). This session was presented by the Fannie Mae's Director of Collateral Policy and Strategy but both the commercial and residential world are seen as being increasingly impacted. The Director also indicated in one in five defaults had a defective appraisal. Food for yet more thought.

4.) "Green" is different (and better). The market for high-performing homes and commercial properties continues to evolve at a rapid pace. Green designs and technology continue to change. Topics included changes in metering policies, leased photo-voltaic systems, new battery and storage technology, the effect of diminishing tax incentives, emphasis on not only "Green" but "Healthy" buildings, how building performance affects value for both houses and commercial properties, what areas and technologies are currently in demand (geo-thermal was not mentioned), and more. Also noted were the various coming changes and advancements in manufactured housing and the appraisal challenges associated with it. You can also get ready for your first "small house" appraisal. Maybe you can write a small report.

## 2019 APPRAISAL INSTITUTE CONVENTION SUMMARY CONT.

5.) Cannabis: It is already legal in varying degrees in all states surrounding Wisconsin. National legalization was seen as inevitable and cannabis companies are poised and ready for expansion. Appraisal issues include the need to consider that some tax deductions available to a typical commercial/industrial use are not available to cannabis operations (retail, warehousing, and production/cultivation) due to its federal controlled substance classification. Also covered were the banking aspects of the cannabis industry. The impacts of legalization are significantly impacting taxation, landlords, consumers, and real estate investors in states with legal cannabis.

6.) Browsing the various vendors of appraisal software and technology products reflected the mood of faster, faster, faster as well as increased reliance (and acceptance) on technology and decision-making analytics. These companies appear to suggest that these products are a “better” substitute for an appraiser’s decision making process. Various Big Data subscription-based analytic services were offered. Analytics-based commercial appraisal “decision making” software vendors offered commercial appraisal software packages suggesting that all a commercial appraiser had to do was feed in a subject property’s location, its legal and attribute data, and the program would find and analyze comparables, select rentals, derive cap rates, do a cost approach, reconcile a value opinion, and essentially write the report. Most

notable amongst these vendors was Lightbox and Compstak. Drone vendors and sophisticated GIS and mapping vendors also displayed an incredible array of products. The vendors for these products showed commercial appraisal applications, not residential.

In summary, the convention, while presenting some scary visions of the very near term future, did offer topics and discussions which tackled these issues head on. By presenting a detailed look at future and near term appraisal challenges, AI continues to be an industry leader. I am sure I have missed a few nuggets but I think that I have reflected the core elements of the convention.

Lastly, convention attendees were treated to an “age reduction” booth in the vendor hall where aging appraisers could have restorative goop of various hues and flavors applied to droopy eyelids, jowls, and various wrinkle-impacted areas. In my case, no improvement was seen.



### Online Education:

Learn at your own pace anytime, anywhere, <https://www.appraisalinstitute.org/education/>  
Top-notch Appraisal Institute courses and seminars come straight to your desktop with online education! Learn from any computer anywhere, whenever you have time. It's easy, convenient and a great way to get the education you want. Check out the current course listing now!

# NATIONAL ROUND TABLE (NRT) AT THE APPRAISAL INSTITUTE NATIONAL CONVENTION

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## Jorge A. Barreiro, SRA

On Sunday July 21, 2019 prior to the opening of the Appraisal Institute's annual national convention, the Colorado Chapter of the Appraisal Institute hosted the National Round Table with over 150 residential appraisers in attendance. The appraisers in attendance were a mix of local Denver and Colorado residential appraisers along with residential appraisers attending the convention. Many were not AI members. Some local bankers and lenders also attended. The event was also live streamed on FaceBook. Over forty sponsors were recruited, including AI Regions, AI chapters, individual appraisers, and vendors. Door prizes, drinks, and snacks were also part of this first NRT.

After a welcome from Ben Davidson, MAI, SRA, AI-GRS, AI-RRS, the Colorado Chapter President, Stephen Wagner, MAI, SRA, AI-GRS the current AI President gave some introductory remarks highlighting the Appraisal Institute's efforts in enhanced educational opportunities, broadening the tent for more residential appraiser inclusion, and the RAPT residential practice team. Since 2017, the RAPT has been working on the inclusion of more residential articles in AI and other appraisal publications, residential webinars, and residential round tables to give residential appraisers a place to discuss residential appraisal issues. AI Vice President Rodman Schley MAI, SRA spoke to "Are Your Fees Higher and Your Life Easier?" in the residential appraisal world.

Bill Graber, AI's lobbyist in Washington DC spoke about getting legislation passed in these very polarized political times. Topics included an effort to separate AMC fees from appraisal fees in closing documents, a national license structure, FHA allowing licensed appraisers to

do FHA appraisals, the increase of thresholds where appraisals are required, and other topics.

The evening was then turned over to senior appraisal executives from VA, Fannie Mae, and Freddie Mac. James Heaslet of the VA indicated strong appreciation for good quality professional appraisals and appraisers. He termed the VA policy as "vet centric" with the protection of the veteran as the most important item. He is not a fan of hybrids and was particularly concerned as to the quality of any inspector who is allowed in a veteran's home. "Who is this person and what are their qualifications?", was his concern. He indicated trainees could be seen as sources of entry level inspectors. Another tidbit was the removal of limits for a VA loan. Get ready for a \$1,000,000 home needing a VA appraisal.

Keisha Williams of Fannie Mae spoke extensively of their resources for appraisers, especially the appraiser page on their website. She let it be known that an appraiser can email FNMA and they will do their best to respond. Both comments as well as questions are wanted. She also asked for more input on their UAD survey. She further indicated an appreciation for appraisers and the Appraisal Institute as doing good work for their loan process. She further indicated that the traditional appraisal was not "going away".

Interesting also was the discussion of the amount and degree of information collected. FNMA verifies significant public data from aerials, to surveys, to flood data along with property data collected in each appraisal. In some cases, this includes two photos of each room. Up to 80 data points on a given residential property are harvested.

Scott Reuter Chief Appraiser of Freddie Mac spoke about the new UAD design with its broader data set. He spoke of the bifurcated appraisal process

## NATIONAL ROUND TABLE CONT.

with its emphasis on more analytics and data modeling for loans at the lower end of the risk spectrum. The “easy” appraisal is in its twilight and appraisal assignments will generally be more complex. Mr. Reuter spoke highly of the Appraisal Institute and their designations, He indicated it set the appraiser apart from the rest of the appraisers and was a considered a distinction. He also indicated appraiser’s needed to communicate and interact with each other as the industry changes. A specific topic for Freddie Mac is the changes coming to the manufactured housing product and the need for appraisers to change with it. This was seen as a significant opportunity area for residential appraisers going forward.

The evening wrapped up with a lengthy Q & A session where AI officers, staff, and the speakers from the government GSE’s stuck around and fielded questions. This first NRT was seen as a success on all levels.

## WCAI JOB POSTINGS

### Associated Bank

**Location:** Any Metropolitan Area within the Bank’s Footprint

**Position:** Commercial Appraisal Reviewer II

**Job Description:** On all commercial real estate transactions requiring valuation services originated in the Regional Banks, CRE, Business Resource Center, Special Loan Group, or Corporate Banking; responsible for selecting a qualified appraiser, issuing the engagement letter, reviewing and accepting the issued appraisal for compliance and methodology used, and completing an appraisal review report for the collateral file. In addition, assist the Appraisal Compliance Officers, Senior Credit Officers, and Lines of Business with questions regarding Real Estate Appraisal and Evaluation ordering and review procedures.

**Key Result Areas:**

- Problem Solving • Reconciling • Research
- Analysis • Regulation and Compliance

**Job Accountabilities**

- Perform appraisal reviews for all business lines to assist lenders and credit officers in valuing commercial real estate for lending purposes in order to maintain high credit quality.
- Select appraisers for a specific loan transaction, from a pre-existing list. Prepare the Engagement Letter and review the final appraisal when completed for compliance and valuation methodology contained in the appraisal to justify the appraisal value
- Collaborate with the Regional Credit Officer, Corporate Loan Review, Relationship Managers, and Credit Analysts to ensure overall appraisal compliance, independence, and valuation.
- Provide documentation for the OCC and respond to requests from the OCC Examiners to ensure that all new Commercial Appraisals meet the current federal requirements regarding compliance, independence, and proper evaluation.

- Evaluate and coordinate an approved appraiser list and recommend qualified additions or deletions from said lists. Responsible for maintenance of the lists to ensure that appraisers meet our guidelines.

**Compensation:** Based on Experience, Licensing, and Designations  
**Benefits:** Full Benefits including licensing and continuing education expenses

**Required Skills:** Written Communication, Verbal Communication, Mathematical, Microsoft Office, Operate Office Equipment

**Required Education:** Bachelor’s Degree. Certified General Real Estate Appraiser in a State within the Bank’s primary footprint by start date (required). Candidate for MAI or AI-GRS designation of the Appraisal Institute by start date (preferred)

**Experience:** 2-4 years Real estate appraisal, bank or finance lending, mortgage company experience or real estate background

**Contact Information:** Applicants can apply online at AssociatedBank.com/careers and search for position #1911622

Associated Bank is an equal opportunity employer committed to creating a diverse workforce. We support a work environment where colleagues are respected and given the opportunity to perform to their fullest potential. We consider all qualified applicants without regard to race, religion, color, sex, national origin, age, sexual orientation, gender identity, disability or veteran status, among other factors.

Applicants with a disability who need assistance applying for a position with Associated Bank are asked to email: [colleaguecare@AssociatedBank.com](mailto:colleaguecare@AssociatedBank.com) or call: (800) 878-3282.

**Compliance Statement**

Fully complies with all applicable enterprise policies and procedures.

Acts in compliance with all applicable laws and regulations as outlined in training materials, including but not limited to Bank Secrecy Act. Responsible for reporting suspicious activity to Financial Intelligence. Responsible to report all customer complaints as prescribed and procedure violations to management or HR. Responsible to report ethical concerns as needed to Associated’s anonymous Ethics Hotline.

### Valbridge Property Advisors I Milwaukee

**Location:** Brookfield, WI

**Position:** Senior Level Appraiser

**Job Description:** Perform market research and appraise a wide variety of commercial property types across Wisconsin for a mix of client profiles

**Compensation:** Commensurate with experience and performance  
**Benefits:** Yes

**Required Skills:** Understand real estate and real estate valuation; be flexible, independent and driven; good writing skills important

**Required Education:** College degree

**Experience:** The right candidate is already a State Certified General Appraiser and producing quality work, but looking for a new situation and long-term opportunity. May also consider a less experienced candidate for an Analyst position.

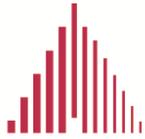
**Contact Information:** S. Steven Vitale, MAI

Valbridge Property Advisors I Milwaukee

Tel: 262-782-7990

Cel: 262-227-9277

[svitale@valbridge.com](mailto:svitale@valbridge.com)



ADVERTISING OPPORTUNITIES AVAILABLE

The Wisconsin Chapter of the Appraisal Institute (WCAI) is proud to offer advertising opportunities in its newsletter and website. To sign up to advertise, please fill out the form below.

If you have any questions regarding advertising, please call the WCAI office at (414) 271-6858.

Table with 5 columns: AD SIZES, 1 Issue, 2 Issues, 3 Issues, 4 Issues. Rows include Business Card, 1/4 Page, 1/2 Page, Full Page, and Website with corresponding prices for member and non-member rates.

Price per issue decreases for each additional issue you advertise in. First number indicates member rate, second number indicates non-member rate.

\*Per Quarter For Website. 1 Issue=1 Quarter, 2 Issues=2 Quarters etc

Confirm your selection by e-mailing a .jpeg/.tif/.pdf/or .eps file to Doug Stangohr at doug@wamlc.net and mail your advertising fee and order to WCAI (11801 W. Silver Spring Dr., Ste 200, Milwaukee, WI 53225)

ORDER FORM

Ad Size: \_\_\_\_\_

Calculate your total: \$ \_\_\_\_\_

(Multiply price per issue x number of issues)

CONTACT INFORMATION

Company: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_

E-Mail: \_\_\_\_\_

Credit Card Number: \_\_\_\_\_ Exp. Date: \_\_\_\_\_