

Field Notes

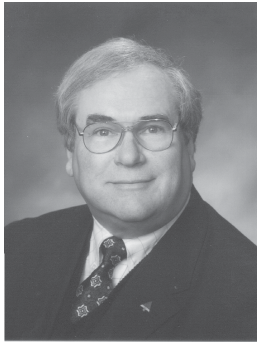
The Greater Oregon Chapter of the Appraisal Institute Official Newsletter

President's Message

Terry Bernhardt, SRA
2005 Chapter President

The summer of '05 will surely go down in history as one of the busiest for all appraisers, both commercial and residential. The capital flight from the stock market and other alternative investments into real estate has become a torrent, fueling a feeding-frenzy of building, buying, and refinancing. Now, more than ever, the importance of professionalism in our industry is paramount.

In an age of AVM's,



flippers, identity thieves, and appraisal forgers; merely being an awful appraiser seems almost tolerable. For many mortgage clients, an awful appraisal is just fine—so long as it hits the number and can be delivered yesterday. This is also the time for aspiring professionals to show what they're capable of, and to quietly build lasting business relationships based upon quality and timely service.

Therein lies the mission of the Appraisal Institute—quality education and professional development—and an opportu-

nity to build managing and marketing skills that will define the difference between a job and a career.

The 2006 education schedule has been finalized and can be found on page 7. You can also check these postings online at either

www.oregonappraisers.org

or www.appraisalinstitute.org. Our education & seminar chairs, Kathleen Buono and Matthew Larrabee, have done another outstanding job. If you want to get active in chapter events, network a little with members—volunteer for a commit-

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AI Golf Tournament Held at OGA Golf Course

GOCAI held the annual Strecker Memorial golf tournament on Thursday, September 22, 2005. The event was again held at the OGA Golf Course in Woodburn, with over 40 golfers again attending. We were honored this year with the attendance of Shannon Strecker and her boys, Nathan and Ryan. The three of them donated a new revolving trophy that will be awarded to the winning team each year.

This year's winning team in the scramble format, and holder of the new trophy, was the foursome of Matt Meyer, Jeffrey Hirata, Kento Hirata and Jay Onchi. They shot a score of 58, or 14 under par! Good job. Second place with a team score of 61 was Steve Carr, Jeff Tingley, Jack

Crosley and Bryan Hoopman.

Individual winners for the closest-to-pin competition were Steve Oleson, Jack Crosley, Jeff Matteo and Joan Ricci. Each received a gift certificate from the pro shop for their efforts. All the winners in the team and individual competitions also received Pro-V golf balls that were donated by John Satterberg at Community Financial Corp. Thank you John!

Please make plans to attend next year's tournament. Each year we are able to make a donation to scholarship fund that has been set up for the Strecker Children. The larger the group, the more fun we have, and the more that gets donated. Tournament director

Scott Henningsen is open to new ideas and/or feedback, so do not hesitate to give him a call.

By Scott Henningsen



The Strecker family participated in this year's tournament. Left to right: Nathan, Shannon, Ryan Strecker. Right side, David Raines, Shannon's fiancé.

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President's Message

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tee such as education, public relations, governmental affairs, or membership development & retention. It's a lot of fun and very rewarding.

Speaking of governmental affairs, in the 2005 legislative session, the Greater Oregon Chapter helped secure passage (or blocked) several very important measures affecting appraisers and the appraisal profession. Measure 37 programs

were held across the state—often with chapter member's input. Several members

testified at legislative committee hearings, and the Oregon ACLB secured passage of several needed bills to better serve both the public and the appraisal profession. We are indebted to Fred VanNatta, our very effective lobbyist, and

several members—including Larry Ofner, MAI, Roxanne Gillespie, MAI, Matthew Larrabee, MAI, Brian Glanville, MAI, and others who rushed to Salem on short notice to represent us.

In closing, I'd like everyone to extend support to Larry Ofner as he continues to undergo chemotherapy.

Larry is one of the best friends our chapter and our profession has ever had.

If you want to get active in chapter events, network a little with members—volunteer for a committee such as education, public relations, governmental affairs, or membership development & retention.

His teaching, mentorship, and professionalism set the standard. Congratulations also to Larry for his appointment to the Appraiser Qualifications Board, after completing a term on the Appraisal Standards Board. Larry is the first appraiser nationwide to serve on both boards, and we're very proud of him.

Terry Bernhardt, SRA

MAI OFFICE SHARING OPPORTUNITY

Seeking MAI / general certified appraiser to share space with other MAI appraisers at our new office building in Tualatin to be completed by late November 2005. Convenient location near Fred Meyer and I-5 interchange. Turnkey space sharing arrangement to include a furnished private office + reception / phone services + access to databases + full admin support + all supplies. Non-smoker only. Interested parties email to kurt@mcportland.com, or call Kurt Mueller, MAI at 503.620.0881.

Ofner Appointed to AQB

After serving six years on the Appraisal Standards Board (ASB), in May Larry Ofner was asked by the Board of Trustees of The Appraisal Foundation to take a special appointment to the Appraisal Qualifications Board (AQB) for a 2.5 year term, effective immediately. The AQB establishes the criteria for State certification of appraisers, including education and experience.

Ofner has accepted the appointment and attended the AQB meeting in San Diego in June.

DOD, GSA, NASA Finalize Rule for Gov't Property Rent Charges, Independent Appraisals

Three government agencies have issued a joint final rule amending the Federal Acquisition Regulation to allow contractors to obtain property appraisals from independent appraisers and to permit appraisal-based rentals for all property rented by the government.

In addition, the Department of Defense, General Services Administration and National Aeronautics and Space Administration have amended the regulation to establish as the basis for rental charges the time property is actually used for commercial purposes, rather than the time available for use; and to allow contracting officers to consider alternate bases for determining rentals.

The agencies said these changes, effective as of August 26, 2005, are intended to encourage the dual use of government property. This rule incorporates principles applicable to the DOD since 1998 and applies to the entire federal government.

Don Jon Mason

March 10, 1921 - February 14, 2005



Born in Portland, Don died there after a short illness under the tender care of Willamette Falls Hospice. He attended Whitaker School on Columbia boulevard, which at the time, was "way out in the country." In 1939, he graduated from Jefferson High School where he was on the track team and raised 4-H sheep. At Oregon State College he was a member of Pi Kappa Phi and majored in Agricultural Economics. Graduating in 1943, he joined the U.S. Navy, where he served as communications officer in the Atlantic and Pacific and was on one of the first ships to arrive in Japan at the end of World War II.

He met Hazel McKay, his lifelong sweetheart, during high school in the 4-H cafeteria at the Oregon State Fair. They married on Christmas Eve, 1943. The couple lived in Portland and Salem for many years. Don was the fruit buyer for Starr Foods in Salem and later headed the Farm Appraisal Section for the Oregon Department of Veterans Affairs. In 1967, upon being awarded the MAI designation, he formed the real estate valuation firm, Don J. Mason Associates, which his two daughters later joined and worked with their dad until his retirement in 1985. He was past president of the Oregon Chapters of the Appraisal Institute, the American Society of Farm Managers and Rural Appraisers and the Society of Real Estate Appraisers.

For many years, Don and Hazel,

were active in St. Paul's Church in Salem and later at St. Francis of Assisi in Wilsonville. The couple has lived in Tualatin for the past six years. Together they drove the back roads of Oregon hunting out wildflowers for Don to catalog, photograph and print. Don tirelessly studied Lewis and Clark, Thomas Jefferson, and Henry David Thoreau. He had a comprehensive collection of classical music. His favorite proclamation to Hazel was "Aren't we lucky to have great kids and grandkids and to live in Oregon and to be together?"

Besides Hazel, his wife of sixty-one years, Don is survived by three children: Kathryn Gerheard (Bob, deceased), Dr. S. Jon Mason (Joyce) and Karen Mason; grandchildren, S. McKenzie Zollner, Megan Morgan (Mitchell), Lindsay Kleps (Mark), Kiersten Cutsforth (Donovan) and David Mason. Don and Hazel's first great-grandchild, Mason Cutsforth, is to be born this month. Their granddaughter, Katy Zollner, was killed by a drunk driver in 2000.

A private family gathering has been held. In memory of Don, contributions may be made in Don's name to the Katy Zollner Endowment (KYSG) at the Oregon State University Foundation, 850 SW 35th Street, Corvallis, Oregon 97333.

Arrangements are in the care of Attrell's Sherwood Funeral Chapel, a Golden Rule funeral home.



GOCAI Golf Tournament: Moments....

First Place Winning Team

*(Left to right) Jay Onchi, Jeff Hirata,
Matt Meyer, Kento Hirata.*



Second Place Winning Team

*(Left to right) Bryan Hoopman, Steve Carr, Jack Crosley,
Jeff Tingley.*



Washington Real Estate Appraiser Commission Meeting Scheduled for Nov. 18.

The Real Estate Appraiser Commission Meeting is scheduled for November 18, 2005, from 9:00 AM until 12:00 Noon at the Snohomish County Administration East Building Public Meeting Room 1, 3000 Rockefeller, Everett, Washington. Parking is available in an adjacent garage with entrances from both Oaks and Pacific. All day parking is \$5.00.

Directions—

North on I-5, at exit 192, turn left onto ramp towards Broadway/Naval Station/Port of Everett, keep left to stay on ramp for 0.1 mile, keep right to stay on ramp for

0.1 mile, keep straight onto Broadway, turn left onto Wall Street.

South on I-5, at exit 194 turn right onto ramp towards US-2/Everett Avenue/Wenatchee, keep right to stay on ramp towards WA-529/Everett Avenue/City Center, turn right onto SR-529 (Everett Avenue), turn left onto Rockefeller.

Agenda TBA

Note: This is the first Commission held north of Seattle and we hope to see some new faces. All attendees will receive a certificate of attendance granting 3 hours of continuing education credit.

Terry Bernhardt, SRA Installed in Oregon Aviation Hall of Honor

Col. Terry Bernhardt is among a group of Distinguished Oregonians who were installed in the Oregon Aviation Hall of Honor at the Evergreen Aviation Museum in McMinnville. Bernhardt earned the distinguished Flying Cross for the Air Force during the Vietnam War.

Bernhardt is among several aviators installed at the October 25th ceremony. The group included Jake DeShazer, a member of Doolittle's Raiders on the attack of Tokyo in World War II.

For more information about the Hall of Honor call the museum at 503-434-4185.

State of Washington Enacts Appraiser Bill

Washington Governor Christine Gregoire signed into law both bills of major interest to real estate appraisers this past summer. This favorable action enacted both the Trainee Real Estate Appraiser Bill (SB 5274) and the Excise Tax Affidavit Filing Disclosure Bill (HB 1315) in their entirety following their overwhelming final passage by both chambers of the Legislature.

Details and legislative history can be found at <http://www.leg.wa.gov/wsladm/billinfo1/bills.cfm>. Enter the bill numbers in the search engine block in the top right portion of the page to go to each bill's summary page. On that page, scroll down to – OTHER THAN LEGISLATIVE ACTION – Delivered to Governor. (Bill as Passed Legislature) (PDF Version), and print the PDF Version.

SB 5274 establishes "a trainee real estate appraiser classification" within the Real Estate Appraiser Act (Chapter 18.140 RCW) in a manner consistent with provisions for the existing certified and licensed appraiser classifications. All implementation details and procedures will be developed by the Department of Licensing (DOL) and the Real Estate

Appraiser Commission (REAC) through the adoption of regulations after public hearing to amend the Washington Administrative Code for Real Estate Appraisers (Chapter 308-125 WAC). This process is just beginning. The draft regulations will receive their first exposure at the REAC meeting to be held at the DOL office in Parkland (south Tacoma) on

Friday, July 8, at 9:00 am. It is very important that appraisers attend and provide input before and at the meeting.

Details are at <http://www.dol.wa.gov/app/appfront.htm>.

A detailed discussion of the anticipated "Appraiser Trainee Bill Implementation" process as the planning had evolved to April 27 is on page 4 of the current edition of "NEWSREAL" <http://www.ai-seattle.org/newsletters/may05newsweb.pdf>, the newsletter of the Seattle Chapter of the Appraisal Institute. Elly Snow, Executive Secretary, has put together an excellent

synopsis of her conversation with David Santhuff, Appraisal Program Manager.

HB 1315 authorizes "the disclosure of information related to real estate excise taxes" beyond which is presently available insofar as LLC's and others who soon will file with the County Auditor as is done by individuals currently, rather than through the Department of Revenue as at present. The effect will be to make the data from LLC filings readily available to all, including appraisers, real estate licensees and county officials.

The Appraisers' Coalition of Washington (ACOW) www.acow-wa.org is pleased to report this accomplishment, and grateful for the efforts of the sponsoring

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Senators and Representatives, Committee members and the other legislators who gave both bills their strong support. Thanks also go the Governor and the DOL managers and staff, and especially to T.K. Bentler (our lobbyist). Both bills make this the dawn of a new era for appraisers in Washington State and for its citizens who we serve.

Sudden Market Changes Related to Catastrophic Events

Question:

I live and work just outside the area recently devastated by Hurricane Katrina. My market area is experiencing sudden changes in supply and demand, and real estate sales prices have climbed rapidly. Does USPAP provide advice to real estate appraisers on how to handle sudden market changes brought about by such catastrophic events?

Response:

Although USPAP does not directly address the appraisal issues associated with catastrophic events, the following passages may be especially important in appraisals involving properties in markets that are changing rapidly, for any reason.

Standards Rule 1-2(e) requires an appraiser to identify economic attributes relevant to the subject property. Standards Rule 1-3(a) specifically requires analysis of supply and demand.

For Self-Contained and Summary Appraisal Reports, USPAP requires disclosure of "economic property characteristics relevant to the assignment."

Market conditions (including sudden market changes related to catastrophic events) are "economic property characteristics," and so should be identified in the development of an appraisal and disclosed in the appraisal report.

Standards Rules 2-2(a)(v) and 2-2(b)(v) address the type and definition of value used in an assignment. The Comments to these Standards Rules state, in part:

Stating the definition of value also requires any comments needed to clearly indicate to

USPAP Q&A

Vol. 7, No. 9 ; September 2005

This communication by the Appraisal Standards Board (ASB) does not establish new standards or interpret existing standards. The ASB USPAP Q&A is issued to inform appraisers, regulators, and users of appraisal services of the ASB responses to questions raised by regulators and individuals; to illustrate the applicability of the Uniform Standards of Professional Appraisal Practice (USPAP) in specific situations; and to offer advice from the ASB for the resolution of appraisal issues and problems.

intended users how the definition is being applied.

In cases of sudden market change, it would be necessary to specifically disclose such things as how the appraisal has addressed the motivation of buyers and sellers, supply and demand, the conditions of the sale (e.g. exposure in a competitive market), etc.

As noted in STANDARD 2, the content of all real property appraisal reports, "...must be consistent with the

intended use of the appraisal..."

In the case of a rapidly changing market, the report must have enough information to

allow intended users to understand the market conditions and to use that information in their decision making.

For further information regarding *USPAP Q&A*, please contact:

John S. Brennan, Director of Research & Technical Issues

The Appraisal Foundation
1029 Vermont Avenue NW, Suite 900
Washington, DC 20005
(202) 624-3044
(202) 347-7727, fax

In cases of sudden market change, it would be necessary to specifically disclose such things as how the appraisal has addressed the motivation of buyers and sellers, supply and demand, the conditions of the sale

FHA Commissioner Outlines Sweeping Changes

In a recent speech to lenders, Federal Housing Administration Commissioner Brian Montgomery addressed appraisal reform, specifically "as repaired" appraisals. Reiterating the FHA's recent abandonment of the Valuation Condition form and the Homebuyer Summary, in lieu of the new Fannie Mae appraisal forms, including the option of an as-is appraisal, Montgomery said the FHA will continue to work with lenders and appraisers to ensure that FHA appraisals are consistent with the rest of the market.

During his speech at the FHA Lenders Conference in Washington, D.C., Montgomery said it was his mission to bring FHA back, to reinvigorate the agency and restore it to its intended position within the marketplace. Montgomery admitted that over the last decade, FHA has fallen behind, "unable to keep pace with a mortgage market that is dynamic and adaptable" but declared that with a new management team in place, it won't allow the restoration to be plagued by "70-year-old legislation and rigid regulations to aging systems and limited staffing."

"Appraisal reform and lender insurance represent a real transformation in the way we do business at FHA," Montgomery said. He explained that the previously required "as repaired" appraisals were intended to ensure that a property financed by FHA was in good condition for the borrower. "Unfortunately," he said, "these appraisals drove our partners and prospective borrowers away from FHA. The appraiser would identify every single condition in need of repair, as well as those in need of additional evaluation by a qualified expert. The underwriter would then ensure that all repairs were completed and the borrower would acknowledge that he or she was aware of the required repairs."

Montgomery called the process "tedious and time-consuming and often unclear," stating that appraisers were afraid not to identify every little nick and scratch and underwriters were afraid to waive the repair requirements for meaningless and minor conditions.

Homes With Trout Streams

By Brad Reagan

From [The Wall Street Journal Online](#)

Summer brings peak conditions for fly fishing, and for some anglers the lure of a watering hole to call their own. Here are three ranches for less than \$2 million, each with a river running through it (including one in Oregon).

PLACE/PRICE: Hamilton, CO. / \$975,000

PROPERTY TAX: \$1,020/year *

THE PROPERTY: Williams Fork Ranch is 250 acres in northwest Colorado, an hour from Steamboat Springs

DESCRIPTION: Private access to almost 1 mile of the Williams Fork River, with plentiful brown and brook trout. The 2,056-SF home on the property has 4 bedrooms, 3 baths and a hot tub.

NOTABLE: Adjacent to thousands of acres of public land and 12 miles from the nearest town. Mule deer and elk hunting.



PLACE/PRICE: Wasco, OR. / \$1.4 million

PROPERTY TAX: \$3,255/year *

THE PROPERTY: John Day River Ranch comprises 165 acres in central Oregon, 2 hours from Portland

DESCRIPTION: Surrounded by federal land, with 1 mile of frontage on the John Day River, with its runs of wild steelhead and Chinook salmon. The 2,000-SF lodge has 3 bedrooms and 2.5 baths.

NOTABLE: 30 miles from the John Day's confluence with the Columbia River. Hunters can pursue deer, elk, partridge and quail.



PLACE/PRICE: Star Valley, Idaho / \$1.5 million

PROPERTY TAX: \$600/year (est.)**

THE PROPERTY: Twin Creek Ranch extends over 320 acres in eastern Idaho, 90 miles from Jackson Hole, Wy.

DESCRIPTION: Two creeks, sheltering rainbow, cutthroat and brown trout, cross the ranch for more than a mile before joining. The 1,350-SF house has 3 bedrooms and 2 baths.

NOTABLE: The original settlers nicknamed the area "Little Switzerland" for its green valleys and snow-capped peaks.



Notes: *Current owner's payment, **

Unassessed; new boundaries.

Sources: [fayranches.com](#);

[hallandhall.com](#); [livewaterproperties.com](#)

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The Greater Oregon Chapter of the Appraisal Institute

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Field Notes articles to the above email address

Meeting and Class Schedule 2005-2006

2005

Nov. 7 National USPAP Update, Hayden's Lakefront Grill, Tualatin, OR (7 hours)

Nov. 7-12 Highest & Best Use & Market Analysis, Century Hotel, Tualatin, OR (40 hrs)

Nov 14-19 Basic Income Capitalization, Century Hotel, Tualatin, OR (40 hrs)

2006

Jan. 23-26 Course 101: Appraisal Principles (30 hours); Marylhurst University, Lake Oswego, OR

Jan. 30-Feb. 2 Course 102: Appraisal Procedures (30 hours); Marylhurst University, Lake Oswego, OR

Feb. 3-4 Course 410: Standards Part A (15 hours); Marylhurst University, Lake Oswego, OR

Feb. 9 Course 400: National USPAP Update (7 hours); Haydens Grill, Tualatin, OR

March 9 Course 667: Valuation of Detrimental Conditions (7 hours); Phoenix Inn, Tigard, OR

March 13-18 Course 540: Report Writing (40 hours); Phoenix Inn, Tigard, OR

April 7 Course 770: Self Storage Economics & Appraisal (7 hours); Phoenix Inn, Tigard, OR

April 21 Course 420: Business Practices/Ethics (8 hours); Phoenix Inn, Tigard, OR

May 5 Scope of Work (7 hours); Location TBA

June 2 Course 400: National USPAP Update (7 hours); Downtown Athletic Club, Eugene, OR

Sep. 11-16 Course 310: Basic Cap (40 hours); Phoenix Inn, Tigard, OR

Sep. 21-22 Course 705: Litigation Appraising (16 hours); Century Hotel, Tualatin, OR

Sep. 23 Course 776: What Clients Would Like Their Appraisers to Know (7 hours)

Phoenix Inn, Tigard, OR

Oct. 20 Course 400: National USPAP Update (7 hours); Haydens Grill, Tualatin, OR

Nov. 2 Analyzing Commercial Lease Clauses (7 hours); Phoenix Inn, Tigard, OR

Nov. 3 Course 765: Appraising Convenience Stores (7 hours); Phoenix Inn, Tigard, OR

Nov. 16-17 Residential Market Analysis & Highest and Best Use (15 hours); Phoenix Inn, Tigard, OR

Help Wanted

Well established Portland metropolitan area residential real estate appraisal firm seeks appraiser trainee or novice appraiser. Essential requirements include satisfactory completion of necessary approved qualifying appraisal education, strong writing skills, excellent customer service, and good work ethic. Apply in writing to admin@appraiserwilliams.com



Field Notes

September - October, 2005

Greater Oregon Chapter
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Salem, OR 97308-0573

Return Service Requested