

Quick Links

Website
Education / Events
Newsletter Editor
Appraisal Institute
Oregon ACLB



Greater Oregon Chapter

Message from the 2018

Chapter President:

Katherine Powell Banz, MAI

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As 2018 races to a close, I would like to take a moment to wish you a happy holiday season and express my gratitude for helping to make 2018 a prosperous year for our members. We hosted several successful home-grown seminars in 2018, supplemented with continuing and qualifying education offerings. Your GOCAI Board and Education Committee are in the process of lining up a stellar education calendar for 2019. Be sure to check the website often for new courses and seminars.

Looming issues on the horizon that will have a big impact on our members, if they come to fruition, are the proposals to further increase the appraisal threshold level for SBA loans and credit union-financed non-residential loans. Per the Appraisal Institute, the appraisal threshold is the loan amount below which appraisals are not required.

Senate Bills 3552 and 3553 would amend the appraisal threshold for the Small Business Administration's two largest loan programs, and tie the appraisal threshold to the commercial real estate threshold level established by federal bank regulatory agencies, as reported in the [most recent Washington Report](#).

The Appraisal Institute has suggested Congress should continue to specify a threshold level in the SBA statute. That level was raised earlier this year by the FDIC, Office of the Comptroller of the Currency, and the Federal Reserve Board to \$400,000, up from \$250,000 – potentially eroding a significant amount of appraisal work for our members. In lieu of an appraisal, an evaluation would suffice. While all three agencies have approved the increase, they are seeking public comment on the proposal. Comments will be accepted until February 5, 2019. According to the Federal Register (Vol 83, No 235, December 7, 2018), interested parties are encouraged to submit written comments jointly to all of the agencies. Be sure to use the title "Real Estate Appraisals" to facilitate the organization and distribution of comments among the agencies. There is a detailed list of instructions for comment submittal contained in the [Federal Register Proposed Rules announcement \(Vol 83, No 235, December 7, 2018\)](#)

Also of concern is the proposed legislation by the National Credit Union Administration that seeks to raise the threshold level from \$250,000 to \$1 million. The legislation was adopted by the House and is awaiting action by the Senate Small Business and Entrepreneurship Committee. On a national level, the Appraisal Institute is following these issues closely, and has joined 17 other organizations in strong opposition to the NCUA's plan.

Essentially, the ramification of the passage of these bills would be a reduction in the number of appraisals required for SBA and credit union mortgage financing; resulting in fewer appraisals being ordered, and increased risks associated with SBA and credit union financed loans. This is an issue that we should all monitor closely, and contact our local legislators to discourage the implementation of these threshold increases.

Thank you for trusting me at the helm this year, and please feel free to reach out anytime if I can be of assistance. As members of the Appraisal Institute, it is more important than ever that we continue to produce top tier quality work that sets us apart. I am leaving my position as President in good hands with Jeff Grose, MAI, your incoming 2019 Chapter President. I look forward to seeing you at the Installation of Officers/Awards program Social, Thursday, January 17, 2019, at the Sentinel hotel in Portland (catering by Jake's!).

Let's ring in the New Year together!

Cheers!
Katie

Katherine Powell Banz,
MAI 2018 GOCAI President

Featured Article

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Lawrence ("Lee") A. Wagner is an attorney for Stewart Sokol & Larkin, LLC. His practice emphasizes design and construction law, business law, real estate law, commercial litigation, insurance law and surety law. Lee represents business owners, property owners, developers, contractors, design professionals, appraisers, material suppliers, insurers and sureties, among other clients. One of Lee's specialties is the defense of professional liability claims against appraisers. Lee spoke at a Greater Oregon Chapter

of the Appraisal Institute seminar earlier in 2018. For the appraisers in attendance, whose work is unequivocally required to result in unbiased determinations, free of advocacy, Lee Wagner's presentation was an assurance that his main order of business is to be a strong advocate for those who hire him for his services. Lee gave an informative and interesting presentation, and those in attendance would have been happy for an extension of the time allotted him.

Information presented by Mr. Wagner offered great insight for practicing appraisers, into components of our day to day work that should incorporate careful consideration of legal implications. Some of the anecdotal information offered by Lee helped appraisers to recognize liabilities that are sometimes overlooked and offered insightful information that could help to refine our practices to avoid potential litigation or at the very least be prepared for the possibility. Some informational items that stood out in the presentation, for those that could not attend, are summarized below.

- Lee noted that civil cases are often easier to defend and win than Administrative claims. ACLB cases are a different story because the ACLB has the benefit of free lawyers, a lesser burden of proof, and deference of its rule interpretation.
- It is important to have strong statements in the appraisal report that limit who is recognized as a "user" of the report, what the report can be used for, that clarifies no one else can use it, and that it may not be used for any other purpose. This could help nip many civil complaints in the bud, such as a borrower, seller or subsequent purchaser who states they suffered losses due to relying on an appraisal prepared for a lender, for example. Limitations of liability clauses and other disclaimers can also be very helpful to avoid and resolve claims.
- It is often a good idea to engage the services of a USPAP expert to help with a case, particularly early on in the process.
- It is generally beneficial to hold files a few years beyond the limit required by USPAP as civil cases can extend beyond that point.
- A good work file can provide great support for the defense. Have all documents needed to support your analysis in your work file.
- Always double check everything and proof read carefully. Typos and similar errors are a more common basis for claims than you would think.
- Take the extra time to elaborate unclear things in the appraisal so that the report is clear and won't be misconstrued. Explain the basis for your analysis.
- If you receive information from a third-party source, say where it came from and that you are relying on it - and most importantly, that you cannot assure its accuracy!
- Make sure extraordinary assumptions/hypothetical conditions are spelled out.
- Be careful issuing corrections which should be a new, separately saved, report.
- Don't try to settle claims without involving your insurance carrier.

Member Spotlight
Katherine Powell Banz, MAI
2018 Chapter President
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Katherine Powell Banz, MAI is our current 2018 President of the Greater Oregon Chapter of the Appraisal Institute (GOCAI) and principal at Powell Banz Valuation, LLC. Katie is a native Oregonian, born and raised in Salem. Her family on the Powell side came to Oregon as pioneers, traveling the Oregon Trail in a covered wagon. She went to Linfield College in McMinnville and majored in art, focusing on painting and ceramics and met her husband, Jon Banz, MAI, her sophomore year.



Katie grew up in an appraisal household. Her dad started his appraisal firm in 1973 and her brother became an appraiser right after high school. However, her first job after college was at Boeing, tracking airplane production and deliveries for executive management, then Project Management, and finally on the production floor after moving from Seattle to Portland. Both she and her husband Jon worked for Boeing for over 5 years and transitioned at the same time to jobs in real estate appraisal in 2002, earned the MAI designation in 2011, and purchased her father's appraisal business in 2014.

Her involvement in the board stemmed from observing her dad throughout his career serve in various roles in the Oregon Chapter and National organization, ultimately serving as National President. Her first position was as newsletter editor in 2012, working her way up the chain to her current position as President. Katie also serves on the Friends of Deepwood Board of Directors, proudly representing her Salem heritage.

Outside of work, Katie enjoys working in the yard and garden and values time at home with Jon and their dogs. Katie and Jon have been married for 20 years and share their home with three Great Danes; Marcel, Simon and Jasper, all rescue dogs. Her favorite place to travel is the Oregon Coast, but she has traveled through several countries in Europe and loves learning about the destination history, touring museums, and eating great food. Outside of her professional and home life, Katie is a "riot grrrl" at heart, her favorite band being Sleater-Kinney.

Recent Designee
David E. Balfour, MAI
david@rpherman.com



Where did you grow up? go to school? How did you end up where you live now? I grew up here in Portland! I went to Sherwood High School and Linfield College.

What is your "appraiser story?" (How did you end up becoming an appraiser?) and what do you enjoy most about your job?

My uncle (Scott Henningsen, MAI) had been an appraiser since before I was born. My old man (Clark Balfour, Esq.) always told me to be anything but an attorney and said I should shadow Uncle Scott during my college years to see if appraisal would be a good fit. With Scott's helpful teaching style, it was an easy sale for me! What I enjoy most about appraising is that I literally get paid to learn the market. I have a great time catching up with deal makers and talking real estate in coffee shops or taverns around town. I thoroughly enjoy the research aspects of the job and putting hard work on

paper.

What kinds of non-appraisal things do you like to do? (hobbies, travels, etc.)

The majority of my free time is spent coaching high school football, running my two (2) dogs (both are higher maintenance than my appraisal clients), and socializing. I also enjoy hanging out at Crossfit Wilsonville where my wife is a coach.

Favorite things list:

Favorite sports team: THE Oakland Raiders

Favorite movie or book: Tie between Billy Maddison and Happy Gilmore.

Favorite quote: "You miss 100 percent of the shots you don't take." -Wayne Gretzky

What would be your first choice for a second career?

Either a Civil Engineer or Site Development Contractor.

What advice would you give to someone who is currently working towards a designation? I did not realize how much work this required until I opened my candidate status report and realized there were 18 checklist items (not including becoming a CGA). This takes a huge amount of work, but man, do you learn a huge amount along the way. I have worked on some tough assignments with my supervising appraiser Richard P. Herman, MAI over the past years, but nothing was as challenging as the Traditional Demonstration of Knowledge Report. The MAI designation process pushed me to higher levels of capability and understanding. Keep at it!!

Greater Oregon Chapter of the Appraisal Institute/ Professional Education SRA Designation “Cohort” Opportunity Terry Bernhardt JD, SRA, AI-RRS

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This article pertains to all residential appraisers and students interested in the SRA designation and residential members who would ultimately desire a certified general credential and/or the MAI designation. Achieving a designation is one of the best investments in time and resources to accomplish a measure of professional knowledge and recognition. Architects, accountants, doctors, and lawyers know this well. One illustration: “Do you know the difference between a bookkeeper and a CPA?” Answer: “About \$75,000/year.” It is also an entry to corporate or government jobs (real benefits, few night and weekend assignments, and an opportunity to qualify for a real, livable pension.)

Recognizing the need to provide a well-lit pathway to a designation for its members is a fundamental responsibility of a professional organization-especially for the oldest, largest, and most respected appraisal organization in the world. The Oregon Chapter will be contributing in a major manner by hosting the two-part, Advanced Residential Applications & Case Studies, Part 1 and Advanced Residential Report Writing, Part 2 September 11-17, 2019. There will be a day off in the series, September 15th, to catch up. Both classes are taught by Richard C. DuBay, SRPA, SRA, a highly-rated and experienced instructor of these courses. Having these classes in Portland at the DoubleTree by Hilton in Tigard will also save substantial travel and lodging expenses for most.

The Oregon Chapter will also offer several of the advanced residential lead-in classes over the next year leading up to this “residential capstone” for the SRA; affording an opportunity for appraisers of all levels of education and experience to complete the designation efficiently.

The Chapter would like to build a “cohort” of committed aspiring professionals, interested in joining this group for mutual support, encouragement, networking and friendly competition. You supply the commitment, the chapter will schedule courses, line up instructors, and work with adjoining chapters to make this opportunity a reality. In addition, the chapter will assist with some scholarship “seed” money, seek corporate sponsorship’s and contributions, and ask for lodging rebates and discounts. Bottom line: this could be an opportunity of a professional lifetime. The chapter is going all-out to help individual appraisers who want to make a professional difference, won’t you please join us?

In preparation for the Residential Capstone, we encourage you to forward a list of your courses taken, and those remaining, to assist in planning and scheduling classes which you can do so by clicking [here](#) or call 312.335.4100 for assistance. Please join the Appraisal Institute as a Candidate for Designation, and build a professional reference library of your textbook and reference materials.

If you wish to ultimately become a Certified General Appraiser and MAI, the SRA designation is a great intermediate step. By being an SRA member, your experience hours towards the MAI are nearly half fulfilled, as SRA members are awarded 1,500 hours of experience towards the MAI. Another advantage is fulfillment and maintenance of residential competency for commercial appraisers; a huge advantage to those general appraisers having a litigation support, condemnation, relocation, or other practice with an opportunity to appraise a residence. If you choose to practice in a smaller city or rural area, this opportunity becomes even more pronounced.

“After completing some post-college “graduate work” in Vietnam, I came back to my residential appraiser career at a local Savings & Loan (anyone remember those?). Having made an “all-in” decision to master real estate appraisal, I committed to joining both the Society and American Institute of Real Estate Appraisers as a candidate for both the SRA and MAI. Within approximately five years I was awarded the SRA, nearly 40 years ago. It has never failed me as a resource, networking tool, credential to make about anyone’s “qualified appraiser list”, and best of all, a qualification to teach appraisal classes--the single best qualifier for doing litigation support/court work. In fact, I became too chronically over-committed and quit working on the MAI designation, a decision I regret every day. Working for the Institute at the chapter-region-and national levels has been rewarding and fulfilling. Best advice from 50+ years in the appraisal business: commit to gaining an SRA, continue working on the MAI designation, become an active member of the Appraisal Institute, and participate. The chapter is committing some serious time and resources to build a “line-of-least-resistance” path to the SRA and beyond. Commit now, and enjoy the additional work, challenges, and fees attached.” – Terry Bernhardt JD, SRA, AI-RRS

For more information please contact:

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Upcoming Events

January 17

2019 GOCAI Installation of Officers/Awards with social
4:30pm
The Sentinel Hotel
614 SW 11th Avenue
Portland, OR
503.224.3400

February 14

7 Hour National USPAP Update
DoubleTree Hotel by Hilton
9575 SW Locust Street
Tigard, OR

February 18-19

Stats, Graphs and Data Science 1
<https://www.valuemetrics.info/p/tigard>
Doubletree by Hilton
9575 SW Locust Street
Tigard, OR

May 13-14

Residential Report Writing and Case Studies
DoubleTree by Hilton
9575 SW Locust Street
Tigard, OR

May 15

Business Practices and Ethics
DoubleTree by Hilton
9575 SW Locust Street
Tigard, OR

September 11-12

Advanced Residential Applications & Case Studies/Part 1
DoubleTree by Hilton
9575 SW Locust Street
Tigard, OR

September 13-14, 16-17

Advanced Residential Report Writing/Part 2
DoubleTree by Hilton
9575 SW Locust Street
Tigard, OR