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IT'S FUN WATCHING PEOPLE! BE CAREFUL!

BY

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KNOW THESE?- Here are some terms which you may not be familiar. Give them some thought. Definitions are on the following page.

HYBRID FIELD INSPECTOR BROKER PRICE OPINIONS

*Please don't miss the **Professional of the Edition on Last Page***

REMINDER: UPDATE ON NJ NAIFA ANNUAL CONFERENCE- Make your reservations now, the hotel advised that they are nearing the allocation of rooms for the conference at the reduced nightly fee. Don't delay, ladies and gentlemen. Call today!! The NAIFA 52nd Annual Conference is scheduled for April 11 & 12, 2018, being held at the Tropicana Casino and Resort on the boardwalk of Atlantic City. Based on approvals the full program now provides 15 CE credits for the two days, not 14. The first day is USPAP and there will be a 2 hour seminar for NJ law as now required by New Jersey. I will keep you posted in my newsletters. Also, if you have any questions give a call or send an e-mail and I will make sure it is answered. You can go to NJNAIFA.com and that website will have information to assist you.

Please remember that you have two years to attain the required 28 credit hours of education to retain your appraisal license. However, without fail, many will be hunting online courses at the last minute to retain their license. NOT a good idea. Why? Because the CEU's required are intended for appraisers to grow their knowledge and increase their acceptance of the clients one seeks. Quick and cheap, ain't the answer folks. Attending a complete course presented by experienced and often renowned instructors is a dramatic help in growing your competency and your business. So, let this be the beginning of your professional growth. Join us in April for a dollar investment; and, not a dollar expenditure with online courses. My father had the best understanding of this. He said, "**Buy cheap, get cheap**". So, don't miss this great program. The professionals that will be addressing the attendees are some of the most recognized in the country.

Hybrid Appraisals- Not a new term but a newly recognized term with different meaning. The term "hybrid" is misconstrued quite often. Regardless of the application it means something that is a cross between two different things. It applies in genetics, word development and energy production. The primary point is the word, hybrid, is intended to let a reader or listener know that a result of an action is not specific to either of the production components. Co-joined with the word Appraisal creates confusion. The word appraisal is specific in meaning and by law doesn't allow an appraiser to undermine the requisites of an appraisal by federal and state definition. In short, how can an appraisal be a "hybrid" because anything less than a full appraisal as **(CON'T)**

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CON'T- legally defined is in violation to the laws governing appraisals. Apparently, there are companies that are omitting the term “hybrid” when requesting a short form appraisal which they don’t define. These companies recognize that the term “hybrid” is recognized as an attempt at diminishing the intent of an appraisal and the composition of one. By doing this they are attempting to relieve themselves of legal obligation of a request for an appraisal product that cannot have legal status in valuation.

As stated in other editions, CoreLogic is the leader in “lesser” valuations. Fannie Mae and Freddie Mac have shared their data with the likes of CoreLogic and they now possess the largest realty data bank in the United States. With this information they have created algorithms to value property virtually anywhere in the U.S. Hence, the need for appraisers is becoming less and less critical with each year. So many knew this was coming but were unable to ebb the bulging tide of change via quicker results with a greater certainty. The more expensive properties will still need appraisals because of the complexity of the assignment and uniqueness of the property.

The appraiser can suggest a hybrid appraisal or “restricted” appraisal. When a client is knowledgeable about the property to be valued the shall be the only user, a “restricted” report is a great alternative to a full appraisal. Appraisers need to be clear in writing prior to the report that the report will not contain certain facts, etc. Remember, the key here is to state what “won’t” be in a report more so than what will be. This is the key to complete understanding of the client; and, subsequent satisfaction of what you do. This is not intended to be a war story. I recently completed an appraisal on acreage on a lake with inherent problems of wetlands and topographical features which seriously impair development. It was explained in detail and the analysis was a hybrid type report. I was concerned about the client’s reaction. Yesterday I received a text advising that the property sold for the appraised value to a person who did the homework and had derived the same result.

HYBRID- Anything derived from heterogeneous sources, or composed of elements of different or incongruous kinds (a hybrid of the academic and business worlds). Or a word composed of elements originally drawn from different languages, as *television*, which components come from Latin and Greek.

FIELD INSPECTOR- An individual who participates in the collection of data (i.e., property measurement & photos and data collection; and, is not a licensed appraiser. It’s questionable as to the degree of work performed is substantial enough to qualify and more so, if the assistant is not a licensed appraiser and the efforts put forth qualify as “significant appraisal assistance” which requires a licensed appraiser.

BROKER PRICE OPINION (BPO)- These have been around for a number of years, like in the late ‘80’s and early ‘90s. Lenders have for years used Licensed Real Estate Brokers to provide these very short form reports which are not considered acceptable appraisal product. The Brokers often used their sales people to do the “inspections”. Appraisers are now doing them for obviously less money than the cost of an appraisal. And, many are also using new real estate agents. Thus, the concern for a supportable and defensible result is very questionable.

THIS EDITION’S SELECT PROFESSIONAL

George Yager- Real Estate Director, Business Learning Center, P.O Box 1301, Laurence Harbor, NJ ; Tel. 732-583-9110; EMAIL– GeorgeYager@optonline.net. One of the advantages of doing this segment of the newsletter it forces me to get in touch with people with whom I haven’t spoken for “too long”. Mr. Yager is one of those people. He has been the Director of the Business Learning Center for 30 + years putting him in front of thousands of appraisal people throughout New Jersey. His quiet demeanor and word crating make him exceptional as a professional instructor. He and I have worked together in the past and I learned quickly that he was and is a force with whom to be reckoned. George is presently restricting his appraisal practice to litigation only cases only. He is a well read professional and has opined in writing many times on serious appraisal / valuation matters. What makes George so well thought and revered is his without question willing to invest time, research and effort in helping fellow appraisers. He just relayed that he receive about 15 calls a week from appraisers for his assistance and / or opinion on a topic. He provides insight every time. He’s a rare breed of professional who personifies the NAIFA mantra, **“a caring and sharing professional association.”** George still runs CEU credit courses at the end of each cycle year to make sure everyone attains the credit hours necessary for recertification. He is a man of integrity, knowledge and concern for fellow appraisers. Thanks, George, you’ve been a blessing to so very many.