



Amerival

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WHAT'S THIS WORLD COMING TO?

By

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APPRAISERS, ATTORNEYS, ACCOUNTANTS, etc.- I received an email concerning the safety of what we write and disseminate via the internet. Apparently, any document and for that matter writing or copied writing and photos is available to adept hackers. There has been much written and possibly the intent is to frighten us and lead us to paying someone to “protect” us from being hacked. Yes, we’ve been hacked and fortunately not to a damaging degree.

Much of the attention is given to our “passwords”. We all see the warnings from whatever sites we visit and our own computers that we need to change or strengthen our password. Ladies and gentlemen, it is no joke. Many experts say that hackers are capable of hacking nearly every site, etc. which means we have no protection. Apparently, some lending institutions are paying strict attention. Recently, the House Committee on Science, Space and Technology is investigating a cyber-heist in which perpetrator (s) stole more than \$100 million from a foreign country’s central bank’s account at the Federal Reserve Bank of New York. That’s a lot of money in the eyes of my little world.

Today it is estimated that 99% of all IT infrastructure are strictly password protected. It is recognized that conceivably it is no longer a safe means of securing anything that goes through cyber space. Some are now looking at biometrics to provide a new means of protection. At best this can possibly be done for those that have a personal on site contact with individuals with whom you do business. However, at this time there is no means of using biometrics via cyber space. I believe it will be quite a while until technology reaches that level of protection for the masses. So, clearly, we need to deal with what we have, passwords. So, yes, change your passwords at least once a month and make them complicated. Don’t use a continuum of a word or a theme because that becomes obvious and, can with sophisticated technology and equipment run a logical sequence of a theme or word choices until they find yours. I know from personal experience that there is always a way to avoid the problem. When in the Army, in a secured location overseas, our post information

was somehow being comprised every week. These were unsophisticated times then. It was strictly espionage that made us vulnerable. Realizing this and not being able to stop the insurgents we made some local changes to avoid the perpetrators. The next step was to report our needed information to headquarters via transmissions. It was expected that these transmissions were being intercepted also. I can’t even remember today how I did what I did, but I devised a system of reporting using weekly changed sequences of numbers and letters. All interceptions stopped and the Navy deciphering group was unable to decode the transmissions. It was adopted by the entire regional command for all transmissions for all the services. **(CON’T)**

Courtesy of

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(CON'T) If you don't believe that story, it's OK. My kids don't believe it either, but what can you expect when I'm the one who lied to them about the tooth fairy! I hope it alerts all the readers to the importance of managing your passwords. We are not invincible and can't guarantee our cyber protection, but we don't have to make it easy for the hackers.

WHEN IS ENOUGH, ENOUGH?- This issue has been addressed before in one of the newsletters. There is an ongoing investigation on an elder law attorney in Ocean County who is being brought before the New Jersey Bar Association for fraudulent actions of commingling and possibly worse. He was one of the most highly respected attorneys in his field. I had a long time business and friend relationship with him years ago. I cast no dispersions as all the facts are not in. It is reported that he commingled funds and for professionals with trust accounts that is a huge "no, no". He was likely the most notable elder law attorney in Ocean County who did exceptionally well financially. I presumed he was doing it honestly and likely he was until..... The question then is "when is enough, enough?".

Ladies and gentlemen, many of us have been up against the proverbial "it" but most of us just suck it up and keep doing whatever it is that we do best in order to work our way out. Working it out should never include intentional acts that enhance one's position at the disadvantage of another, especially a client who has given you their utmost confidence in protecting their assets and their families' interest present and future. For the example I am using, I only hope the truth comes out and is properly served via this investigation. Of the outcome, I have no position or interest.

The foregoing is not directed to attorneys, because there are infinitely more good honest ones than the miniscule few who either never had any scruples or lost them somewhere in their careers. With over 25 years of representing insurance carriers who provide E & O insurance for appraisers, I have seen several that were beguiled by the money that could be garnered for just a matter of a few written numbers on a sheet of paper. Then, there were a few who were "ghost appraisers", those who simply provided a signature to move the reports out. Some had signatures on appraisals in New Jersey while they were spending their time at their Winter home in Florida. What makes it worse the people doing the appraisals weren't appraisers. Why do that. Simply, they want for more money. Somehow unearned money or "skimmed money" and the names go on has a fantasy hold on these people. What's better than receiving unearned money (rhetorical). It's like getting lucky at the track or in a poker game.

Today I am seeing appraisals that have no supporting evidence or at least an attempt at explaining a difficult scenario, and there are some. The lack of rational explanations as to why and what was done is inexcusable. There are times, when typical appraisal understandings and that which is recognized as appropriate cannot be reconciled in an appraisal. This may seem odd, but the best answer to that problem is to simply "tell the truth". Admit that you can't find a solution to this problem. Put forth your best understanding and address the problem in detailed writing. If the client is not satisfied with that, they will let you know; and, if you can't rectify the problem then the decision is made as to how to proceed with regard to the fee. It is best to walk away from the assignment than to write that which is not supportable; and, for which you can seriously be held accountable.

APPRAISERS' FEES- No, I am not discussing the fee amounts that is between the appraiser and the client only. I am discussing when to be paid. For those working for banks or lenders with whom they have a good rapport and work history it is common to send the bill and then be paid. For those who do the other work getting paid before you work is the right way. The reason is this. If testifying in court, an attorney will often ask if you have been paid. If the answer is "no", then the follow-up is "well then if you don't do well here you may not get paid, is that true?". Your answer is moot. The jury already has been served up a good reason to not accept your testimony as objective and honest. You've been pressured to present a report that is favorable to your client intentionally and not because you are right. Some attorneys don't recognize the severity of this but will when it happens in court and they are on the wrong side of that exchange. I can tell you from 15 years experience (after I made the mistake I just described) that to date there is only one case in which the client and / or it's representative didn't understand the significance of our decision and opted not to pay. Hey, the best money we never made.

HOW TO HANDLE A PURCHASE IN A HOT MARKET- There are not many places today where there is a hot market. In fact, likely the hottest market in the U.S. is San Francisco at least up to a few weeks ago as the news goes. Here are some tips on how to handle a hot market. Now, for the rest of the locales where the market isn't so hot, the reverse of what you'll read is as true.

It is human nature to try and buy at the lowest price and you don't need Trumps book, *The Art of Making the Deal* to understand the right way. In a hot market the experts say do away with the attitude, "I've got to get it for less". It is suggested that you go in with your top price because in a hot market there is strong competition. Sellers will anticipate that there will be those who look to negotiate and they will avoid them. Theory is that those who have the audacity to negotiate in a hot market will be a problem throughout the deal. Sellers want a committed buyer and no nonsense. Advice to these buyers is lower your starting goal so if you encounter a bidding war you can afford to go up.

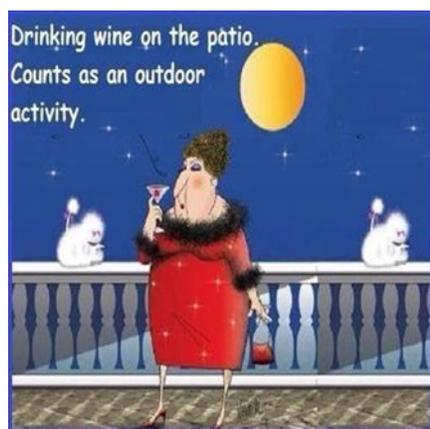
Procrastination is another no-no for buyers in a hot market. If you wait to put in an offer, it is a good bet that someone will surely be there before you. This attitude will virtually preclude you from any property that would be perfect for you. So, don't over think. We always called these type buyers, the engineers. They would come to the office with pad, pencil and calculator and articles showing they are smart. The smart sales people would pass the engineers off knowing that they wouldn't make a quick decision and would drive you crazy throughout the deal.

Hey, there are good and bad of every kind, according to my sainted Mother; and, she couldn't be wrong, she was my Mom. You need a good real estate agent and "good and agent" are an oxymoron to so many. It's ashamed because there really are some very good agents. Do your homework and find out as much as you can about an agent before you decide to put your future in his or her hands. A good agent will save you time, money and aggravation. Do it yourself is for painting the kids rooms not negotiating for your house.

A sure way to have a leg up on most buyers is to be prequalified for a mortgage amount or even better to be pre-approved. This makes you as serious a buyer as a "cash deal" and earns you a step up on the ladder of success in the purchase.

Be prepared for a bidding war, and as said earlier start your search a step lower than the purchase price you consider your max. Employ other tactics in your negotiations. How quickly can you take occupancy or can you afford to give the seller time to get organized in their new home. Can you let them keep some of their possessions in your garage until they are ready to get them to their new house. Yes, this can be done safely if you have a good lawyer who knows how to draw a safe agreement for storage (removing your liability for any damage or loss, etc.). The sellers may have some shrubs that have meaning to them. You can offer to allow them access to the yard to remove the shrub at the right season. You may also offer to give them the right of fructus meaning if they have apple, pear or orange trees they can come back and pick them for this season only. If it's me, I want the right to come back and get my figs each year.

ON THE LIGHTER SIDE- For us Wine Lovers



My Personal Favorite