

Tennessee Appraiser

PRESIDENT'S MESSAGE



I can't believe how fast 2008 is coming to a close. It has been a tremendously exciting year with its fair share of challenges, as well as opportunities. I would like to thank each of you for the honor and the privilege to serve as your Greater Tennessee Chapter President.

We began the year in uncharted territory as our chapter moved forward with a new administrative and financial management service provider, Association Partners. It has been a learning experience for all those involved. The transition to a more professionally based and structured financial tracking and reporting system raised many questions and concerns. However, change is always difficult and questioning some of the "we have always done it this way" reasons has allowed us to overcome and now move forward.

Administratively, Myra Withers has done an excellent job in her position as Executive Director. She is surpassing our expectations and many thanks to her for working so tirelessly to meet the needs of our members. Thanks to each of you for helping us transition and for the committed effort of the officers and board members in leading our chapter into the future.

The economic downturn cast quite a challenge for our education committee, as the schedule had to be continually tweaked to offer affordable and timely education. It remains our main goal to offer a schedule that will meet our members' needs and for Nashville to become the main hub for qualifying courses. We appreciate your attendance at the educational offerings. Promoting our own chapter members as instructors continues to aid us in being one of the leaders in appraisal education.

Continued member benefits this year included the \$50 educational voucher, one free two hour USPAP update, and offerings at a minimal cost for the qualifying courses to aid in the path toward designation.

Public Relations Chair, David Shanks, has worked very hard on the Habitat for Humanity project. Thanks so much to each of you who gave. We surpassed our goal and raised \$11,000 that was contributed toward the \$15,000 sponsorship. Our chapter picked up the rest and committed to laboring for three days to help the organization as well. The first date will be December 13th. What a wonderful opportunity to give back to our industry! Let us keep the spirit of giving both of our time and money in helping this project continue for years to come. In order to kick off the 2009 Habitat for Humanity Project in Nashville, a silent auction will be held at the December meeting with all proceeds going to the Habitat organization. Please come, and plan to purchase some great Christmas presents for a worthy cause.

Again, I would like to extend my thanks to the Officers, Board of Directors, and Committee chairs for their dedicated service to the Greater Tennessee Chapter. So much time and effort has been expended to grow the chapter for the benefit of all the members and to meet the chapter's goals and objectives. Let's all continue to support our chapter by attending education offerings, quarterly meetings, participating on committees and supporting one another.

Our year end chapter meeting and installation of officers will be held at the historic Union Station Hotel in Nashville on December 4th. The National Appraisal Institute President Elect, Jim Amorin, MAI, SRA, will be there to speak. Please plan to join us there for an evening of great food, fun, and fellowship.

Sincerely,

Connie W. Bradshaw, SRA
President, Greater Tennessee Chapter



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2008 Chapter Officers

Connie W. Bradshaw, SRA – President
S. Todd Rogers, MAI – Vice President
David A. Ortegon – Secretary
Sandra C. Tuck, SRA – Treasurer

Directors

James W. Bakke, SRA
Fred H. Metz, III, SRA
Nicholas W. Nolte, MAI
Nelson C. Pratt
M. Kevin Harden, SRA
Steven R. Galyon, SRA

Gary L. Harmon, SRA – Past Chapter President Ex-officio
Leslie P. Sellers, MAI, SRA – National Board of Directors

Regional Representatives

Joyce L. Deason, SRA
Nelson C. Pratt
S. Todd Rogers, MAI

Executive Director

Myra Withers

Committee Chairs

Finance	Sandra C. Tuck, SRA
Education	Nelson Pratt
Member Retention	Weston Woodford
Public Relations	David Shanks
Assoc. Guidance, General	Michael Mooney, MAI
Assoc. Guidance, Residential	James B. Atwood, SRA
Government Relations	Gary Standifer, MAI
Bylaws	David A. Braun, MAI, SRA

IMPORTANT INFORMATION!

The Greater Tennessee Chapter of the Appraisal Institute will no longer mail printed versions of this newsletter after the January 1st, 2009 issue. It will **ONLY** be sent electronically by email. If you are only receiving this newsletter by mail and would like to continue to receive it by email, please be sure to call or email Myra with your address as soon as possible. Her information is below.

Myra Withers, Executive Director
615-515-9700
myra@tnappraiser.org

Associate Member Benefit: Free Work Report Advisory Review

The Experience Advisory Review, available to Appraisal Institute associate members provides educational and constructive feedback to help associates meet Final Level Experience requirements. Associates may choose to have an Advisory Review, as well as additional reviews, at any time prior to submitting for Final Level Experience Credit. There is no fee for a review; however, those interested in taking advantage of this membership benefit must submit an Advisory Review application.

Applications are available at www.appraisalinstitute.org/membership/members_downloads/AppAdvisoryRev.pdf. They should be submitted along with the reports to be reviewed. Residential associates may submit up to five reports and general associates may submit up to two.

For more information, contact a counselor in the Associate and Affiliate Member Service Center at 312-335-4111 or associate@appraisalinstitute.org.

Greater Tennessee Chapter of the Appraisal Institute 2008 Member Anniversary Recognition

30 years

Richard O. Banks, MAI
Robert D. Chaffin, MAI, SRA
Kenneth R. Woodford, MAI, SRA

25 years

Donald L. Morris, SRPA, SRA
David J. Pindzola, SRA
Leslie P. Sellers, MAI, SRA
Donald W. White, MAI, SRA
Leslie C. White, MAI, SRA

20 years

Eileen S. McDermott, MAI
Nancy W. Point, SRA
E. C. Reed, Jr., SRA
Robert Lee Spencer, III, SRA

15 years

Mitzi L. Ayers, SRA
Beverly W. Johnson, SRA
Thomas E. Noonan, Jr., SRA
Bailey Sharp, SRA
James R. Warner, SRA

10 years

Joseph L. Morrow, SRA

5 years

Carrie M. Hodges, MAI
Lloyd T. Murphy, III, MAI
Wayne P. Underwood, MAI

Next Chapter Meeting

December 4, 2008
Union Station Hotel
1001 Broadway
Nashville, TN 37203
(615) 255-6850

Schedule of Events

Board of Directors Meeting	4:00pm - 6:00pm
Reception and Silent Auction	6:00pm - 7:00pm
Dinner	7:00pm

The dinner is free for members and \$25.00 per guest.

**Education Opportunity:

Appraising for Alternative Uses: Life Beyond Lending, is a 7 hour continuing education seminar being held on December 5th at Landers Plaza in Nashville. Come for the chapter meeting and stay for the seminar!

**Affordable hotel accommodations near Landers Plaza include the Holiday Inn Select (615-883-9770) and the Sheraton Music City (615-885-2200). Please call for reservations.

2009 Elected Officers

The following people were elected at the meeting in September. They will be installed at the chapter meeting on December 4th.

2009 Chapter Officers

S. Todd Rogers, MAI	President
David A. Ortegon	Vice President
Sandra C. Tuck, SRA	Secretary
Danny K. Wiley, SRA	Treasurer

Directors

Nicholas W. Nolte, MAI	Nashville	1 year Board Member
Nelson C. Pratt	Knoxville	1 year Board Member
M. Kevin Harden, SRA	Nashville	2 year Board Member
Steven R. Galyon, SRA	Sevierville	2 year Board Member
Rex S. Garrison	Johnson City	3 year Board Member
Eddie D. Crook, MAI, SRA	Knoxville	3 year Board Member
Connie W. Bradshaw, SRA	Athens	Ex-officio

Regional Representatives

Joyce L. Deason, SRA	(2 nd year of 2 year term)
David A. Ortegon	(Vice President)
2009 Education Chair	Marvin Maes, MAI, SRA

Welcome New Associate and Affiliate Members

Roger A. Ball (Tazewell)	Kenneth S. Newton (Pulaski)
William L. Boue (Gallatin)	Earl E. Paschall (Gordonsville)
William J. Cary (Brentwood)	Robert E. Patton, Jr. (Crossville)
Karen B. Colbert (Summerville, GA)	Brittany L. Roberts (Brentwood)
Kristi D. Cox (New Tazewell)	Daniel C. Tyrrell (Knoxville)
Bradley Y. Davis (Spring Hill)	Elizabeth R. Wheeler (Nashville)
Meredith A. Dominguez (Clarksville)	
Matthew J. Fleenor (Knoxville)	
Richard A. Gipson (Murfreesboro)	
Nathan J. Griffin (Spring Hill)	

Both Presidential Candidates Propose Buying Troubled Homeowner Mortgages

Both presidential candidates, Senators Barack Obama and John McCain, have responded to the cry for help from the nation's struggling homeowners by proposing that the secretary of the Treasury use part of the recently passed \$700 billion bailout package to buy up bad home mortgages. If put into action, such a move could potentially alleviate the strain many homeowners face to make their monthly mortgage payments.

Though neither candidate has been overly specific about how their proposed plan would work, it is assumed that both candidates would require the secretary of the Treasury to allot a portion of funds from the rescue plan to go directly to the purchase of failing mortgages. The values of the properties purchased by the government would likely be appraised and new fixed-rate mortgages would be established for the homeowner.

The idea of using public funds to assist private citizens was first mentioned by Obama in late September, during which time he brought into consideration "giving the government the authority to purchase mortgages directly instead of simply purchasing mortgage-backed securities."

McCain brought his support of the idea to light during the October 14th presidential debate, when he called for the federal government to "immediately buy up the bad home-loan mortgages in America and renegotiate at the new value of those homes."

As November 3rd approaches, expect both candidates to further layout their proposed blueprints for protecting struggling American homeowners from foreclosure, particularly in light of last week's action by the Bush Administration to use \$250 billion of the \$700 billion authorized under the Treasury Bailout plan to purchase equity stakes in financial institutions.

Freddie to Require Updated Appraisals; Fannie Alters Plans

Government-controlled housing firm Freddie Mac is now requiring an appraisal update for mortgages delivered more than 120 days after the note date. Furthermore, both Freddie Mac and Fannie Mae announced they will be waiving the 0.25 percentage point surcharge on new home loans delivered after November 7th. Freddie has made other policy changes designed "to reflect the additional risk" of some types of mortgages.

Freddie plans to require higher credit scores for mortgages that are packaged with secondary loans in order for borrowers to make smaller down payments. Higher fees for mortgages that allow interest-only payments for the first few years are also in the works.

The Housing and Economic Recovery Act of 2008 raised the nominal limit on the value of mortgages eligible for purchase by Fannie and Freddie from \$417,000 to \$625,500 for the highest-priced housing areas. Freddie said it intends to have "additional credit terms and post settlement delivery fees" for those so-called "super conforming" loans. Similar policy changes are expected at Fannie Mae.

"Our expectation is that this decision to forego the across-the-board increase in our delivery charges will be passed on to borrowers in the form of lower mortgage costs," Fannie president and CEO Herb Allison said. "The market has changed substantially since we announced this increase to our pricing in early August."

Appraisal Institute Counters Washington Post's Promotion of AVMs

In response to an op-ed piece in the Washington Post, the Appraisal Institute has reasserted its position that "the best way to determine current property values is to utilize the services of qualified, local real estate appraisal experts, particularly given current trends in neighborhood property values" and not through the use of automated valuation models.

The letter to the editor, by Appraisal Institute President R. Wayne Pugh, MAI, came in response to "Rescued by Fannie Mae" (October 14, 2008) by Susan Woodward, who promoted the use of AVMs to revalue underlying assets found in loan pools.

While agreeing with Woodward's statement that knowing the value of the underlying collateral is critical to solving the credit crisis and bringing certainty back to the mortgage market, the Appraisal Institute said AVMs suffer from "limited usefulness in today's declining markets, and in areas with diverse housing stock" adding that a "field appraiser is best equipped to address the local market and report on various elements discovered during a thorough physical inspection."

"No automated valuation system has successfully replaced human property inspection and analysis. By involving professional appraisers' in collateral determination, not only will accurate, thorough valuations result, but also will cement the necessary comfort level for restoring public confidence in the valuation process," Pugh wrote.

To underscore his point, Pugh pointed out that AVMs in several states "have been shut down entirely as a result of poor or outdated information."

Appraisal Institute, Industry Urged Support of Senate Bill

In a letter written October 1st, the Appraisal Institute joined over 20 other national real estate organizations urging the Senate to vote yes on H.R. 1424, the Emergency Economic Stabilization Act of 2008. "It is imperative that we restore liquidity to credit markets and stability to our economy. At risk with the possible failure of this legislation are hundreds of thousands of jobs and billions of dollars in investment – impacts that will be calamitous in today's bleak economic climate," the groups wrote.

Saying that "without immediate action, we run the risk of further deterioration in real estate values," the groups pointed out that real estate directly and indirectly generates economic activity equivalent to nearly 20 percent of the nation's GDP. According to the coalition, real estate encompasses an estimated \$20 trillion in owner-occupied housing and approximately \$5 trillion in income-producing commercial property. Furthermore, they wrote, nearly 9 million jobs are created from real estate activities which annually generate millions of dollars in federal, regional and local tax revenue. Local governments, especially, depend on this revenue (approximately 70 cents of every local budget dollar) to pay for public services, such as education, road construction, law enforcement and emergency planning and response.

In addition to the Appraisal Institute, the other signers included: The Real Estate Roundtable, the American Hotel & Lodging Association, The American Institute of Architects, American Land Title Association, American Resort Development Association, American Society of Appraisers, Associated General Contractors of America, Building Owners and Managers Association, International, International Council of Shopping Centers, Manufactured Housing Institute, Mortgage Bankers Association, National Apartment Association, National Association of Home Builders, National Association of Industrial and Office Properties, National Association of Real Estate Investment Managers, National Association of Real Estate Investment Trusts, National Association of Realtors, and the National Multi Housing Council.

Region IX Fall Meeting in Atlanta

The Region IX Fall meeting was held in Atlanta, Georgia October 24-25, 2008. In attendance from the Greater Tennessee Chapter of AI were Connie Bradshaw - President, Todd Rogers - Vice President, Nelson Pratt - Education Chair, and Myra Withers - Executive Director.

A variety of topics were discussed. Highlights of the meeting included ongoing discussions about the possible re-affiliation of the Appraisal Institute with the National Association of Realtors, the decline in chapter revenues due to online education, and some of the new courses and seminars offered by the Appraisal Institute.

A project team has been negotiating with the National Association of Realtors to try to develop an affiliation agreement that can ultimately be sent to our membership for a vote. As many of you may already know, we were previously affiliated with NAR, and they have asked the Appraisal Institute to consider re-affiliation. The proposed agreement, if ultimately approved by our members, will not materially affect the operations or independence of the Appraisal Institute. Some of the pros and cons were discussed, and the project team working on this will be reporting on the details of the proposed agreement in the near future.

A significant amount of time was also spent discussing the impact of online education programs on the financial health of the local chapters. In 2007, the Appraisal Institute had 15,634 students in online education programs, up 38% from 11,337 in 2006. Since our chapter has long relied on classroom educational offerings as a way to generate income to cover ongoing operational expenses for our executive director, chapter meetings, dinners, advertising, government relations, mandatory officer travel, public relations, etc., the concern is that the rapid growth of online education programs will increasingly erode income generated from classroom setting education offerings. Everyone agrees that online education is here to stay and that it is necessary to stay competitive with other education providers. However, local chapters currently do not receive any of the income generated from these programs, even if a student taking the online program lives within the boundaries of the chapter. The question is, can local chapters survive in the long run under this structure?

These are difficult issues that continue to be studied and will, no doubt, have a major impact on the future structure of our organization. Stay tuned.

2008 Education Schedule

Only two classes remain this year, so be sure and register online if you still need continuing education hours in 2008. To do so, please visit our website at www.tnappraiser.org and click "Register Today."

<u>Date</u>	<u>Seminar</u>	<u>Location</u>
Nov. 6-7, 2008	Residential Site Valuation and Cost Approach	Nashville, TN Airport Radisson Hotel
Dec. 5, 2008	Appraising for Alternative Uses: Life Beyond Lending	Nashville, TN Landers Plaza

2009 Education Schedule

The 2009 Education Schedule is listed below. These classes will be available for online registration December 1st, 2008. Please check the website www.tnappraiser.org for venue locations and additional details then.

<u>Date</u>	<u>Seminar</u>	<u>Location</u>
January 23	Appraisal Challenges: Declining Markets and Sales Concessions	Nashville
February 5	Chapter Meeting	Knoxville
February 6	Green Buildings	Knoxville
February 19-20	Residential Report Writing and Case Studies	Nashville
March 13	Introduction to FHA Appraising: What Appraisers Need to Know About HUD Policies, Procedures, and 2008 Roster Eligibility	Nashville
April 10	7 hr USPAP	Chattanooga
April 24	Analytics with the Site to do Business	Nashville
May 14	Chapter Meeting	Chattanooga
May 15	REO Appraisal	Chattanooga
June 12	7 hr USPAP	Nashville
August 12-15	Basic Appraisal Principles	Nashville
August 17-20	Basic Appraisal Procedures	Nashville
August 21-22	15 Hr USPAP	Nashville
September 10	Chapter Mtg/7 hr USPAP	Johnson City
September 11	Seminar TBD	Johnson City
October 9	Appraising Convenience Stores	Nashville
October 20-23	Residential Sales & Comparison Income Approach	Nashville
November 12-13	Real Estate Finance Statistics & Valuation Modeling	Nashville
November 19-20	Residential Site Valuation & Cost Approach	Nashville
December 3	Chapter Meeting	Nashville
December 4	Seminar TBD	Nashville

A Picture is Worth A Thousand Words...

Here are some highlights from the fall 2008 chapter meeting that was held in Knoxville on September 11th.



Region IX Representative, John Fiser, SRA, speaks to the Greater Tennessee Chapter concerning news at the National Appraisal Institute Office.



Connie Bradshaw, SRA, congratulates Mike Orick for winning the \$50.00 education voucher!



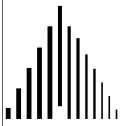
David Stanley and Craig Huber, MAI, pause for a photograph with Jim Nixon (center) who spoke to the chapter about the success of the Turkey Creek Real Estate Development in Knoxville.



Instructor, Jim Atwood, SRA, (center) is pictured with four of his former students: (from left to right) Steven Goodpaster, Jason Blankenship, Mike McKenna, and John Morgan.

Chad Benton, MAI, was the lucky winner of the \$200 cash prize drawing! He is pictured here with Greater Tennessee Chapter President, Connie Bradshaw, SRA.





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*Professionals Providing
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**Greater Tennessee Chapter
P.O. Box 60128
Nashville, TN 37206**

Return Service Requested

Other Important Reminders

****Only TWO educational offerings remain in 2008. Register today by visiting our website at www.tnappraiser.org.**

****This newsletter will no longer be sent in a print format after January of 2009. If you are currently receiving this printed newsletter and would like to begin receiving it electronically, please email Myra at myra@tnappraiser.org or call 615-515-9700.**

