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Institute®**

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*The
Wisconsin
Chapter*

MESSENGER

<http://www.wisai.com>

DECEMBER 2018

PRESIDENT'S MESSAGE

Kevin Dumman, MAI, SRA, AI-GRS

As this year draws to a close, I hope that that 2018 was everything you were hoping for and 2019 will be even more.



On November 15, 2018 the Appraisal Institute Board of Directors voted that the Chapter Financial Management and Administration Policy (CFMAP) would be implemented for all chapters by the end of 2020. As of that day, 24 chapters and 10 regions were enrolled in CFMAP, with another ten chapters transitioning into the program soon. Whether we want this program or not, it is here to stay. At this point our only decisions as a chapter are when we want to schedule the launch date and if we want to participate in any additional parts of the program beyond the mandatory requirements.

The dilemma of how to deal with evaluations and alternative appraisal products also continues. The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation are publishing answers to frequently asked questions (FAQ) concerning appraisals and evaluations for real estate transactions that are covered by the interagency appraisal rules (12 CFR 34, subpart C). These FAQs clarify existing regulatory requirements and guidance provided in the 2010 Interagency Appraisal and Evaluation Guidelines and in the 2016 Interagency Advisory on Use of Evaluations in Real Estate-Related Financial Transactions. These FAQs are the agencies' interpretations of existing rules and guidance based on the facts and circumstances presented in the questions. These FAQs are not official rules or regulations.

Still more talk of increasing commercial and residential appraisal thresholds. On September 25th, the House of Representatives passed H.R. 6347, the 7(a) Real Estate Appraisal Harmonization Act, and H.R. 6348, the Small Business Access to Capital and Efficiency Act. The bills link the SBA appraisal threshold level to the threshold level established for commercial real estate by the federal bank regulatory agencies. The week before, identical legislation was introduced in the Senate. The SBA appraisal threshold level, which is set by statute, currently stands at \$250,000. If the

legislation is signed by the President, SBA loans for commercial transactions below \$500,000 would no longer require an appraisal. The Senate bills, S. 3552 and S. 3553 may be considered by the full Senate later this year.

Previously on September 20th, the National Credit Union Administration (NCUA) proposed to quadruple the appraisal threshold level for non-residential loans made by credit unions to \$1 million, potentially setting off a regulatory arms race between the NCUA and bank regulatory agencies. Should the NCUA issue a final rule for commercial real estate loans at \$1 million, it is likely the federal bank regulatory agencies would follow suit with an additional round of threshold level increases. More to the point, passage of these bills, coupled with the NCUA proposal, would expose a sizable majority of the SBA loan portfolio to significant commercial real estate collateral risks. The Appraisal Institute along with 17 other groups strongly opposed any increase to the appraisal threshold.

On November 20 the Federal Deposit Insurance Corp., the Office of the Comptroller of the Currency, and the Board of Governors of the Federal Reserve released a proposal to increase the threshold at which residential home loans require an appraisal to \$400,000 from \$250,000. The rule would not apply to loans wholly or partially insured or guaranteed by, or eligible for sale to, a government agency or government-sponsored enterprise. The Appraisal Institute strongly opposed any increase to the residential appraisal threshold.

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Office Hours:

8:00 a.m. - 5:00 p.m. Monday-Friday

The discussion of raising appraisal thresholds has been going on for many years and appears that it presently has enough backing to actually happen in the near future. At this point it appears that the only questions that remain to be answered are – when? and by how much? There is no doubt that any increase in the commercial or residential appraisal threshold will completely change the appraisal industry as we know it and may be a large contributing factor to the future soundness of the banking system. Please keep informed on this topic and contact legislative representatives if you do not agree with this decision.

We still struggle as a chapter to be as profitable on educational offerings as we had been in the past largely due to poor attendance and support of our own membership and unreasonably high materials prices. As many of you are aware, education is our largest source of income to the chapter. It is not profitable for us as a chapter long term to continue to offer education if we are operating at a loss. If you want to have services in the future such as local education offerings it is essential that the members attend these events and support the chapter. Remember, national has been discussing governance restructuring for years. Even though it has been put on the back burner for the present time, does not mean that it will not resurface again in the future. If smaller chapters such as Wisconsin cannot remain profitable, there will be no choice but to merge them into larger chapters such as Chicago. When that happens there will likely be no local services, education, or chapter events, and minimal representation on a regional or national level. It is your chapter and the future of it depends on you and your support.

It has been a great year and a wonderful experience serving as your chapter president. I would like to thank the board for their support and help to make this year go smoothly. Thank you to Rick Larkin for his work on making the Residential Appraisal Practices Group (RAPG) a huge success. Thank you to Doug and Chris at WAM for their efforts in making the Wisconsin chapter one of the most professionally managed chapters in AI. And a very special thank you to Erik Hanson and the rest of the Education Committee for the thankless job they do to plan all of our chapter education offerings. This is where the cowboy rides away. Happy trails to you, until we meet again.

TREASURER'S REPORT

The Chapter Funds as of 11/30/2018 are:

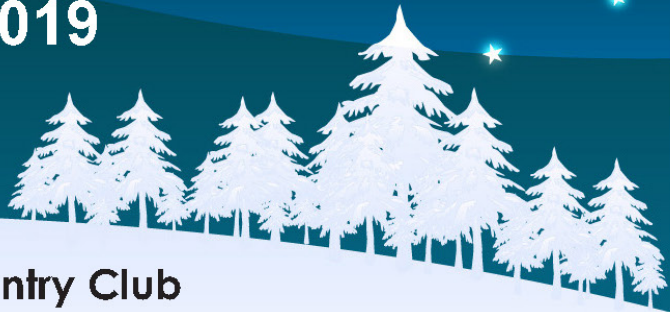
Primary Checking Account:	\$12,767.55
Money Market:	\$47,261.40
Total Funds Balance:	\$60,028.62

Join us for our General Membership Meeting as we recognize all of our Past Presidents.

General Membership Meeting & Past President's Dinner

Thursday, January 24, 2019

5:30 p.m.



North Hills Country Club
N73 W13430 Appleton Ave.
Menomonee Falls, WI 53051



DIRECTIONS: From I-94 West, merge onto I-894 West. Stay in the center lane straight to US-45 N. Take Appleton Ave. (Exit 47A) to the address. North Hills is located on Appleton Ave. just north of Good Hope Rd.

NAME(S) _____

COMPANY _____

ADDRESS _____

CITY, STATE, ZIP _____

PHONE _____ FAX _____

E-MAIL _____

Cost: FREE for Past Presidents / \$30.00 Other WCAI Members & Guests

Enclosed is a check for _____ payable to Wisconsin Chapter - Appraisal Institute

Please charge my Visa/Mastercard - **TOTAL: \$** _____

The Full Billing Address associated with the credit card MUST accompany the card number.

Card No: _____

Exp. date: _____ 3-Digit Customer code: _____ (Found on back of card.)

Address _____

City _____ State _____ Zip _____

All reservations must be received by January 22, 2019. No refunds will be given after this date.

Send to: WCAI — 11801 W. Silver Spring Dr., Suite 200 — Milwaukee, WI 53225
Fax: (414) 464-0850, Phone: (414) 271-6858, E-mail: doug@wamllc.net

WCAI JOB POSTING

Company: Cushman & Wakefield

Location: Downtown Milwaukee

Position: Senior Director

Job Description: This position provides objective, impartial and unbiased opinions about the value of real property for a variety of clients and intended users. Performs a range of functions, including comprehensive and detailed market research, report writing and creating complex financial models, as well as significant client interaction and business generation.

Compensation: To be discussed during the interview process.

Benefits: 401k, medical, dental and vision insurance

Required Skills:

- Proficiency as it relates to the appraisal of Commercial Hospitality properties - specifically full-service hotels, limited-service hotels, resorts, conference center hotels.
- Communication Proficiency (oral and written)
- Client Focused
- Detail Oriented Research Skills
- Problem Solving/Analysis
- Financial Aptitude
- Business Development
- People Development
- Excellent Time Management

Required Education: Bachelor's Degree required, Master's Degree preferred.

Experience: 8 years of commercial real-estate experience, 5+ years' client facing experience. Expert proficiency with MS Office Suite (MS Word, Excel) and online research database systems (RCA, Costar, etc.). Ability and passion to develop and grow appraisal business.

CONTACT INFORMATION

Reply directly to:

Seth Taylor, Sr, Corporate Recruiter

seth.taylor@cushwake.com



**CUSHMAN &
WAKEFIELD**

WCAI JOB POSTING

Company: Valucentric, LLC

Location: Greater Milwaukee Area

Position: Certified Residential & Certified General Appraiser

Job Description: Valucentric is a fast growing real estate appraisal firm that is completely appraiser owned with W2 staff operating in 20+ states. We have a tremendous ground level growth opportunity in the greater Milwaukee area for Certified Residential and Certified General Appraisers looking for steady, consistent work.

We seek experienced, high-caliber credentialed appraisers looking for an opportunity to expand with Valucentric's unique business model. Valucentric provides industry-leading technology for efficient research and analytics, which is vital for our high standards of quality reporting. We are highly committed to exceeding client expectations for accuracy and swift delivery in this fast paced, deadline driven industry. The superior recourses we offer, along with extreme respect for all TEAM members, make Valucentric an extraordinary working environment!

Compensation: Will discuss during interview process.

Benefits:

- Twice Monthly Direct Deposit
- Health, Dental, Vision, Life, 401k Match
- E&O, Data Access & Forms, Remote Positions and more!

Required Skills: Certified Residential or Certified General Appraiser

Required Education: N/A

Experience: N/A

CONTACT INFORMATION

Tom Schurer
tom@valucentric.com

The logo for Valucentric, featuring the word "valucentric" in a lowercase, sans-serif font. The "valu" portion is in a light green color, and the "centric" portion is in a dark blue color.

BOARD MEETING MINUTES

November 7, 2018

Kevin Dumman called the meeting to order at 4:05 p.m. at the WAM office, 11801 W. Silver Spring Drive, Milwaukee, WI 53225

Members Present

Kevin Dumman, Erik Hanson, Cherie Laffin, Katie Thompson, Jorge Barreiro, Leah Murphy, Rick Larkin, Bill Drier, Art Sullivan, Pierce Buchinger, Robert Quam. Ryan Sikorski and Hank Schneider joined via teleconference.

Staff members present included Doug Stangohr.

Approval of Minutes

Minutes from the 8-22-2018 board meeting were approved. Motion made, seconded and passed.

Treasurer's Report

Financials were reviewed and approved. Motion made, seconded and passed.

Education Report

Discussion of 2018 offerings to date and 2018 was great year. Discussion of problem with material costs from national eats into the profit margin. Discussion about promoting the residential. Increasing differing classes with perhaps not AI developed but chapter developed offerings. Discussion of having convention concept with several classes; don't compete with brokers but have Non-AI instructors. Discussion about how residential classes are advertised. Discussion on how else we can attract people region wide and doing blast emails.

National/Regional Update

a. Discussion about the status of the Statute of Repose. Rick Larkin and his team is still working on and assembling information with looking for individuals who have had problems with needing records for appraisal which have exceeded record keeping timelines. Rick has a few examples, however, would like more. Examples of those affected are beneficial for legislators to confirm need. Government relation committee to be the task force and Chris Ruditys and Doug Stangour is assisting.

Statute of Repose summary - National is pushing chapters to pass limiting liability for appraisers after completion of job and the record keeping.

Discussion of resources for cases (ie LIA, Craig Kopenda,) and to use \$6,000 in part to pay assistant in gathering case studies. Motion made, seconded and carried to cap cost at \$1,000.

b. Discussion on region meetings and attendance in person or phone.

c. Region to do housekeeping with members not paying or late paying and making shorter time frames for requirement. Call national if concerned.

New/Old Business

LDAC

- 2019 LDAC will be attended by Erik Hanson (discussion leader), Cherie Laffin (3rd Year) Jorge Barreiro (2nd Year). Leah Murphy interested in being first year.
- Discussion on need to increase budget amount to include the registration fee.
- National will no longer send code for registration. Participants will have to pay and submit to Chapter for reimbursement.
- February 12 is date for LDAC registration.

General Membership Meetings

- Discussion of dates/locations for meetings and valuation socials.
- Proposal was made for dues to increase \$25. Discussion about what other chapters are doing for fees. Tabled for next meeting once more details of when last time fees were increased.

Budget

- Lengthy discussion about classes to be offered, education is in the air but projected to be in line with 2018.
- Discussion about travel expenses for region meetings and LDAC.
- Discussion about AI timeline with financial changes and potential costs with audits. Discussion about WAM contract which has escape clause so not locked in if changes with national. Motion made, seconded and carried to approve WAM contract.
- Motion made, seconded and carried to approve budget.

Year in Review 2018

- Discussion of Lambeau Field with tours of facility, area and training camp. Working on detail for time, date and event. Speakers are lined up.
- Looking for additional sponsors.

BOARD MEETING MINUTES CONTINUED

New Business

- Rick Larkin announced he is semi-retiring and this is his last meeting. He will transition his residential group and help someone else to take over group. Jorge is interested in helping.
- Garret sent out survey for suggestions and is waiting for response.

Adjournment

Meeting adjourned at 6:11 p.m.
Motion made, seconded and passed.

Submitted by Cherie Laffin, Chapter Secretary

UPCOMING EDUCATION

- **January 24** Past President's Dinner and General Membership Meeting
- **April 4** The Cost Approach
- **April 4** Valuation Social
- **April 5** Ignorance Isn't Bliss (4 hour)
- **April 5** E&O Seminar (4 hour)

SAVE THE DATE



Condemnation Appraisal Symposium



**Appraisal
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Wednesday, May 22nd, 2019

8:30am-5:30pm

Marquette University Law School - Eckstein Hall
1215 W. Michigan St. • Milwaukee, WI

REAL ESTATE DAY AT LAMBEAU FIELD

Thank you to all who participated in making the event at Lambeau Field a huge success. Attendees were treated to an in-depth tour of the iconic Lambeau Field. Even those who have done the tour before were still amazed by the great history and treasure that we have here in Wisconsin. Following a cookout lunch, eight separate speakers presented the numerous developments adjacent to Lambeau Field and the surrounding areas of Green Bay, Ashwaubenon, Appleton, and the Fox River Valley. It was fascinating to learn what has transpired in these areas along with future redevelopment plans. These are definitely places you want to consider as a destination to visit or to possibly relocate. Co-Star provided current and future trends in the various real estate markets throughout the state. The day concluded with a reception which allowed everyone to share discussion on the presentations and network with peers.

This event was possible with the generous support from the following sponsors:



We also thank our presenters for taking the time and sharing all their knowledge:

Aaron Schuette, *Village of Ashwaubenon Community Development*

Brandon Svec, *Co-Star*

Aaron Popkey, *Green Bay Packers*

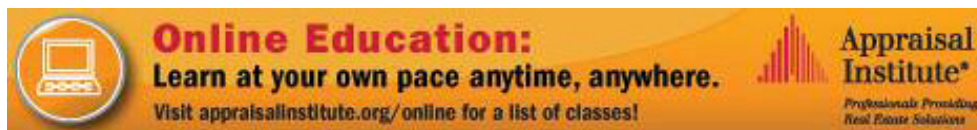
Karen Harkness, *City of Appleton Community & Economic Development*

Kevin Vonck, *City of Green Bay Department of Community & Economic Development*

Mark Nystead, *Keller*

Garritt Bader, *GB Real Estate Investments*

Paul Belschner, *Base Companies*



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HIGHLIGHTS FROM REAL ESTATE DAY AT LAMBEAU FIELD

