



PRESIDENT'S MESSAGE

Jorge A. Barreiro, SRA, AI-RRS

Greetings Designate Members, Candidates and Affiliates,

I am pleased to say that we are finally putting the Covid pandemic behind us but its impact still lingers. The evaluation landscape, which is ever changing adds to this. We are in the midst of rising interest rates, lack of supply with strong demand, increased government oversight, technology advances, waivers, etc. Nonetheless, may it not leave us with a negative outlook that is resistant to change. Rather, let's embrace the opportunity to lead the charge forward with great willingness and excitement as professionals. These challenging times can propel us forward and enable us to thrive in our profession. We have all made the choice to set ourselves apart by being members of the Wisconsin Chapter of the Appraisal Institute and know fully well the difference it makes. I am very grateful to be part of a group of designated members of the Wisconsin Chapter of the Appraisal Institute that have chosen to be chapter leaders and deliver beneficial results to all appraisers, designated or not, and all users of evaluation products. The current Chapter Officers I stand with are Vice President Mike Esser, SRA, Treasurer Curt Kolell, MAI, AI-GRS, Secretary Rebecca Masik-Cannady, SRA, AI-RRS, Past President Cherie Laffin MAI, SRA, and Directors Andrew Bussen, MAI, Ed Potter, SRA, AI-RRS, Benjamin Wollin MAI, AI-GRS, Tyson Hall, MAI, Pierce Buchinger, MAI and Joel Macht, SRA. We will continue to do our best for everyone involved with this great profession of ours.

Earlier this year, an endeavor that began in the past with Kevin Dumman, MAI, SRA, AI-GRS kicking off the charge crossed the finished line with a tremendous amount of help from Andrew Bussen, MAI. If it weren't for the two of them putting forth the great effort they did, we would not have the legal protection that we now have with the Statute of Repose. They have been kind enough to provide a summary of the legislation that has been passed and is referred to as the Wisconsin Act 194. It is included in this newsletter. Many thanks to them both and all the others that contributed in any way. A magnificent accomplishment that will have a longstanding impact.

After two years of being cancelled due to the Covid pandemic, the Appraisal Institute was able to hold its annual Leadership Development and Advisory Counsel (LDAC). Curt Kolell, MAI, AI-GRS and Rebecca Masik-Cannady, SRA, AI-RRS and I attended. Curt had been accepted to attend the two years it was cancelled and was finally able to experience this great event earlier this year. Rebecca was able to attend her first year of acceptance, lucky her. If she had not chosen to become more involved with the Wisconsin Chapter, she would not have had the opportunity to attend. Single handedly, LDAC makes it worth being a board officer of the WI Chapter. All who have attended have expressed this same sentiment. I have the great fortune of being able to return for a fourth year. This is only possible if chosen to be a Discussion Leader for the upcoming year, which I was. This enables me to be there with Curt and Rebecca for their second year and to represent the Wisconsin Chapter as one of the four Discussion Leaders of LDAC. We are in need of another attendee next year and I encourage all existing board members to apply for this spot. Those not currently serving as a board member, consider doing so. You too can have the privilege to go to LDAC someday. Curt and Rebecca have been kind enough to provide a summary of LDAC 2022. It is included in this newsletter. I have also included the congressional items we presented to the Wisconsin legislators we had the fortune of speaking with in person.

The 2022 Year in Review is in the process of being organized. I am searching for a venue that is in a developed area this is comprised of both residential and commercial space. My hope is to have a tour of some sort as well. There will be class discussion on the area development and the development of value

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indications for these types of areas. Other education topics for the Year in Review are being considered and I intend to have a section on appraiser bias. This is often a topic that is not fully understood by many in the government and users of appraisal services. The 2022 Year in Review will be a great year-end experience for all who attend. I plan on holding it the first week of December with more details to come.

A big congratulations to the following:

David Sprenger earned his MAI and Daniel Figurski earned his AI-RRS, both in 2022.

Sincerely,

Jorge A. Barreiro, SRA, AI-RRS

2022 Wisconsin Chapter President

WCAI JOB POSTING

STANDARD INFORMATION REQUIRED...

Company:

Location:

Position:

Job Description:

Compensation:

Benefits:

Required Skills:

Required Education:

Experience:

Contact Information:

Includes...

- A six month posting on the Chapter Website under Jobs Board
- An ad in the most current Chapter newsletter
- A posting on the Chapter Facebook page
- An email out to the Chapter membership
- Free for AI members. \$300 for non-members
- Contact doug@wamllc.net for inquiries

BOARD MEETING MINUTES

May 26, 2022

Jorge A. Barreiro called the conference call meeting to order at 4:03 p.m.

Members Present

Conference: Pierce Buchinger, Benjamin Wollin, Andy Bussen, Tyson Hall, Jorge A. Barreiro, Curt Kolell, Becky Masik, Josh Macht.

Staff member present: Doug Stangohr

Chapter Member: Kim McPherson

Approval of minutes from March 16, 2022

a. Motion to approve Minutes made by Mike Esser, second by Andrew Bussen. Josh Macht abstain, none opposed, motion carried. Minutes will be made available in the next Newsletter.

Treasurer's Report

- a. Curt Kolell reported on the financial report as of March 31, 2022, summarizing revenue and expenses.
- b. USPAP class generated approximately \$6,200 in revenue and \$5,500 in expense.
- c. Past Presidents Dinner had approximately \$1,400 in expenses and limited revenue to offset.
- d. In balance, USPAP mostly covered Past Presidents.
- e. Motion to approve Treasurer's Report made by Pierce Buchinger; second by Becky Masik. None opposed, motion carried.

Education Report

- a. Mike Esser presented currently scheduled and in process education for year 2022.
- b. Rural Valuation class had about 14 people, which was less than expected. However, it was a good class and the opportunity for a valuation social afterwards was valuable. The feeling of the Board is that the classes are offered as a benefit to the membership so as long as it is financially feasible, we should continue to offer classes throughout the state.
- c. Josh Macht reported that the valuation social was not difficult to plan and was enjoyed by all. People appreciated the opportunity to meet in a relaxed setting. Josh volunteered to plan further socials.
- d. Condemnation Symposium is still in the works but registration has not opened yet.
- e. Advanced Land Valuation is targeted for fourth quarter. Mike is working with AI to set that up. Mike is considering moving the class north of Milwaukee, perhaps to Fond du Lac. Jorge expressed support for moving class outside Milwaukee region because although attendance might be lower, it offers more opportunities for appraisers to connect.
- f. Mike expressed support for adding more classes, and the board

fully supported the suggestion.

Statute of Repose

- a. Statute of Repose is a wrap – law is on the books now. The Board thanks everyone that worked to make that happen – special thanks to Kevin and Andy.
- b. The Statute of Repose is not retroactive. According to Andy, this was discussed with the bill drafters and making the bill retroactive would make it more difficult to get passed. However, this is something that someone could pursue later if there is interest or legislative support.

Residential Appraisal Practice Group (RAPG)

- a. Jorge reported that the roundtable at the general membership meeting was beneficial
- b. Jorge also plans to continue to run the group after his presidency is over and also wants to build it to reach more appraisers.

Leadership Development and Advisory Council (LDAC)

- a. Jorge Barreiro, Curt Kollle and Becky Masik attended LDAC in late May in Washington DC.
- b. Curt and Becky reported on the format and content of the event as well as encouraging members to consider getting involved in the future. Jorge was a third-year attendee this year which means that there will be an opening next year for a new attendee.

Goals and Ownership of Items Taken

- a. A Committee for Social Media and University Relations was established. Committee members are Curt Kolell, Kim McPherson and Becky Masik. Doug volunteered interns to help with social media. Becky will send out a kickoff email for the committee. While this is a single committee for now, it may ultimately be separated into different committees.

New/Old Business

- a. Chapter Leadership roles need to be decided within the next month to be put in front of membership for voting. We have three volunteers for Director positions but no one has stepped up yet for the Secretary position. Jorge asked the board if we should just have all of the officers stay in their current positions for an additional year or if we should continue the progression as we historically have. The board discussed and consensus was to keep the progression.

Motion to Adjourn meeting made by Curt Kolell; second by Josh Macht. Meeting adjourned at 4:27 pm.

2022 LDAC UPDATE

**By Curt Kolell, MAI, AI-GRS and
Rebecca Masik-Cannady, SRA, AI-RRS**

We would like to encourage everyone to become more involved in the appraisal profession starting with your involvement with the Wisconsin Chapter of the Appraisal Institute. In addition to attending classes and valuation socials, there are a few opportunities that you should consider:

1. *Board of Directors* – This is a great way to contribute to the direction and operation of the WI Chapter. In addition, it gives you priority opportunity to become a Chapter Officer and/or attend LDAC.

2. *LDAC* – is focused on leadership development and advancement of legislation related to our profession. Jorge, Becky, and Curt attended LDAC this year. Congratulations to Jorge on being selected as a discussion leader for next year so that he can continue his attendance beyond his 3rd year. We are currently looking for an additional person to attend LDAC next year, and hopefully commit for a 3 year cycle of attendance.

This year's LDAC included 4 discussion sessions on: Attracting additional people to the profession, Increasing Diversity in the Profession, Primary Benefits on being a part of the Appraisal Institute, and Technology in the Appraisal Profession. Each of these discussions was a brainstorming session by participants to provide thoughts and suggestions that are being provided directly to national leadership of the Appraisal Institute.

As part of an effort to indicate the Institute's support of a nationwide database of appraisal qualifications for individual state licensing (rather than providing detailed requirements to each state individually), the 3 LDAC representatives from the WI Chapter met with staff in the offices of Representative Fitzgerald, Senator Johnson, and Senator Baldwin. This was a great opportunity to provide them some information (fact sheet provided by the Appraisal Institute), answer any questions, and most importantly, make introductions that will allow them to reach out to us with any industry related questions in the future.

Possibly the most important part of LDAC is meeting with other appraisal professionals from the United States that we would otherwise have limited contact with. We are looking forward to working with many of these people on assignments, discussing issues, sharing information, as well as meeting again with those that return to LDAC next year. LDAC also provides a great opportunity to get involved with the Appraisal Institute on a national level. Overall, it is an unparalleled opportunity to meet with industry thought leaders and form lasting professional relationships and friendships.

3. *Social Media Committee* – One item that was stressed in this year's LDAC is the need to reach out to people with the technology and formats that they are currently using. This includes potential new appraisers currently in a related profession or to University students. The WI Chapter is looking for ideas and assistance in developing some ways to increase the social media presence of our Chapter and reaching out to our area universities.

Hopefully there is something within these 3 areas that sounds appealing to you. Feel free to reach out to Jorge, Becky, or Curt if you have any questions about these opportunities or your desire to become more involved with the Chapter. If these opportunities do not sound appealing to you but you have other strengths that you think that would be a benefit to the Chapter, please feel free to reach out and become more involved.

WISCONSIN ACT 194

**By Kevin Duman, MAI, AI-GRS and
Andrew Bussen, MAI**

As some of you may know, we have been working to get legislation passed in Wisconsin relating to limitations of actions regarding real estate appraisal services that is similar to legislation that presently exists for other professionals in the state. The former legislation in Wisconsin did not effectively protect real estate appraisers from liability resulting from work they have previously performed. The former legislation employed the discovery rule, which means that the statute of limitations for being sued from past work performed starts at the time of discovery, not the time at which the work was actually performed. This allows appraisers to be sued for past work many years after it was performed, greatly limiting their ability to adequately defend themselves. The discovery rule is not congruent with the record keeping rule in USPAP, which requires that an appraiser retain a work file for each appraisal for a period of five years after the appraisal was prepared or at least two years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires last.

We spent months lobbying to identify legislators interested in supporting this type of legislation. Representative Paul Tittel and Senator Andre Jacque were intrigued by the idea and offered to support the legislation. We also worked with a bill drafter to make the legislation clear, understandable, and easier to work through the legislative process. We worked to correct the disparity between the present legislation in Wisconsin and the record keeping rule in USPAP to draft a bill to limit the liability of the appraiser to a period of five years from the time the work was performed to match up with the record keeping rule in USPAP.

Wisconsin Act 194 continued on next page...

Wisconsin Act 194 continued...

In addition, in September 2021 we testified at the State Capitol in front of the Assembly Committee on Housing and Real Estate. This was a key step in getting this legislation enacted. Having appraisers present at this hearing allowed legislators to ask questions and hear directly from appraisers as to why this legislation was so important and necessary for our profession.

Senate Bill 341 (SB341) was signed into law on March 18, 2022 by Governor Tony Evers as Wisconsin Act 194. This bill limits the time a person has to start a lawsuit for damages against a licensed or certified real estate appraiser to five years from the date the real estate appraiser submits the appraisal report to the client for whom real estate appraisal services are performed, unless a shorter limitations period applies. The limitation period created in the bill does not apply to a real estate appraiser who commits fraud or concealment in the performance of real estate appraisal services. This means that any appraisal submitted to the client on March 18, 2022, or after, will be subject to the maximum five-year statute of limitations. Appraisals submitted to the client prior to that date will likely be covered by whatever statute of limitations would apply to the type of claim being pursued. In other words, the maximum date on which an appraiser can be sued for an appraisal submitted to the client on March 18, 2022 will be March 18, 2027. But, the statute of limitations that will apply to appraisals submitted to the client prior to March 18, 2022 will be whatever period applied on that date to the type of claim being pursued.

This is a very important landmark event for our profession in our state. In addition, this legislation was also highlighted at the Appraisal Institute's Leadership Development Advisory Council (LDAC) this year. We would like to thank Representative Paul Tittl, Senator Andre Jacque, and their staff for drafting the bill, sponsoring the bill, and helping us through this process. Without their help this would not have been possible.

2022 LDAC CONGRESSIONAL TALKING POINTS

Equity in Valuation

Background

Appraisers are subject to the Fair Housing Act and Equal Credit Opportunity Act. Bank regulations require independent and unbiased appraisals, as do the requirements of the government-sponsored enterprises and loan guarantee agencies. Further, appraisers are subject to state licensing requirements that include adherence to uniform appraisal standards requiring appraisers to perform their work in an unbiased and objective manner. These requirements should be vigorously enforced. Even one case of appraisal bias is unacceptable.

The appraisal process has come under study and review by many researchers, think tanks, and government agencies, including the Biden Administration's Property Appraisal and Valuation Equity Task Force ("PAVE") and that has been welcomed by the Appraisal Institute. Although some of the results as to bias in appraisal are preliminary and others have produced contradictory conclusions, these findings have greatly educated all stakeholders to better understand the appraisal process and how it fits into a larger ecosystem of mortgage finance and risk management. To directly address the issues that have been identified, the Appraisal Institute has conducted our own introspective review and launched several collaborative initiatives.

Prioritizing Diversity, Equity, and Inclusion

Diversity in Appraisal: The Appraisal Institute has helped lead the Appraiser Diversity Initiative (ADI), an industry collaboration with Fannie Mae, Freddie Mac and the National Urban League that promotes the appraisal profession to diverse communities. ADI helps raise awareness by hosting workshops (both in person and virtual) throughout the United States. These workshops educate participants about professional opportunities in real estate appraisal, inviting interested participants to apply for education scholarships.

The initiative has awarded approximately 235 scholarships with 18 individuals who have completed the education requirements and been successfully placed in positions. Around 100 individuals are currently enrolled in the required qualifying education courses.

Decreasing Barriers: Entry into the profession is something the Appraisal Institute is focused on through the development of a Practical Applications of Real Estate Appraisal (PAREA) program. PAREA will provide an alternative to the traditional supervisory appraiser-trainee model for gaining experience in real estate appraisal. Through PAREA, experience is cultivated in a simulated environment, using case studies and leveraging technology. This program is rapidly under development, and we hope to bring it to market within a matter of months. Participant priority will be given to veterans, minorities, women and those in underserved rural areas.

Education: The Appraisal Institute has been active in developing education and supporting valuation bias and fair housing training requirements for appraisers at the federal and state levels. This work continues, but it has benefitted by new state laws that have been enacted over the past two years that can serve as models for other states looking to bolster education, awareness and understanding.

LDAC Congressional Talking Points continued on next page...

LDAC Congressional Talking Points continued...

Appraisal Institute Concerns

- *Appraisers “Making” the Market:* Appraisers don’t set the market, they reflect it. Think of appraisers as referees in a sporting event. They’re a disinterested third party whose focus is on neutrality by providing credible and well-supported opinions of value. The market is driven by buyers and sellers.

- *Automated Valuation Models:* Technological change is occurring in real estate and mortgage finance, as well as within appraisal. AVMs can be tools in valuation processes, but they should be used carefully. We the goal of including a component of AVM quality control standards that attempts to address bias or discrimination, but the idea that policy might whisk away biases – some of which are systemic within the market – is potentially short-sighted and dangerous. One thing to be noted is that a good portion of the research that has been conducted on valuation equity has evaluated AVM – not appraisal data.

- *Federal Valuation Agency:* Creating a new federal agency is not the right answer. Transparency and accountability are important, but these goals should be balanced with maintaining industry independence and promoting entry into the profession. We see the difficulties of attracting new individuals to the profession under the current appraisal business and regulatory environment. The proposed increased regulation, review and audit of appraiser files resulting from a complaint of undervaluation due to bias does not reference due process. Further, it may undermine the independence of the appraiser to the point they consider fleeing the mortgage loan space.

Appraisal Policy Recommendations

- *Appraisal Appeals:* One portion of the PAVE Action Plan we strongly support is the issuance of guidance and new policies to improve the processes by which a valuation may be reconsidered if the initial value is lower than expected. The policies for a reconsideration of value (ROV) can vary greatly depending on the type of institution and oversight mechanisms. We expect federal agencies will work on this guidance in the coming months and years.

We believe the Veterans’ Administration’s (VA) “Tidewater Initiative” would serve as a strong model for the industry to implement within any industry guidance relating to consumer Appeals of Appraisals. The Tidewater is actually a notice of value that occurs prior to an ROV process. It protects appraiser independence, while giving stakeholders an opportunity to provide relevant information to the appraiser to consider prior to completing the appraisal.

- *PAL Act Information Sharing:* The PAVE Action Plan also includes many recommendations for interagency coordination and action, including information sharing between agencies. We have long advocated for states to coordinate the licensing functions through a common platform, or portal, like the Nationwide Mortgage Licensing System for mortgage originators. This proposal has been introduced as the Portal for Appraisal Licensing Act (HR 5756). The PAL Act addresses the concerns of appraisers who often work in many states and are faced with increasing regulatory obligations, including state-by-state background checks for renewals, reciprocity licenses and temporary practice permits in many situations.

Action Requested

House of Representatives: Urge House members to co-sponsor H.R. 5756 to modernize the real estate appraisal licensing system and use this legislation to serve as foundation for reforms such as addressing Reconsideration of Value for consumers. Contact Colin Aronsen at colin_aronson@mail.house.gov, and Wright Ricketts at wright.ricketts@mail.house.gov, to co-sponsor.

Senate: Ask your Senators to support legislation modernizing the real estate appraisal licensing system to improve information flow at the State levels for industry and stakeholder organizations.

SAVE THE DATE

Condemnation Symposium

September 8th, 2022

WCAI JOB POSTINGS
CLICK JOB TITLE FOR MORE DETAILS

CONGRATULATIONS TO OUR NEW DESIGNEES!

Daniel Figurski, AI-RRS

David Sprenger, MAI



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ADVERTISING OPPORTUNITIES AVAILABLE

The Wisconsin Chapter of the Appraisal Institute (WCAI) is proud to offer advertising opportunities in its newsletter and website. To sign up to advertise, please fill out the form below.

If you have any questions regarding advertising, please call the WCAI office at (414) 271-6858.

AD SIZES	1 Issue	2 Issues	3 Issues	4 Issues
A. Business Card	\$50/\$75	\$45/\$70	\$40/\$65	\$35/\$60
B. ¼ Page	\$85/\$125	\$80/\$120	\$75/\$115	\$70/\$110
C. ½ Page	\$125/\$175	\$120/\$170	\$115/\$165	\$110/\$160
D. Full Page	\$225/\$300	\$215/\$290	\$205/\$280	\$190/\$265
E. Website	\$175/\$225	\$250/\$350	\$300/\$400	\$325/\$425

Price per issue decreases for each additional issue you advertise in. First number indicates member rate, second number indicates non-member rate.

**Per Quarter For Website. 1 Issue=1 Quarter, 2 Issues=2 Quarters etc*

Confirm your selection by e-mailing a .jpeg/.tif/.pdf/or .eps file to Doug Stangohr at doug@wamllc.net and mail your advertising fee and order to WCAI (11801 W. Silver Spring Dr., Ste 200, Milwaukee, WI 53225)

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Ad Size: _____

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(Multiply price per issue x number of issues)

CONTACT INFORMATION

Company: _____

Name: _____

Address: _____

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Credit Card Number: _____ Exp. Date: _____