Appraisal Institute®
Professionals Providing Real Estate Solutions

The Wisconsin Chapter MESSENGER

http://www.wisai.com JULY 2008

PRESIDENT'S COLUMN

Steven Stiloski, MAI, CCIM

"A bank may not accept a borrower-ordered appraisal and may not allow the borrower to select an appraiser from its approved appraiser list."

The foregoing quote is paraphrased from a document called the "Frequently Asked Questions on the Appraisal Regulations and the Interagency Statement on Independent Appraisal and Evaluation Functions." The document is dated March 22, 2005 and can be found at the following link:

http://www.fdic.gov/news/news/financial/2005/fil2005a.html

I don't know about your firm, but even after three years I still get the telephone call that starts out, "I got your name from a list given to me by (insert loan officer name here). What would it cost to get an appraisal done on my building?"

My first response is to ask the caller for his/her name and telephone number. Then I ask what they intend to do with the appraisal. If their reply is that they are just getting prices so that the good old loan officer can give them a loan, I tell them that a borrower can neither order the appraisal nor select the appraiser. I'll also call the loan officer and email them the foregoing link so that the problem does not occur again.

The reason I mention the foregoing is that you cannot be too careful when accepting assignments. There are too many regulatory and law enforcement agencies that are watching our profession with renewed interest. If you accept an assignment ordered by a borrower and later used by a financial institution, you run the risk of being involved in bank fraud. Personally, that's a risk I'm unwilling to take for any fee.

I urge you all to read and familiarize yourselves with the entire Interagency Statement. There are some other interesting points that are made regarding who should pay for the appraisal, what information should a bank provide an appraiser upon engagement, and can an appraisal be readdressed. I know for some of you this is old information, but it doesn't hurt to review it and know where to find it when you need it.

It looks to me that we are headed to another bailout ala the S&L crisis. The next stage is to come up with a way to dispose of all the surplus property out there. The last time the organization was called the Resolution Trust Corporation. I don't know what it will be called this time around but here's some insights that I obtained from a search of the Internet.

To quote former Bush economist Lawrence Lindsey:

> *During the last real estate collapse in the early 1990s, the government was forced to acquire a large amount of property as it worked to rescue the financial system. The chances are reasonable that at some point late in 2009 a similar approach might be adopted. The last time around it was called the Resolution Trust Corporation (RTC). It was, as one would expect from government, far from surgical in its approach. A lot of investors, bankers, and property holders probably lost more than they deserved to in the process. But it got the job done. It is the ultimate last resort, using the balance sheet of Uncle Sam to save the housing market. If nothing else works, a new RTC is in the cards, and those who think Barney Frank's bill is a "bailout" will be shocked by its size.*

Here is some further insight from around the Web. First up, Arnold Kling:

> *It seems as though nobody wants to admit that the FM's (Fannie*

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TREASURER'S REPORT

The Chapter funds as of 6/30/08 are:

Primary Checking Account:	$6,553.80
Money Market Account:	$23,750.60
CD Account-1:	$33,410.25
CD Account-2:	$26,438.37
Total funds balance:	$90,154.02

PRESIDENT'S MESSAGE
(Continued from Page 1)

> *Mae & Freddie Mac) are done for. Yet the new proposal on the table to have the government back more of the firms' debt and perhaps buy equity is so radical that I have to assume that there is no returning to the status quo.... A fundamental debate in economics is between central planning and the spontaneous order of the market. The collapse of the FM's, and of the housing market in general, can be viewed as a failure of central planning. Unfortunately, the dynamics are such that when central planning fails, you typically get more central planning.*

And some wise words from columnist Sebastian Mallaby:

> *As long as Fannie and Freddie retain their private/public form, private managers will invent reasons to grow courtesy of public assistance. The best shot at taming them is to bring them into the government. Then, once financial markets have stabilized, the government should shrink the institutions radically and spin them off in pieces, creating maximum space in the mortgage market for smaller private players.*

Whatever the eventual result you can be sure that your professional ability as a real estate appraiser will be in demand. How else will the new organization know how to put a price on the foreclosed property? My advice is to keep up on your skills by taking Appraisal Institute classes and seminars and get involved in your local Chapter because that's where you'll find the contacts necessary to survive the current economic downturn.

I hope everyone's summer is going well and that all of you have time for a well deserved vacation.

Steve Stiloski, MAI, CCIM
Chapter President

"We have for the first time an economy based on a key resource (information) that is not only renewable, but self-generating. Running out of it is not a problem, but drowning in it is." - John Naisbitt

BOARD MEETING MINUTES

May 15, 2008

President Steven G. Stiloski called the meeting to order at 8:30 AM at the office of Wisconsin Association Management, 11801 West Silver Spring, Milwaukee, WI.

Members Present
Larry Hayes, Larry Nicholson, Jason Teynor, Dave Wagner, John Anderson, Steve Stiloski, Tom Swan, Detlef Weiler, Mike Brachmann, Karen Mikalofsky, Cheryl Dodson, Ryan Gieryn, and Tim Warner. Attending by teleconference were Pat Wilborn, Bill Sirny, Kevin Dumman, and Angela Kwasny

Secretary's Report
The minutes were approved as published in the most recent newsletter.
(Motion -Nicholson, 2nd - Brachmann)

Treasurer's Report (Mike Brachmann & Chris Ruditys)
January thru April, 2008 financial statements were distributed, reviewed, and discussed. The Board discussion focused primarily on educational offerings and expenses as reflected on the statements. The January thru April, 2008 financial statements were approved.
(Motion -Nicholson, 2nd - Teynor)

National and Regional Update Report
The Wisconsin chapter will be represented at the July 20-22 Regional Meetings in Austin by Steve Stiloski, Bill Sirny, Bill Dreyer, Tom Swan and Tim Warner. President Stiloski noted there is an initial discussion of a possible National Association of Realtors (NAR) and Appraisal Institute affiliation. However, this is only very preliminary at this point.

Ryan Gieryn and Cheryl Dodson reported to the board on their attendance at the recent LDAC meetings on behalf of the chapter and delivered a report to the board on the session topics. The board discussed the likelihood of further attendance at the future annual meetings by two chapter representatives in order to continue chapter leadership development.

Legislative Update
President Stiloski commended members on their input and efforts in the successful effort to have Department of Revenue (DOR) transfer form information made available through passage of necessary legislation.

Old Business
A discussion of status of the Wisconsin Appraisers Coalition was briefly held. The matter was tabled to be discussed at the next board of directors meeting upon a completion of an information update and when more time would be available by President Stiloski.

The need for a chapter policy to provide memorials for the deaths of former members or others was preliminarily discussed. The matter was tabled pending a policy draft and further discussion of the proposed policy.

Other Business
The status of chapter leadership succession was discussed. Chapter leadership is based upon election to, as well as service and succession as chapter officers. However, a necessary requirement to serve as chapter president is designated member status. Several senior chapter officers need to complete requirements for designation in time for chapter officer elections. Possible alternatives were discussed in order to plan for the election later this year and in the future.

Adjournment
President Stiloski adjourned the meeting at 9:37 AM.

Respectfully Submitted,
Tim Warner, MAI, SRA
Secretary, Wisconsin Chapter of the Appraisal Institute

REGIONAL MEETING HIGHLIGHTS

President Steve also requested a summary of the Regional Meetings held in conjunction with other Appraisal Institute (AI) educational offerings and meetings held in Austin, Texas. The regional meetings were held on June 21st with a multi region gathering that served as an update and our region meeting held on June 22nd as an advisory to the AI Board of Director Meetings later in the week.

Highlights included the Washington/Legislative update. The subprime mess and mortgage fraud issues have caused a number of legislative measures to surface. The first was Cuomo-Fannie-Freddie-OFHEO agreement. While generating a lot of smoke, the fire department has arrived in the form of the Office of the Controller of Currency (OCC) who has issued a memorandum complete with 38 footnotes essentially saying, 'this is our national regulatory turf and you only have a private agreement which involves one state. Let OCC handle this.'

While there are a number of congressional bills addressing various aspects of the problems, HR 3915 is the one the AI, working through Bill Garber, the Director of Government Relations, fundamentally support.

However, final action on the various bills is expected to occur before the summer congressional recess and will be likely be completed quickly so stay in touch with the AI website.

Perhaps the biggest news for associate members, is the E-Demo. A new alternative to writing the demonstration report writing which will allow a modular, on-line demonstration report to be writing in segments with input of a mentor. Segments will be individually approved and the final report must also receive approval but attendees generally approved this creative, alternative approach to one of the

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REGIONAL MEETING HIGHLIGHTS
(Continued from Page 3)

humps in the designation process.

New educational offerings and a cumulative building of the certificate programs like Conservation Easements, Historic Preservation Easements, and Green Building appraisal seminars were announced. Your chapter will be bring these offerings to Wisconsin as scheduling permits.

Various administrative and structural issues as detailed in the 45 Day Notice you received earlier by email were discussed by the regional reps in order to provide input to the Board. These matters will be decided by your national Board of Directors in the following week and will be announced within the next week or two to the members.

These kind of meetings also provide the opportunity to meet other appraisers. For example, Detlef Weiler and I were getting a quick breakfast on Sunday morning and happed to sit down with several appraisers who we had never met before. One of these appraisers was from Central Florida and after a while we learned that he had started in the appraisal business at the age of 42 when a freeze had destroyed his third generation orange groves. The short version of his story is that in putting together the loss calculation for the IRS, he drew upon his ag training at the university and put together the "Canopy Volume Method of Tree Loss". Friends and neighbors with devastated groves in Lake County of Florida came to him for help in estimating their tree loss. He told of Lloyds of London coming to him, later, to use his method in developing tree loss insurance. But, this appraiser said that was coming to the conclusion that he had 3 options at that time: Become a production manager for another owner further south, replant his groves after borrowing several million dollars, or to become an appraiser. He decided to become an appraiser. He said that he decided to become the best a appraiser he could and that would involve becoming an MAI. He further went on to talk of doing this. As he was telling his story, his wife came up to the table. They said that she had gone to work after the freeze but that her employment situation dead-ended and she decided to join her husband in the appraisal business. She also worked to obtain her MAI designation in 5 years. They went on but the rest would be to long for this news letters but though this couple's story was good enough to pass on.

Tim Warner, MAI, SRA
Secretary, Wisconsin Chapter of the Appraisal Institute

CLASSIFIED

Major Milwaukee Bank seeking **full time on staff review appraiser**. Should have at least 5 years commercial real estate appraisal experience.

Resumes should be submitted to Chris Ruditys, ruditys@wamllc.net.

2008 UPCOMING COURSES & SEMINARS

For more information on each offering
and TO REGISTER, please go to:
http://www.appraisalinstitute.org/education/Wisconsin

Date	Course/Seminar
August 7-8	*The Appraiser as an Expert Witness: Preparation & Testimony* (16 Hours)
August 11-16	*Report Writing & Valuation Analysis* (40 Hours)
August 27	*Analyzing Distressed Real Estate* (7 Hours)
September 25	*Appraisal Review: General* (7 Hours)
October 20-21	*Litigation Appraising: Specialized Topics & Applications* (16 Hours)
November 19	*Year-In-Review Symposium* (3 Hours)

More Courses/Seminars to be added at a later date.
Stay tuned!

All seminars/courses will be offered at WCAI's facility located at 11801 W. Silver Spring Drive, Suite 200, Milwaukee, WI 53225.

QUESTIONS? Please call the WCAI office at (414) 271-6858 or visit www.wisai.com.

Specific dates and locations will be published as they become available.

TAKING LDAC TO THE NEXT LEVEL

This April the Wisconsin Chapter of the Appraisal Institute sent two associate members, Cheryl Dodson and Ryan Gieryn, to Washington D.C. to attend the Appraisal Institute's annual Leadership Development & Advisory Council (LDAC). The Appraisal Institute's website recognizes LDAC as:

> *"a source of leadership and as a source of inspiration for new programming ideas for the Appraisal Institute for over 30 years. Through a series of round table discussions, LDAC provides a forum where ideas and opinions of targeted topics of concern in the appraisal profession are exchanged."*

The 2008 LDAC conference was composed of approximately 100 associate and designated members representing 33 different states and the Commonwealth of Puerto Rico. The attendees were a diverse group of first, second, and third year participants. (It is the Appraisal Institute's goal to have a participant attend three years out of a five-year period.)

This year's discussion sections were entitled:

1. What is Your Designation Worth
2. Government Enforcement of Existing Standards and Appraisal Guidelines
3. Innovation in Education - Taking the Appraisal Institute to the Next Level
4. Capitalizing on the Leadership Development & Advisory Council.

Along with these roundtable discussions, the other important aspect of LDAC is the trip to Capitol Hill. Attendees are organized into congressional teams based on their state of residence. An afternoon is then planned to lobby the attendees' local legislators on Capitol Hill. These visits help to demonstrate that the Appraisal Institute is comprised of professionals who recognize the importance of being actively involved in the political process.

The Wisconsin delegates had an opportunity this year to meet with representatives of Senator Kohl and Feingold's staff and with a representative of Congressman Sensenbrenner's staff. This year's focus was on gaining legislative support for increased appraisal independence and appraisal regulatory reform (H.R. 3915 and S. 2452).

With this being my second year of attendance at LDAC and Cheryl's first year, we both strongly agree that the experience was very worthwhile. Overall, LDAC provides Appraisal Institute members with an outstanding opportunity to not only have your ideas heard by the hierarchy of the Appraisal Institute organization, but also by our national lawmakers as well. Attending LDAC is a great chance to network with other appraisal professionals who may be equally as passionate about the profession. It can also open doors to becoming involved with the Appraisal Institute on a local and national basis which is highly encouraged.

We would like to take this opportunity and thank our Wisconsin Chapter for sending us to this year's LDAC. It was a thoroughly enjoyable experience and one we hope that other local members will consider participating in as well.

If you are an Associate Member interested in becoming involved in the local chapter and would like an opportunity to possibly attend next year's LDAC conference, please contact Cheryl Dodson at Cheryl.Dodson@associatedbank.com. The Chapter will reimburse the expenses for anyone selected by the Board of Directors to attend LDAC next year, and Cheryl is responsible for making recommendations to the Board.

Ryan Gieryn & Cheryl Dodson

FDIC FACES MORTGAGE MESS AFTER RUNNING FAILED BANK

Subprime Lender Made Problem Loans On Regulators' Watch

By MARK MAREMONT
July 21, 2008; Page A1 - The Wall Street Journal

Federal officials heap much of the blame for the subprime mortgage mess on lenders, claiming they recklessly made too many high-cost home loans to borrowers who couldn't afford them.

It turns out that the U.S. government itself was one of the lenders giving out high-interest, subprime mortgages, some of them predatory, according to government documents filed in federal court.

The unusual situation, which is still bedeviling bank regulators, stems from the 2001 seizure by federal officials of Superior Bank FSB, then a national subprime lender based in Hinsdale, Ill. Rather than immediately shuttering or selling Superior, as it normally does with failed banks, the Federal Deposit Insurance Corp. continued to run the bank's subprime-mortgage business for months as it looked for a buyer. With FDIC people supervising day-to-day operations, Superior funded more than 6,700 new subprime loans worth more than $550 million, according to federal mortgage data.

The FDIC then sold a big chunk of the loans to another bank. That loan pool was afflicted by the same problems for which regulators have faulted the industry: lending to unqualified borrowers, inflated appraisals and poor verification of borrowers' incomes, according to a written report from a government-hired expert. The report said that many of the loans never should have been made in the first place.
Hundreds of borrowers who took out Superior subprime loans on the FDIC's watch -- some with initial interest rates higher than 12% -- have lost their homes to foreclosure, data on the loans indicate.

Banking regulators are grappling with a new round of woes related to

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FDIC FACES MORTGAGE MESS AFTER RUNNING FAILED BANK *(Continued from Page 5)*

subprime mortgages, which were generally made to people with poor credit histories. This month, the FDIC took control of the IndyMac Bank, a major lender that specialized in higher risk loans, after it failed. The FDIC intends to keep IndyMac open, as it did with Superior, but it doesn't plan to originate any new mortgages.

At the time the FDIC was running Superior, subprime lending hadn't yet emerged as the national disaster it since has become. But some lending experts already were faulting industry practices and warning about rising delinquencies. The FDIC's problems with Superior could fuel criticism that bank regulators were slow to heed warning signs.
The FDIC, one of the chief U.S. bank regulators, manages a giant insurance fund that compensates customers of failed banks, and it takes charge of banks seized by the government. It has taken over hundreds of failed banks over the years, and generally has a good track record handling the difficult job.

The Superior situation could be costly for the FDIC. Texas-based Beal Bank SSB, which bought a portfolio of Superior loans, about half of them originated under the FDIC, is suing the agency in U.S. District Court in Washington. The suit claims many of the loans were made improperly and are plagued with problems.

An internal FDIC legal assessment, obtained by Beal Bank and filed in court last month, acknowledged "numerous appraisal deficiencies" in the portfolio and a "small number of loans that appear to be fraudulent from inception." Calling the FDIC's legal position poor, the undated 26-page assessment suggested that the agency's liability could be as much as $70 million. Another FDIC official, in a deposition, estimated that the cost of settling the case could be less than one-third that amount.

In a recent court filing, the FDIC estimated that about 1,500 of the 5,315 loans it sold to Beal either have defaulted or are nonperforming. The FDIC already has bought back another 247 of the mortgages, most of them for violations of federal anti-predatory-lending laws intended to protect borrowers from unreasonably high fees or deceptive practices. Beal Bank has said in court filings that 73 of the repurchased loans were originated while the FDIC was running Superior.
In a statement, FDIC spokesman Andrew Gray said the agency was "prepared to immediately work with Beal" to fix any additional mortgages originated under its watch that violated consumer-protection laws or the FDIC's own subprime-lending guidelines. As for the loans it has already acknowledged were predatory, Mr. Gray said the FDIC has provided recompense to affected borrowers and instructed its servicing contractor to avoid foreclosing.

Mr. Gray added that the FDIC "remains deeply concerned about consumer-protection issues. Though these loans with relaxed lending standards were commonplace during this period, time and experience has shown that the long-term interests of borrowers were not always served well by them."

Meanwhile, a separate portfolio of Superior subprime loans that the FDIC sold to Bank of America Corp. -- which the bank in turn sold to investors -- also has been troubled. As of April, investors had suffered "realized losses" -- which generally occur after foreclosures -- on 511 of the 3,964 loans in that pool, according to data provided to investors. The vast majority of the loans were originated when the FDIC was running the bank, the data show. In May and June, two ratings agencies downgraded some securities backed by the mortgages, with one citing a large number of severely delinquent loans and other problems. A Bank of America spokesman declined to comment.

Subprime mortgages typically carry high interest rates to reflect the greater likelihood of default. For years, the government encouraged lending to low-income borrowers as a way to increase home-ownership rates. But the market got out of control after some lenders started doling out more aggressive loans, relaxing collateral requirements, and paying less attention to the ability of borrowers to pay.

FDIC Chairman Sheila Bair has been unusually forthright in putting part of the blame for the mortgage mess on regulators, who she has said should have acted earlier. But Ms. Bair -- who took office in 2006, long after the FDIC ran Superior -- also has faulted lenders, criticizing them for "lax lending standards," making "poorly underwritten" loans, and placing borrowers in "products that create financial hardship rather than building wealth."

Appraisal Issues
Brister Hightower, a retired high-school teacher, lost his rural home near Athens, Ga., to foreclosure after he fell behind on a high-interest mortgage taken out from Superior when the FDIC was running it. Twenty years ago, Mr. Hightower had purchased what he calls a "small, run-down house" with a tin roof adjacent to a trailer park. He worked with a cousin to fix up the interior, and added insulation, vinyl siding and a second bathroom. In December 2001, he refinanced it with a $120,700 mortgage from Superior, using the proceeds to pay off an earlier loan and some other debt. The 20-year mortgage carried a 10.75% fixed interest rate, compared with the roughly 7% rate then available to borrowers with good credit.

Some subprime problems have been blamed on lenders giving out mortgages for more than a house is worth, immediately putting the borrower in a financial hole. The appraisal used by Superior valued Mr. Hightower's home at $142,000. The three "comparable" properties used to justify that appraisal were well-tended houses situated miles away in neighboring counties. Two were close to the center of Athens, where county officials say property values in general were much higher than in Mr. Hightower's area. County records show the fair-market value for tax purposes of Mr. Hightower's home was less than $84,000.

His loan was among those sold to Beal Bank by the FDIC. Mr. Hightower, now 68 years old, says he tried to keep up payments, but couldn't after "it got to the point I could hardly eat." Beal foreclosed, and in 2005 sold the property at auction for $76,000.

Told that the FDIC was running the bank when it gave him the loan, Mr. Hightower says: "I wouldn't expect the government to rip me off...Can I get some money back?" The FDIC didn't respond to ques-

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FDIC FACES MORTGAGE MESS AFTER RUNNING FAILED BANK *(Continued from Page 6)*

tions about Mr. Hightower's loan.

Superior Bank, based outside of Chicago, was 50% owned by the Pritzker family of Chicago, which also controls the Hyatt hotel chain. The bank had just 18 branches, but grew rapidly in the 1990s by making subprime loans nationwide through a subsidiary, Alliance Funding. When Superior failed in July 2001, regulators faulted it for "poor lending practices" and overly rosy valuations of assets related to its securitization of subprime loans.

When the FDIC learns a bank is about to fail, it tries to locate a buyer ahead of time to assume its deposits and loans. With Superior, the agency had little warning. A private-sector rescue plan had fallen apart at the last minute. The agency decided that the best way to maximize the value of the failed bank was to continue operating it under a new name while it searched for buyers.

FDIC Personnel

The FDIC appointed one of its senior officials to be Superior's chairman, hired a new chief executive, and installed agency employees to oversee day-to-day operations, agency documents show. But it continued to employ many of the bank's workers who originated subprime mortgage loans. The FDIC sold Superior's branches and its deposit-taking business for $52.4 million in late 2001, but no prospective buyers materialized for its subprime-lending unit. The FDIC stopped funding new loans in early 2002, and shuttered the operation by that May 31.

Both before and after the FDIC takeover, Superior relied heavily on a national network of independent mortgage brokers to locate potential borrowers. Some such brokers have been criticized for focusing more on the fees they collect from generating loans than on the ability of borrowers to pay. The FDIC says it was concerned about the dependence on brokers, and brought in "independent compliance examiners" to look at Superior's lending standards. The agency says it changed some of the guidelines several months after it took charge. But in a deposition in May for the Beal Bank litigation, a senior FDIC official suggested that fixing the bank wasn't the agency's top priority. "Our job was to go in and sell the assets of the institution, and not try to clean up the operations, per se, to make this a better bank," said the official, Gail Patelunas.

Mitchell L. Glassman, director of the FDIC's division of resolutions and receiverships, defended the agency's oversight of Superior in a 2004 letter to FDIC's inspector general. He said that mortgage applications submitted through brokers were first checked by 270 in-house underwriters, then rechecked by a staff of 21 quality-control auditors, who "effectively conducted due diligence" on all incoming loans using a 200-item questionnaire.

Beal Bank, based in Plano, Texas, sued the FDIC in 2002, not long after it finished paying the agency about $339 million for 5,315 Superior mortgages. Roughly half were "New Superior" loans originated when the FDIC was in control, and half were underwritten by "Old Superior."

Although the FDIC usually sells such loans on an as-is basis, the agency backed the Superior loans with extensive warranties about their quality, including that there was no fraud or misrepresentation in their origination. The FDIC says it included such guarantees, in part, to give Beal Bank the ability to sell back to the agency any loans that had fallen through cracks in the oversight process.

In its court filings, Beal Bank claims that many of the loans weren't as represented by the FDIC. It says some were based on negligent or fraudulent appraisals, and others were based on false or inaccurate information about borrower income. It also says that minority borrowers were given loans with higher fees and interest rates than similarly situated white borrowers, in violation of federal law.

"The FDIC has established high standards of ethical and legal conduct for mortgage lenders that it regulates, but has demonstrably failed to meet these standards in its lending activities at Superior and loan sales to Beal Bank," says Andrew Sandler, an attorney at Skadden Arps Slate Meagher & Flom LLP, who represents Beal Bank. "This lawsuit is about requiring the FDIC to meet its own standards of accountability."

'Gross Discrepancies'

An internal FDIC legal memo on the case that was turned over to Beal Bank's lawyers refers to "gross discrepancies" in some loan files, including forged signatures or "wildly different signatures purporting to be that of the same person." A single mother claimed two children in applying for a loan, but later cited the needs of five children when she failed to make a single payment, according to the memo, which is undated.

In 2004, the FDIC hired an outside expert, Silver Spring, Md., consultant Ronald L. Freudenheim, to assess the loans sold to Beal Bank. A version of the consultant's report, recently filed in court by Beal, said that 13% of the loans showed no evidence that the borrowers' incomes were verified, while in 16% of loans the borrowers had too little income for the debt they were taking on. Overall, he said, 56% of the loans violated Superior's guidelines and "should not have been issued." The assessment didn't differentiate between Old Superior and New Superior mortgages.

The FDIC says that was a draft report. Last month, the agency filed a final version in court, which estimated that about 19% of the loans sold to Beal contained "material" breaches of the warranties -- meaning there were significant problems with close to 1,000 mortgages. This version of the report blames Beal Bank for some of the portfolio's lost value, saying it serviced the loans in an "inferior" manner.
Stephen Costas, Beal Bank's general counsel, declined to comment on that. He said the Superior matter is an "isolated disagreement" with the FDIC, and that the bank looks forward to resolving it and continuing its "good relationship" with the agency.

Mr. Gray, the FDIC spokesman, said the agency has "worked in good faith to repurchase loans subject to our obligations." He said Beal Bank hadn't provided until recently enough information on the alleged problem loans for the agency to take action.

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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.

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F. Back Cover (1/2 pg)	$375 / $475	$360 / $460	$345 / $445	$330 / $430
G. Website	$175 / $225	$250 / $350	$300 / $400	$325 / $425

Price per issue decreases for each additional issue you advertise in
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Confirm your selection by e-mailing a .jpeg/.tif/.pdf/or .eps file to Heather Westgor at heather@wamllc.net and mail your advertising fee and order form to WCAI, 11801 W. Silver Spring Dr., Ste 200, Milwaukee, WI 53225.

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SAMPLE APPLICATION ONLY! (Pages 9-11)

Complete actual application at:
https://www.appraisalinstitute.org/mbrapplic/admission_associate.asp?chptr_id=123

Application for Admission to General or Residential Associate Membership

Intro

Please direct any additional correspondence or questions to:

Associate and Prospective Member Service Center

Phone: (312) 335-4111
Fax: (312) 335-4146
Email:
associate@appraisalinstitute.org

550 W Van Buren
Suite 1000
Chicago, IL 60607

Category

* = Required

* I am applying for: ◯ General Associate Membership - I am not pursuing a designation at this time ◯ Residential Associate Membership - I am not pursuing a designation at this time

◯ General Associate Membership path to MAI designation ◯ Residential Associate Membership path to SRA designation

◯ Dual Associate Membership - path to the MAI and SRA designations

Please check all boxes that apply:

☐ I am currently an Appraisal Institute designated member. Member#:

☐ I was previously a Designated Member, Associate Member, Affiliate Member, Candidate, or enrollee with the Appraisal Institute or one of its predecessor organizations.

☐ An Appraisal Institute member recruited me. Recruiter's Last Name First Middle

Member #(if known)

2008 Membership Dues

Membership will become effective upon receipt of dues payment and acceptance into membership.

Membership dues for Associate Membership are $295. Members joining between January 1 and October 31 have prorated dues. Members joining after November 1 will be charged the full dues amount for the upcoming year.

Chapter: Wisconsin

National Dues	$196.67	(Pro-rated)
Total Amount	$196.67	

☐ I am employed by a Company Wide Membership participant (contact your employer for verification). If yes, please list company name:

Dues Payment Method

* = Required

◯ Visa ◯ Mastercard ◯ American Express

* Name on Card

* Card # * Expiration Date (Example: mm/dd/yyyy)

Identification

* = Required

Prefix ◯ Mr. ◯ Ms. * Last Name * First Name Middle Name Maiden Name

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Home

Address Line #1

Line #2

City State Zip

Country (leave blank for USA)

Home Phone Ext.

Business

Name of Firm

Position/Title

Address Line #1

Line #2

City State Zip

Country (leave blank for USA)

Business Phone Ext.

Fax No. Ext.

Additional Information

Email

* Upon processing your application, we will send you an e-mail confirmation. If you do not specify an e-mail address, you will receive confirmation via regular mail.

Birth Date (Example: mm/dd/yyyy)

* Please indicate preferred mailing address: Business Home

How did you hear about us? Other, please specify

Good Moral Character

* = Required

All Members of the Appraisal Institute must have good moral character, which is honesty, truthfulness, and respect for the law. Please answer the following questions:

*Are you currently under indictment for, or have you ever been convicted of, any criminal offense, either misdemeanor or felony? Yes No

*Are you currently the subject of any regulatory proceedings, or have you ever been disciplined, or had a license, certification, or registration suspended, revoked, or denied by a regulatory agency? Yes No

*Are you currently the subject of a civil proceeding in which you are alleged to have acted or failed to act in a manner reflecting negatively on your honesty, truthfulness, or respect for the law, or have you ever been the subject of a civil proceeding in which a finding has been made that reflects negatively on your honesty, truthfulness, or respect for the law? Yes No

If the answer to any of the above questions is "Yes," please send a full description and copies of the official documents setting forth the allegations (e.g., indictment, complaint) and the results of the proceedings (e.g., judgment, decision) to associate@appraisalinstitute.org or 312-335-4146 (fax).

Agreements of the Applicant

* = Required

I hereby apply for admission to associate membership in the Appraisal Institute. In making this application and in consideration of review of my application:

1. I agree to abide by the Appraisal Institute's Bylaws, Regulations, Standards of Professional Appraisal Practice, and Code of Professional Ethics, now and as they may be amended in the future, as well as such policies and procedures as the Appraisal Institute may promulgate from time to time. I understand that the Appraisal Institute's Regulation No. 1 and the MAI Procedure Manual set forth requirements and procedures relating to admission to General Associate Membership and MAI Membership, and that the Appraisal Institute's Regulation No. 2 and SRA Procedure Manual set forth requirements and procedures relating to admission to Residential Associate Membership and SRA Membership.

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2. I agree to immediately disclose to the Admissions and Member Services Department any circumstances and events occurring after the date of submission of this application that may have a bearing on my moral character.

3. I understand and agree that if I am convicted of a crime committed prior to this application, I will be subject to discipline pursuant to the Appraisal Institute's Regulations.

4. I understand and agree that the Appraisal Institute may investigate my moral character and I consent to such investigation.

5. I understand that if I was subject to any pending peer review proceedings when any previous candidacy, affiliation, or membership with the Appraisal Institute or its predecessor organizations ended, these proceedings may be reopened if I am readmitted or admitted to associate membership.

6. I IRREVOCABLY WAIVE ANY CLAIM OR CAUSE OF ACTION AT LAW OR EQUITY THAT I MIGHT HAVE AT ANY TIME AGAINST THE APPRAISAL INSTITUTE, ITS BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS, CHAPTER MEMBERS, EMPLOYEES, MEMBERS OR OTHER PERSONS COOPERATING WITH THE APPRAISAL INSTITUTE, EITHER AS A GROUP OR AS INDIVIDUALS, FOR ANY ACT OR FAILURE TO ACT IN CONNECTION WITH THE BUSINESS OF THE APPRAISAL INSTITUTE AND PARTICULARLY AS TO ACTS IN CONNECTION WITH: (1) DENYING THIS APPLICATION FOR ASSOCIATE MEMBERSHIP; (2) DENYING ME CREDIT FOR ONE OR MORE DESIGNATION REQUIREMENTS; AND (3) CONDUCTING PEER REVIEW PROCEEDINGS, INCLUDING BUT NOT LIMITED TO THE TAKING OF DISCIPLINARY ACTION AGAINST ME.

7. I represent and certify that, to the best of my knowledge and belief, all the information contained on this application is true and accurate. I understand and agree that if I have made any false statements, submitted false information, or failed to fully disclose information requested in this application I will be subject to discipline pursuant to the Appraisal Institute's Regulations.

8. * ☐ I, ______________________, accept the terms in the Agreement.

   * ☐ I do not accept the terms in the Agreement. If you do not agree to the terms and conditions of this agreement, please do not click on "Submit".

Comments

Note: Upon acceptance to associate membership, an appropriate portion of your national associate member service fee is allotted to your yearly subscriptions to Appraisal Institute publications. Service fees are not considered charitable contributions for federal income tax purposes; however, they may be deductible by associate members as an ordinary and necessary business expense.

Nondiscrimination Policy
The Appraisal Institute advocates equal opportunity and nondiscrimination in the appraisal profession and conducts its activities in accordance with applicable federal, state and local laws.

Promotion Code ____________

Please allow 5-10 business days for your application to be processed.

Applicants will be notified via email of admission to associate membership.
Please note that your application will not be transmitted until you click "Submit" on this page and verify and click "Application Complete" on the next page.

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