



PRESIDENT'S MESSAGE

Garrett Warner, MAI

I hope everyone is having a fantastic start to the summer. My message for this newsletter will primarily focus on the efforts of our local Wisconsin Chapter board and leadership. With the Wisconsin Chapter, the focus in 2019 is primarily on providing continued quality education, member support, and facilitating administrative and housekeeping efforts to enable us to continue to serve our members in a direct and meaningful way. This is by no means a “glamorous” year, but it is my intent to lay a foundation for continued success for our chapter members and board in the years to come.



With that said, there are numerous Federal and State regulation and oversight issues on the horizon. Many of these are the same issues that have been on the radar for years and enough that I feel it merits its own space in a future newsletter. AI National is continuously working for us in lobbying and advocacy efforts. I strongly recommend you visit <https://www.appraisalinstitute.org/advocacy/key-issues/>. There you will find the current appraisal industry issues itemized and comprehensively described by our advocates with the national Appraisal Institute. They provide instructions where we can personally take action on specific policy issues. The Appraisal Institute does not have the lobbying power of other organizations and, therefore, much of our efforts are “grassroots” where it is necessary for individuals to take action to call or write their legislators. I’ll admit that I was previously reticent to donate to the Appraisal Institute Political Action Committee. However, as my involvement with the Appraisal Institute leadership has increased, I have witnessed how critical it is for us to increase our legislative presence. Unfortunately, one of the most powerful ways to do this is financially. On each of our annual membership statements, we have the ability to donate to the Appraisal Institute Political Action Committee. In today’s climate, I encourage you to consider donating to this fund in addition to your annual national dues. If we do not like the changes in our industry and profession, we have two choices: accept it or fight it. If we choose to fight, we need to take action and donate to those advocating for us.

Three members from the Wisconsin Appraisal Institute Chapter, Cherie Laffin, MAI, SRA, Jorge Barreiro, SRA, and Leah Murphy, MAI attended the Leadership Development Advisory Council event in Washington, DC from May 15-17 of this year. Congratulations to Erik Hanson, MAI for being

chosen to return this year as a discussion leader. Please see the article written by the attendees for a detailed summary of the event. If you are interested in attending future LDAC sessions, please contact me or another board member so we may include you for consideration.

At their November 2018 meeting, the National Board of Directors voted to implement the Chapter Financial Management and Administration Policy, known as CFMAP, for all chapters by the end of 2020. The implementation will be accomplished over this two-year period in groups of 5-6 chapters to ensure sufficient resources are available for a smooth transition. This program was proposed previously, but had been transitioned to a voluntary status while the National Board of Directors processed and evaluated feedback from chapters and other stakeholders. With this November 2018 decision, this policy became mandatory for all chapters.

Overall, the goal of the Chapter Financial Management and Administration Policy is for AI National to provide accounting and administrative services to the local chapters. At this point, and as stated by the CFMAP overview and discussions with national leadership, the overall CFMAP policy is not intended to impact local chapter education, local chapter governance structure, chapter dues or fees, or other revenue sources available to the chapters. During Chapter Leadership Training in October of 2018, I was able to speak off the record with several chapter leaders from other chapters across the country that had already been transitioned to national management. Each of the chapter leaders with whom I spoke gave generally positive feedback about their transition and being involved in the new program.

I invited Stephen S. Wagner, MAI, SRA, AI-GRS, current President of the Appraisal Institute, to the Wisconsin Chapter board meeting on January 24th, 2019. At the meeting, he was able to give a comprehensive presentation of the Chapter Financial Management

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Office Hours:

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

and Administration Policy to our board. He was able to answer specific questions from the board members about the policy and provide necessary detail where needed. At this meeting, the board voted to adopt the policy in compliance with national policy.

The Wisconsin Chapter launch date was June 3, 2019. Several key members of the board and WAM (Wisconsin Association Management) attended training sessions prior to the launch in order to be competent as the system for Wisconsin went live. I'm grateful for the efforts of our board members and WAM for what has been, to date, a relatively seamless transition to this new management system. I will update you as the transition progresses - and hopefully it will continue to progress well.

At our May 9 meeting, we discussed chapter dues and compared them to the rising costs of maintaining the chapter. This has been a recurring discussion over the past several years, but we had not previously taken action on the issue. Over the years, the board has diligently focused on thrift and keeping costs down as much as possible. We have focused on education efforts that produced surpluses that could be repurposed to assuage other chapter costs. Additionally, we have increasingly been seeking out sponsorship for events that assisted in offsetting the costs of providing the necessary education that is critical for our chapter members to thrive in their professional practices. Despite these efforts, costs continue to rise outside of our control, so it was necessary to analyze our revenue sources.

Wisconsin Chapter dues have not seen an increase since 2004. As we all know, costs for everything have increased since 2004. We analyzed dues from other nearby chapters in our region, with similar membership numbers and demographics, such as Minnesota and Michigan, and discovered their current dues were 104% and 59% higher respectively. I had discussions with chapter leaders from other states that were in similar financial situations to ours and were forced to increase their chapter dues. After we analyzed potential shortfalls in both our historical and future budgets, the board reluctantly voted to increase our chapter dues beginning in 2020. This decision was not made lightly and was a necessary step to ensure our long-term effectiveness as a chapter.

We are planning several future educational offerings this year, including the latest USPAP, for those that still need it in their continuing education cycle. Additionally, there will be a new jointly developed course by the Appraisal Institute and Freddie Mac which provides an in-depth look into preparing appraisals for traditional manufactured homes plus insight into CHOICEHome, the new type of high-quality manufactured homes that are built to HUD code, but developed with site-built features. It will cover how to meet the specific requirements of Freddie Mac, the Federal Housing Administration (FHA), Veteran's Administration (VA), United States Department of Agriculture (USDA) and Fannie Mae using the new Manufactured Home Quality Rating Worksheet. Applying elementary and complex techniques used in the cost and the sales comparison approaches, they'll take you through a case study of these homes to develop a credible appraisal report. This course is July 29th in Eau Claire and you can register through the Appraisal Institute website.

Please enjoy the summer; may your practices thrive; and I hope to see you all at an event or class later this year!

- *Garrett Warner*

BOARD MEETING MINUTES

May 9, 2019

Garrett Warner called the meeting to order at 4:03 at the office of Wisconsin Association Management, 11801 West Silver Spring Drive, Milwaukee, WI.

Members Present

Jorge Barreiro & Leah Murphy were in attendance. Garrett Warner, Bill Dreyer, Detlef Weiler, Art Sullivan, Bob Quamm, Erik Hanson, Ryan Sigorski, Cherie Laffin and Kevin Dumman joined via teleconference. Staff member present included Doug Stangohr.

Approval of Minutes

Motion made by Jorge Barreiro
2nd by Cherie Laffin
All approved

Treasurer’s Report

Approval of Financials – The financials for January thru April were reviewed and approved.
Motion made by Leah Murphy
2nd by Ryan Sigorski
All approved
Notes: Chapter 990 report submitted to IRS

AI Financial Management Plan Update

Conference call on May 2nd. Overview of packet plan items for all chapters on launch group. Garrett warner participated on the conference call.

Chapter Reserve Fund Placement

Requirement to be held at national. Must transfer funds within two quarters of enrollment. Fund options include checking account, chase money market and AI pooled portfolio. Can place money in more than one of these spots.

Education Report

Kevin Dumman stated three of four director board spots to be open with five candidates. One officer spot (Secretary) with two candidates.

Chapter Elections Update

Kevin Dumman stated three of four director board spots to be open with five candidates. One officer spot (Secretary) with two candidates.

Chapter Office and Director Eligibility Requirements

Candidate for officer spot must be designated and have been or currently is a chapter board director.
Motion made by Leah Kevin Dumman
2nd by Bill Dreyer
Must be chapter board director for at least one year.
Motion made by Jorge Barreiro
2nd by Cherie Laffin
All approved both motions

Statute of Repose Legislation Update

Bob Quamm completed a revised draft. Chris Ruditys contacted and informed Bob that currently at a stand due to waiting for response from state representative. Garrett and Bob to discuss best path forward and solicit advice from the North Star chapter, who has successfully passed legislation.

Residential Practice Group Team Update

Contact information for licensed and certified residential credentials obtained from the state. WAM to assist with getting email and letter sent out. Jorge will direct Doug on getting list formatted in Excel. Jorge will draft a letter to present and discuss in the future.

Chapter Dues

Appointments set with both senators by Cherie. All LDAC attendees are set for attendance. Attendees are Leah Murphy, Cherie Laffin and Jorge Barreiro. Erik Hanson will be attending as a discussion leader.

New/Old Business

Regional meeting attended by Garrett Warner and Cherie Laffin. Board member and 45 day notice votes given.

Adjournment

At 5:32 the meeting adjourned.
Motion made by Leah Murphy
2nd by Kevin Dumman
All approved

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

AI LEADERSHIP DEVELOPMENT & ADVISORY COUNCIL - LDAC 2019

Three Representatives of the AI Wisconsin Chapter, Cherie Laffin, MAI, SRA and Jorge Barreiro, SRA and Leah Murphy, MAI attended LDAC in Washington, DC, in May of 2019.

Day One included an opening session and legislative update to prepare for the lobbying effort the next day on Capitol Hill. The opening session was followed by a reception for all attendees.

Day two began with two breakout discussion sessions detailed below. In the afternoon, we traveled to Capitol Hill to lobby for appraisal related issues. This year's issues were appraisal regulatory modernization and statutes of repose. The Wisconsin delegation met with representatives of Senator Tammy Baldwin and Senator Ron Johnson's offices to discuss the issue.

Day three included two additional breakout discussion sessions and a discussion panel about the State of the AI led by Stephen S. Wagner, MAI, SRA, AI-GRS. LDAC leader's then summarized the discussion topics and the Appraisal Institute Board of Directors gave updates and took questions from members.

Breakout Discussion Sessions

In addition to the lobbying component, LDAC includes breakout discussion sessions to discuss topics impacting our profession. This year's topics and a brief list of suggestions or ideas included:

Erik Hanson, MAI – What sets apart the appraisal and appraisers? What is the appraisal report? How does big data factor in? How to get and keep quality appraisers?

Suggestions and ideas include:

- Increase quality of appraisers by mentorship and AI offering discounts to people who mentor
- AI upgrade their technology for members to include charts for license requirements and possibly send email reminders of dates
- AI to offer webinars or seminars to teach about how to use social media in the business and profession
- AI presence in college and high school level

Lisa Meinczinger, SRA, AIRRS – Appraisal products and threshold waivers.



Suggestions and ideas include:

- Very few people understand the products and we are not doing a good job to inform people
- Need to communicate with the client to determine needs
- Change term to "Valuation Product versus appraisal terms"
- Appraisers need to be involved and doing state lobbying at home too
- Change state laws to require more appraisals

Robert Moorman, MAI, SSRA, AI-GRS – How can AI increase their education and delivery?

Suggestions and ideas include:

- Annual subscriptions
- Competition is inferior but more accessible
- Expand options for Professional Development certificates (example Senior Housing)
- Online and more synchronous offerings
- Satellite offerings (Teacher in Atlanta, but classrooms are via web and in classrooms in Chicago, Minneapolis, etc.)

Eric Schneider, MAI, SRA, AI-GRS – Chapter status serving members. How can we maximize the value to members?

Suggestions and ideas include:

- Three things determined the chapter needs. 1. Provide education locally developed and invite other non-appraisers to. 2. Network with the educational offerings. 3. Government relations to protect.
- Communication, Collaboration and Consistency
- Use existing platforms and adapt, newsletters, social media to be informed
- Set goals and work together to accomplish
- Chapters talk to each other and share ideas for education and networking

TREASURER'S REPORT

The Chapter Funds as of 5/31/2019 are:

Primary Checking Account:	\$22,939.48
Money Market Account:	\$47, 296.75
Total Funds Balance:	\$70,236.23

AI LEADERSHIP DEVELOPMENT & ADVISORY COUNCIL - LDAC 2019 (CONT.)

During the closing ceremony, Eric Schneider, MAI, SRA, AI-GRS was elected 2020 Vice Chairperson of LDAC. Kathleen Henderson of Oregon was selected as the Ted Anglyn award winner for outstanding first year participation. Jacinto Munoz, MAI, SRA, AIGRS, AI-RRS from California will be 2020 chair.

This year Mr. Ted Anglyn was able to appear in person to talk to the group and present the award to Ms. Henderson. He discussed why he founded the award and the history of developing the Leadership Development Advisory Council (LDAC), as we know it today. His passion is to get young people involved and energetic for the future generations. Sadly, he was diagnosed with brain cancer in January of this year. Appraisal Institute members owe a debt of gratitude to him and all the great things that have come out of LDAC such as the Capstone program.

Discussion Leaders for 2020 include: Seth Rohling, MAI, AI-GRS, Lee Smalley, MAI, Brett Weatherbie, MAI, and Kelly Yeatts, MAI. All of the discussion leaders selected for 2020 were third year participants in this year's event.

In closing, we would like to thank you for sending us to represent our chapter. LDAC is a unique opportunity to obtain leadership training, network with appraisers from around the country, and lobby on Capitol Hill for important appraisal related issues. Over the past few years our chapter has sponsored three attendees; with a first year, second year, and third year attendee.

If you are interested in attending LDAC and representing the Wisconsin Chapter of the Appraisal Institute, please contact Cherie Laffin via email at Cherie@scottwilliamsappraisal.com or via phone 715-581-9724 for more information.

Talking points for lobbying and a Fact Sheet are on the following pages.
(©Appraisal Institute)

RAPG members,

The Appraisal Institutes Annual Leadership Advisory and Development Council (LDAC) was held this year from May 15th to May 17th in Washington D.C. It is one of the Appraisal Institute's most important events of the year, more than 100 Appraisal Institute professionals went to Capitol Hill on May 16 to discuss appraisal regulatory modernization and housing finance reform. Each chapter sent its members in attendance to meet with their state House Representatives and Senators, to educate them on current topics of importance in the appraisal profession. A copy of the congressional talking points has been attached.

There were four forums at LDAC and the discussion leaders for each one was selected from LDAC participants from the prior year. They included Lisa M. Meinczinger, SRA, AI-RRS from Greenfield, IN; Robert L. Moorman, MAI, SRA, AI-GRS from Brenham, TX; Eric C. Schneider, MAI, SRA, AI-GRS from San Diego, CA and our very own Erik J. Hanson, MAI from Middleton, WI. Information from the discussions was gathered by the group leaders and it will be used to help guide the future direction of our profession.

The following are the forums discussion topics that were held:

- "How do we set ourselves apart and message effectively to clients (the appraiser and the appraisal)?" – Erik Hanson, MAI;
- "Increasing thresholds, alternative products, waivers: how can AI help appraisers adapt to the new environment and position our members to be at the front of the line?" – Lisa Meinczinger, SRA, AI-RRS;
- "AI Education: what is the best way to deliver it? How do we capture more? What are we doing well? What can we do better?" – Rob Moorman, MAI, SRA, AI-GRS; and
- "How can chapters maximize value to members?" – Eric Schneider, MAI, SRA, AI-GRS.



Many of us are sole proprietors, which has the tendency of leaving us isolated and feeling as though we are just a small voice that cannot be heard. I have attached a recent U.S. Valuation Profession Fact Sheet for your reference. This stresses not only the importance of this residential group but also the beneficial impact the Appraisal Institute makes for all of us, whether a member or not. Their staff and leading members continuously make themselves available for government officials and any other related agencies. You will be kept up to date with any information received from my involvement with the Appraisal Institute. I encourage you to reach out to peers in an effort to have them contact me so they can join this group email list. Feel free to contact me with any questions.

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AI LEADERSHIP DEVELOPMENT & ADVISORY COUNCIL - LDAC 2019 (CONT.)

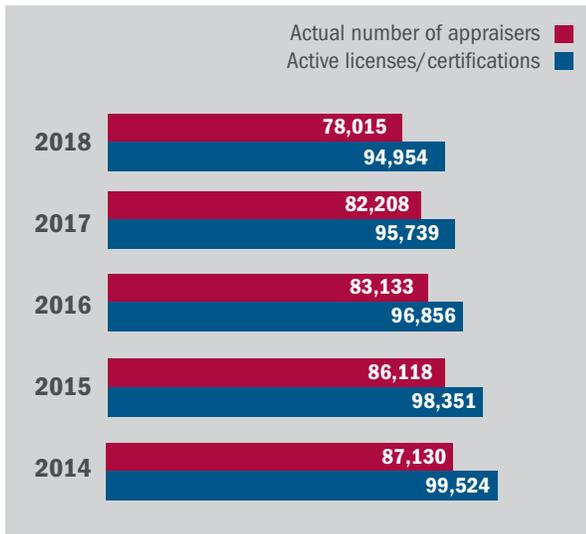


U.S. VALUATION PROFESSION FACT SHEET Q1 2019

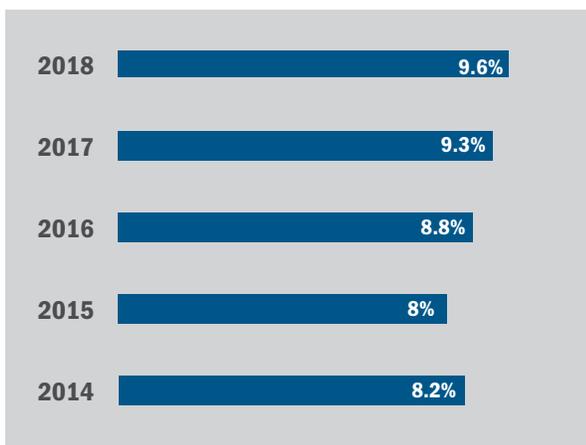
As of Dec. 31, 2018, the number of active real estate appraisers in the U.S. stood at 78,015, a decrease of 5% versus 2017.

The average rate of decrease for the past five years has been approximately 2.6% annually. Broader analysis suggests that declines may continue due to retirements, fewer new people entering the appraisal profession, economic factors, government regulation, and greater use of data analysis technologies.

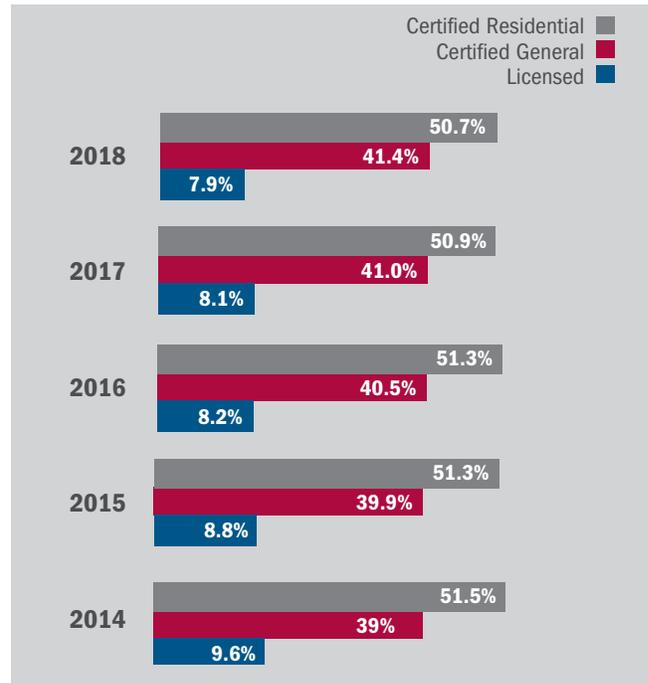
1. TOTAL U.S. APPRAISERS AND NUMBERS OF LICENSES/CERTIFICATIONS



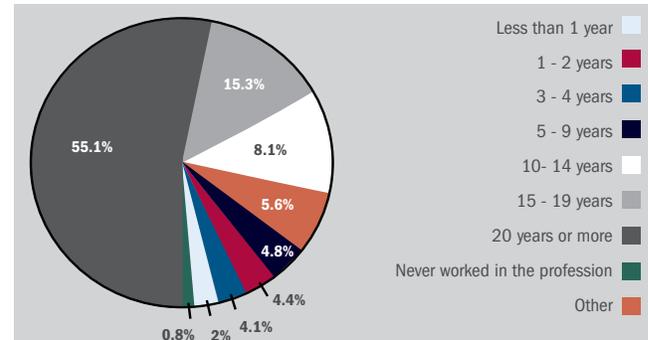
2. APPRAISERS WHO HELD 2 OR MORE LICENSES/CERTIFICATIONS OUTSIDE THEIR HOME STATE



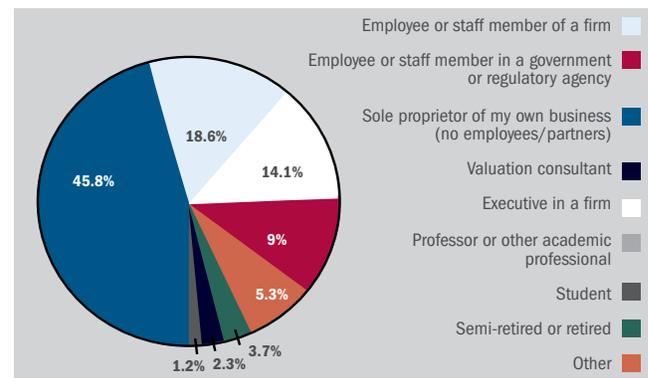
3. PROPORTIONS OF LICENSED AND CERTIFIED APPRAISERS



4. TIME IN VALUATION PROFESSION



5. EMPLOYMENT STATUS



AI LEADERSHIP DEVELOPMENT & ADVISORY COUNCIL - LDAC 2019 (CONT.)

LDAC 2019

CONGRESSIONAL TALKING POINTS



Appraisal Regulatory Modernization & Housing Finance Reform

Background

The Federal regulatory structure for real estate appraisal essentially has been untouched since the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"). In the intervening years, the marketplace has changed and technological advancements have occurred.

Therefore, with Congress once again considering addressing housing finance reform, it is appropriate and timely for Congress to fully consider how the appraisal regulatory structure is working for appraisers, lenders, consumers and other market participants. The recent decline in the number of appraisers and sluggish interest in entry to the profession beg for action to improve the appraisal business and regulatory environment.

Appraisal remains one of the most highly regulated professions in the United States, impacting not just mortgage-related appraisals, but appraisers practicing in litigation, tax and financial reporting services, advisory and other valuation services. Issues of primary concern to professional appraisers include the following:

- **State-by-state Portability/Layering Effect.** Appraisers 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.
- **Federal Regulation.** Appraisers are regulated by the States, but also face heavy Federal oversight and constantly evolving standards and qualifications.
- **Federal Agency "Rules."** A bevy of rules affecting appraisers have been issued by federal agencies since the passage of the Dodd-Frank Act, including the recent proposals to quadruple the non-residential appraisal threshold by the National Credit Union Administration, and a near doubling of the residential appraisal threshold by the federal banking agencies. Such rules put regulatory relief for banks over consumer protection or safety and soundness, and merit Congressional oversight.
- **Un-level Playing Field.** Where appraisals are not required by Federal law, in many states, valuation services may be provided by a wide range of people who are not held to the same standard as appraisers. Rigid appraisal standards restrain appraisers from providing competing services for which they are the most qualified to perform.

The Senate Committee on Banking, Housing, and Urban Affairs held a hearing on March 26th, on "The Chairman's Housing Reform Outline" where national recognized stakeholders called for appraisal reform to be included in any effort on housing reform. The Appraisal Institute concurs and continues to meet with Congress and other stakeholders to identify the best approaches to reducing red tape and compliance costs for appraisers and enhancing the attractiveness to the appraisal profession.

Action Requested

House of Representatives and Senate: With housing reform back on the agenda, Congress should include modernization of the appraisal regulatory structure in any reform legislation. Specifically, Congress should include the Principles of Appraisal Regulatory Modernization in Housing Finance Reform found on the back side of this page.

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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.

Table with 5 columns: AD SIZES, 1 Issue, 2 Issues, 3 Issues, 4 Issues. Rows include Business Card, 1/4 Page, 1/2 Page, Full Page, and Website with corresponding prices for member and non-member rates.

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@wamlc.net and mail your advertising fee and order to WCAI (11801 W. Silver Spring Dr., Ste 200, Milwaukee, WI 53225)

ORDER FORM

Ad Size: _____

Calculate your total: \$ _____

(Multiply price per issue x number of issues)

CONTACT INFORMATION

Company: _____

Name: _____

Address: _____

City, State, Zip: _____

Phone: (_____) _____ Fax: (_____) _____

E-Mail: _____

Credit Card Number: _____ Exp. Date: _____

The Wisconsin Chapter wishes everyone an enjoyable & safe summer!



AIM HIGHER  **Appraisal Institute**
With Online Education from the Appraisal Institute 

Online Education:

Learn at your own pace anytime, anywhere, <http://wisai.com/pages.asp?id=5>

Top-notch Appraisal Institute courses and seminars come straight to your desktop with online education! Learn from any computer anywhere, whenever you have time. It's easy, convenient and a great way to get the education you want. Check out the current course listing now!