



President's message: The times are changing

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These are interesting times for appraisers. The economy is slowing, financing is very difficult to find (almost non-existent unless borrowers can meet strict underwriting standards) and the values of properties are in flux.

Concurrent with the meltdown in the residential subprime mortgage market, mortgage fraud became a hot topic in 2007, especially when Andrew Cuomo, attorney general of the state of New York, instituted a lawsuit that spearheaded reform of a system where lenders influenced appraisers to overvalue properties in order to close a deal.

For more than 75 years the Appraisal Institute has been the world's leading organization of professional real estate appraisers. The organization has led the way in fostering and promoting the highest standards of practice through its designation programs, peer review process, education, research and publishing endeavors. Because they hold Appraisal Institute designations of MAI, SRPA and SRA, our members have long been respected by courts, government agencies, lenders, corporations and others seeking the highest possible quality of real estate appraisal services.

Thus, the Appraisal Institute has strongly supported Cuomo's effort to work with Fannie Mae (and its regulator, the Office of Federal Housing Enterprise Oversight) and Freddie Mac to reinforce the independence of real estate appraisers and the integrity of appraisal in connection with mortgage loans sold to the government sponsored enterprises. Expectations are that banks, thrifts and credit unions will also adopt the same or similar reforms.

The legislation includes a Home Value Protection Program and Cooperation Agreement, as well as a Home Valuation Code of Conduct, and will, if passed, radically change a system to assure the veracity of the home appraisal process. For a fact sheet on the agreement, log onto <http://www.appraisalinstitute.org> and click onto News/Advocacy.

The Appraisal Institute is urging appraisers to contact their senator to urge passage of the comprehensive appraisal reform legislation, but also to reject a provision that would require residential appraisers to carry a bond which, according to estimates provided to the Appraisal Institute from leading insurance providers, would result in a \$10,000-\$40,000 annual out of pocket expense per appraiser.

Having summarized the most current news involving the appraisal industry nationwide, the Metropolitan New York chapter is holding educational and other programs designed to be of utmost interest to our local members.

On March 18th, our chapter hosted one of New York City's most prominent, successful and gracious real estate luminaries: Larry Silverstein, president of Silverstein Properties. Silverstein provided a candid conversation of behind the scenes negotiations, disappointments and successes going back decades through his many current projects. Brian Corcoran, MAI, Cushman & Wakefield, served as moderator.

On May 15th, we will welcome Harry Macklowe of Macklowe Properties who will bring us his perspective on leasing and sales for the N.Y.C. commercial real estate market.

We are also continuing to plan our Annual Conference, focusing on a topic that influences every aspect of the industry, commercial, retail, industrial and residential. That topic will be N.Y.C. sports, entertainment and infrastructure, covering what has changed, what is being enhanced and what we can expect in the coming years. The conference will feature top real estate and operational executives and be held on September 25th.

Our luncheon events and conference are held at Club 101, 101 Park Avenue at 40th St., a conveniently reached and comfortable venue. We invite appraisers and the real estate industry at large to visit our website, www.aimetryny.com, for current information, to join the chapter as a member, or be a guest at any or all of our upcoming programs.

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