

Q1 NEWSLETTER

1st Quarter 2024

Colorado Chapter of
the Appraisal Institute

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President's Remarks

by JP Nisley, MAI

Hello Colorado Chapter!

We've had a busy 1st Quarter to kick off 2024! I'd like to start out by saying thank you to all of our volunteers that are helping to shape our chapter with their time, energy, and passion for the profession. All of your committees have been hard at work, and we have a lot of plans for the upcoming year!

We started the year off with our annual installation of officers and were fortunate to be joined by our National Appraisal Institute President Sandy Adomatis, SRA and CEO Cindy Chance.

www.coloro-ai.org

It's clear that we are in great hands as we embark on the changes and restructuring our organization needs.

Our education committee has put together a well-thought-out slate of offerings meant to give our members access to up to date, relevant education in the format best suited for their needs. Whether you are a residential, commercial, or agricultural practitioner; prefer in-person or online offerings; no matter where you are located in the state- our committee is working diligently to meet your needs. As the demand for appraisers is changing, our need to expand our competency is the greatest its ever been, and the Colorado Chapter hopes to be your best resource. In the first three months alone, we have already offered **21 hours** of continuing education with some of the best attendance we've ever had! We hope you can join us for many of our upcoming offerings as well. I want to give a special shout out to our **Education Chair Mike Smith, MAI** and the rest of the committee for all of their hard work. If you have any ideas for future education offerings or want to get involved, please reach out to Ellie to be added to our education committee.

Our Candidate Guidance Committee will soon be hosting another Comprehensive Exam Study Session! This event is meant to give a helping hand to all of our candidates prepping for the comp. I want to thank **Megan Larson, MAI, Rob Stilo, SRA, and Doug Szafranowski, SRA** for their work. We want to give our candidates as much support as possible!

Our other committees have also been working diligently on your behalf! **Warren Boizot, SRA, AI-RRS** is the chair of our Residential Topics and Solutions committee. This committee has been monitoring all of the hot topics affecting our residential practitioners.

They have been instrumental in planning residential specific education events and socials. They have also been interacting with the AI-PAREA members that are in Colorado, working to give them guidance in the process and bring them into the chapter well beyond their initial licensing requirements. This committee has also been in contact with the national Government Relations Committee leadership to be sure that our voice is heard on national issues. Thank you, Warren and team, for all your work and leadership on these important topics!

Scott McHenry, MAI, AI-RRS and the rest of our Chapter Nominating Committee will soon be meeting to put together a recommendation to the board of directors for our 2025 leadership team. If you have any interest in serving in any of our leadership positions, please reach out to Scott and Ellie.

I also want to acknowledge our Chapter Government Relations team for all of their efforts on HB24-1085 (Limitations on Actions Against Appraisers). As many of you have heard, we were unable to get this bill across the finish line in 2024. While we were successful in passing the house, our bill was voted down in the Senate Judiciary Committee 2-3, by party lines. We aren't out of the fight yet! The Colorado Coalition of Appraisers and our lobbyists are already hard at work for 2025. Based on the feedback we've received, it is clear, we need firsthand accounts of Colorado appraisers that have faced lawsuits outside of the 5-year time period to provide clear evidence for the need for this legislation. If you or anyone you know has this type of experience, please reach out to the chair of the committee, Brett Wilkerson. It's important to note that although we were not successful passing the legislation this year, our relationship with the other CCA member organizations has never been stronger.

President's Remarks (cont.)

With shared purpose comes collaboration and we look forward to working with our colleagues for the benefit of all Colorado appraisers. I want to thank all of our members that took the time to email their legislators. These emails did give us a leg up and bring our concerns directly to our representatives and senators. I specifically want to thank **Brett Wilkerson, MAI, Warren Boizot, SRA, AI-RRS, and Chris Hymore, MAI**, who spent countless hours on a smaller team strategizing with our lobbyist and taking the time to meet one on one with legislators. The chapter was also fortunate enough to have many of our members testify directly to the committees. Thank you everyone for your time and effort. We're lucky to have such a great group representing our interests! More to come!

Thank you all for the opportunity to serve as Chapter President this year. I'm extremely grateful for the team we've built. I would urge any of you to get involved anyway you can. Even if you don't think you have time to join a committee, give us your opinions. As Past President of the National Appraisal Institute, Scott Robinson, once told me, "Feedback is a gift". We want to hear from you! I look forward to seeing you all in person at the next membership meeting during our spring potpourri event, May 3rd!

Sincerely,

JP Nisley, MAI
2024 Chapter President

Congratulations!

New Designations

-Andrew Vaughan, SRA

Thank You to Our 2024 Sponsors!



Upcoming Events

MARCH
29
4PM - 6PM
Comprehensive Exam Study Session

APRIL
3-5
FULL DAYS
Condemnation Appraising: Principles and Applications

MAY
03
8AM - 5PM
2024 Annual Potpourri Education Conference

JUNE
20
1PM - 4PM
Colorado Ag 101 - Both In Person and Via Zoom

JUNE
27
8AM - 4PM
Becoming Proficient in Fractional Interest

AUGUST
23
8:30AM - 4:30PM
USPAP 7 Hour Update In Person at CDOT

SEPTEMBER
13-15
MULTIPLE DAYS
Annual Fall Event in Breckenridge, CO

NOVEMBER
19
9AM - 4PM
Business Practices and Ethics

DECEMBER
4
8:30AM - 4:30PM
7 Hour USPAP Update



Colorado Chapter

Proactive Professionalism

BY R. Scott Woods, MAI, AI-GRS

Guest Editor

As we appraisers know, most banks use an appraisal management system to manage their appraisal flow. In some of these systems, the lender initially puts in an appraisal order request. The appraisal department then sends the appraisal out for bid. Hopefully the appraisal department catches any errant order before the order goes out to bid. Sometimes they do not.

The following is a true story that happened last month. A lender put in an appraisal order requesting that the subject property be valued as a future developed duplex lot since that was the intended use of their developer client. An “as is” value was not part of the lender’s request given the intended future use of the property.

As many of you know; the 2010 Interagency Guidelines state that “An estimate of market value should consider the real property’s actual physical condition, use and zoning as of the effective date of the appraiser’s opinion of value.”. That is why banks nearly all appraisal bid requests include an “as is” value.

It is interesting that none of the bidding appraisers wrote a note to the appraisal ordering system asking “Are you sure you only want a hypothetical value in this report?”. That simple note probably would have corrected the appraisal request out of the gate and saved everyone a lot of headaches.



It is also noteworthy that the duplex developer was purchasing the subject property based on its market value as a single-family home. A copy of the residential purchase contract was provided to the appraiser. The appraiser did not communicate any questions or concerns to the bank about the pending home sale and provided the requested hypothetical duplex lot value appraisal per the bank’s instructions.

Once the appraisal was turned in; the review department rightfully rejected the hypothetical value appraisal for the lack of an “as is” value which also ignored a pending contract on the property. The appraiser was angry for the rejected appraisal, the appraisal department had mud on its face, the lender was angry, the borrower was angry. A train wreck is one way to put it.

Lots of appraisers argue that their job does not include policing bank orders. An appraiser is paid to write reports, not manage the bank’s appraisal ordering system; a botched order is the client’s problem. This may be a valid viewpoint. Appraiser pay comes from writing appraisals, not babysitting their sometimes-clueless clients.

Other appraisers argue that helping out the client demonstrates a genuine commitment to their client’s best interests, and those appreciative clients generate repeat business and positive referrals.

Scott Woods is a recently retired MAI, AI-GRS and remembers looking in awe at the first appraisal order that came over a newly acquired FAX machine in days long ago. He focused on commercial appraisals and spent his last decade as a chief appraiser in the crazy bank merger times. Of note, Scott graduated from Glenwood Springs High School - which is also where Bret Poole, MAI, AI-GRS graduated from a quite a few years later. No other GSHS graduates are known to have followed their paths.

(Cont. Next Page)

Proactive Professionalism (cont. from page 4)

The two things that keep appraisers in business for the long run.

So next time you're bidding on an order, inspecting a property or you just feel something needs to be discussed – you may want to contact the client and talk about it. Your client will greatly appreciate your pro-active professionalism and your business may benefit in the process.



The Appraisal Institute Education and Relief Foundation offers a variety of scholarships: Please share this with anyone that may be interested.

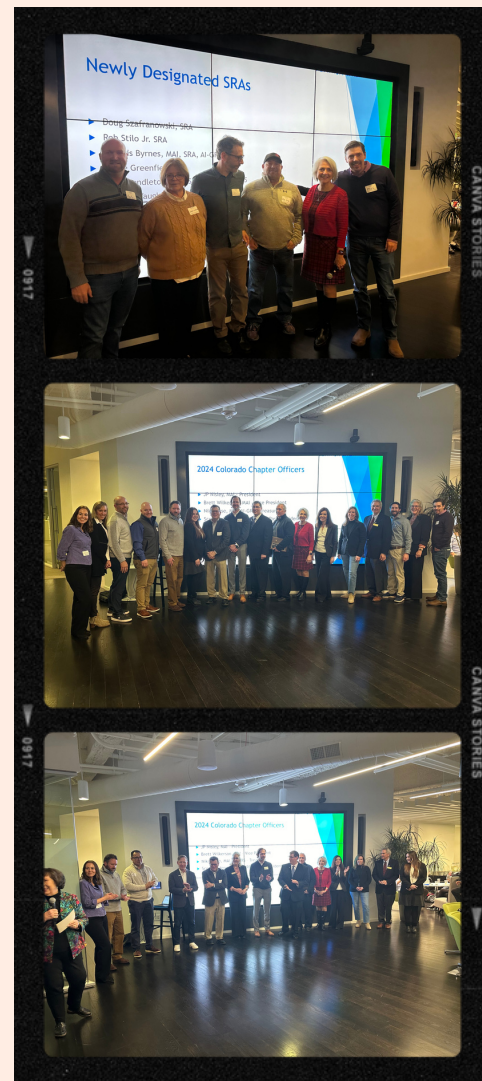
Name	Who Should Apply	Deadline
AIERF AI Course Scholarship	Practicing Affiliates and Candidates for Designation who are active in real property valuation and need financial assistance to complete Appraisal Institute courses leading to state certification or the MAI, SRA, AI-GRS or AI-RRS designations.	Jan. 1 April 1 July 1 Oct. 1
AIERF Minorities and Women AI Course Scholarship	Minorities and women Practicing Affiliates and Candidates for Designation who are active in real property valuation and need financial assistance to complete Appraisal Institute courses leading to state certification or the MAI, SRA, AI-GRS or AI-RRS designations.	Jan. 1 April 1 July 1 Oct. 1
AIERF PAREA Scholarship	Aspiring appraisers currently enrolled or considering AI PAREA — the Appraisal Institute Practical Applications of Real Estate Appraisal program.	Jan. 1 April 1 July 1 Oct. 1
AIERF College Scholarship	Awarded on the basis of academic excellence, this scholarship helps finance the educational endeavors of undergraduate or graduate students concentrating, or with demonstrated interest, in real estate appraisal and/or valuation.	April 1, 2024
AIERF Minorities and Women College Scholarship	Awarded on the basis of academic excellence, this scholarship helps finance the educational endeavors of minority and women students pursuing undergraduate or graduate degrees, or with demonstrated interest, in real estate appraisal and/or valuation	April 1, 2024

These scholarships are funded by the Appraisal Institute Education and Relief Foundation (AIERF).

Please visit AIERF.org for application, terms and conditions.

1st Quarter Pictures

From the Installation Event and the March Class at RE Colorado and the Social at IC Brewhouse



FIND AN APPRAISER

COLORADO CHAPTER MEMBERS OF THE APPRAISAL INSTITUTE

Please be advised that the Colorado Chapter of the Appraisal Institute may NOT specifically Recommend an appraiser.

When the chapter offices receives a phone call requesting the services of an appraiser we may only direct that caller to the website and recommend they click on "FIND AN APPRAISER"

This policy is an association best practice and is mandated by the Appraisal Institute.

BOARD MEMBER SPOTLIGHT

Lisa A. Roberts, SRA

Company - Roberts Appraisals

Duration in Profession-25 years (26 in June!)

Location: Grand Junction, CO

Primary Line of Appraisal Work - Right of Way

Biggest Issue Facing the Appraisal Profession:
We need young blood. Artificial Intelligence is a great thing, but I wonder what it will do to us?

The Biggest Strength of AI: The education is great, but the BEST strength is the networking, the sharing of wisdom and experience. Invaluable!



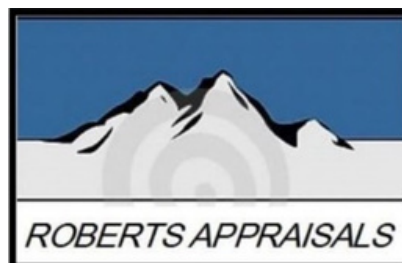
Pictured: Annual Christmas Day Hike with Husband and Kids

Tell Us Something About Yourself That Would Surprise Us: I was Rocky Rocket for the ABA Denver Rockets Basketball Team when I was 14 or 15.

My Favorite Movie is: Young Frankenstein

My Favorite Book is: Can't Pick One

I'm Happiest When: I'm Outside with my Family



BOARD MEMBER SPOTLIGHT

Scott McHenry, MAI, AI-RRS

Company - BOKF/Reviewer Appraiser

Duration in Profession- 35 Years

Location: SE Denver

Primary Line of Appraisal Work -
Review

Biggest Issue Facing the Appraisal Profession: High competition yet low numbers.

The Biggest Strength of AI: Knowledge base, networking, and reputation

Favorite Quote: “The more they pay, the more it’s worth!” - Doug Foley a former colleague from his oil and gas days.



Pictured: Golfing

Three Career Lessons:

1. Although we are experts you can't predict what's coming. This leads to big surprises and changes.
2. You can influence more than you think if you just take action.
3. Appraisal has been a diverse and independent field that has a lot of benefits. However, the path is challenging.



2024 SPONSORSHIP PACKAGES

\$500

EVENT SPONSOR

- 1 free registration per event
- Company Mentioned at Event
- Logo on Screen and Marketing Materials

\$500

SILVER

- Logo on website
- Email Blast with Logo once a year
- Social Media Post once a year

\$1000

GOLD

- Logo on Website
- Email blast with logo once a year
- Social media post once a year
- Complimentary Education Registration to one Chapter CE event for one person
- Distribution of Company Promotional Items at 1 event per year

- **Custom Event Sponsors are available upon request. Sponsor a first drink or donuts for breakfast.**