



**Appraisal
Institute®**

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Real Estate Solutions®*

**Alaska
Chapter**

President's Message



**Alaska Appraisal Institute
Chapter Newsletter
December 2018
Celebrating our 57th Year!**

***Bill Barnes, SRA
Alaska Chapter President***

Greetings! As we close out 2018 and enter a new year, I hope that 2018 was a prosperous year for all Alaska AI members and that 2019 will be even better.

As you know, the Appraisal Institute was founded in 1991 with the merger of the Society of Real Estate Appraisers and the American Institute of Real Estate Appraisers (founded in 1932). Thanks to a helpful tip from Ken Gain, MAI, AI-GRS, I was able to locate our original 1961 Charter for the Alaska Chapter of the Society of Real Estate Appraisers which Fred Ferrara, MAI has hanging on his office wall and the 1975 Alaska Charter for the Alaska Chapter of the American Institute of Real Estate Appraisers currently hanging on the office wall of Steve MacSwain, MAI, one of the founders of the Alaska AIREA Chapter. Both gentlemen brought these two charters to our annual Christmas Dinner Party for display. Our lovely ladies, CeCe Mendonza, SRA of Girdwood and Jolynne Howard, MAI of Anchorage each walked a charter around the room for all to see just like Vanna White on the old "Price Is Right" television show. I had to pledge my life to Steve MacSwain, MAI in order for him to release the AIREA Charter for an evening of display. He was one of the 12 original charter members and the AIREA charter is a family heirloom to him. One tough cookie he is!

The Alaska Chapter currently has 107 members out of Alaska's 261 certified appraisers, or a 41% membership rate (aka capture rate). This represents the highest chapter capture rate of any Appraisal Institute Chapter in the whole country. Nationally, AI has a 21% capture rate which breaks down as a 45% General Certified capture rate but a dismal 10% residential capture rate. With one new MAI, nine new SRA's, three new AI-GRS's and one new AI-RRS Designations awarded to Alaska Chapter members over the past four years, our chapter continues to have a vibrant commercial and residential membership. We anticipate another new MAI Designation may be awarded in our chapter over the next year or so as one of our members completes their difficult designation work.

I am pleased to announce that 2018 was another year that our Alaska Ladies really shined! Our Chapter Vice President, Lydia Larson of Kenai, was awarded her MAI Designation on June 20th, 2018. This remarkable achievement by Lydia Larson represents our first MAI Designation awarded in Alaska since 2009 and our first lady appraiser to be so honored since Jolynne Howard, MAI of Anchorage earned her MAI Designation in 1994. But wait, there's more! Another lady member of our Alaska Chapter also shined when our Chapter Board of Director's member Susan Crosson, SRA, of Anchorage earned her AI-RRS Designation on April 18, 2018 just three years after she was awarded her SRA Designation in 2015. Like I said, our Alaska Ladies shine and we are very proud of their accomplishments.

During 2016 & 2017, all three appraiser members of the Alaska Board of Appraisal were Appraisal Institute members with Fred Ferrara, MAI, Dave Derry, MAI, AI-GRS and Rob Tracy, SRA serving their four year terms. While Fred Ferrara's term expired in 2017, Dave Derry, MAI, was re-appointed by the Alaska Governor for another four year term and Rob Tracy, SRA, has one year left of his term. Dave Derry is now serving as Chairman of the Alaska Board of Appraisal.

Speaking of the Alaska Board of Appraisal, our Alaska Chapter members Dave Derry, MAI, AI-GRS and Rob Tracy, SRA, worked very hard with numerous members of the Legislature in support of the Appraisal Management Company (AMC) legislation which successfully passed the Legislature in 2018, was signed by the Governor and became effective January 1st, 2019. The national Appraisal Institute template for AMC legislation was primarily utilized for this legislation.

Our December 5, 2018 annual Christmas Dinner Party held in Anchorage at the O'Malley's on the Green Golf Center was a rousing success with about 50 chapter members and guests attending the delicious buffet dinner. This year the Alaska Chapter sponsored a guest speaker all the way from our National Appraisal Institute Headquarters in Chicago, IL. Jim Amorin, MAI, SRA, AI-GRS, of Texas is our current CEO, two time Past President of the Appraisal Institute and our guest speaker. Mr. Amorin visited with all the attendees, presented us with an informative speech regarding the future of appraising and answered all of our questions.

In April, 2018 we will have a Chapter Lunch Meeting during the USPAP class in Anchorage and we are in the planning stages of holding a Chapter Picnic in August instead of a fall Chapter Lunch meeting. The 2019 annual Christmas Dinner Party will be held in the first week of December, 2019 as always. Mark these tentative dates on your calendar. Please make every attempt to attend

and remember that guests are most welcome.

Happy New Year from your Alaska Chapter!

Good News!!

More good news coming from the Alaska Board of Appraisal in 2019 is the huge, one-time \$700 reduction in our bi-annual appraiser license renewal fees. Renewal fees were \$1,050 in 2017 but will be just \$350 for 2019. You all should write a personal thank you note to Dave Derry, MAI, AI-GRS of Kenai for this fee reduction. Mr. Derry spent the past three years single handedly hounding the Alaska Department of Commerce to perform an audit of the fees and reserves of the Alaska Board of Appraisal. Like a pit bull on a pant leg, Mr. Derry's tireless efforts resulted in the Department discovering that appraiser's were being overcharged and were due a refund. Hence the \$700 fee reduction in the upcoming June 30, 2019 bi-annual license renewal period. Hat's off to Dave Derry, MAI, AI-GRS for a job well done. Just don't dare pet his inner pit bull!



HISTORY OF THE SOCIETY OF REAL ESTATE APPRAISERS IN ALASKA

by Fred Ferrara, MAI, SRA



Although there were people in Alaska who were associates of the Society in the 1950's there was no real emphasis in establishing a formal chapter for one simple reason. There was relatively little need for independent fee appraisers until the 1960's and even then it was very limited until FNMA and FHLMC got established as semi independent entities in the late 60's. In addition, appraisal rules were slight and standards minimal.

Prior to that most appraisers were government employees or members of the banks staff. VA, FHA & BLM all had trained practicing appraisers on staff and the banks tended to use the newest loan officer, with help from real estate agents, to prepare what passed for an appraisal at that time. Remember in this period prior to the secondary market being developed for residential properties an appraisal report consisted of a hand written single page with very little data or analysis.

By 1960 there were enough people who were taking Society appraisal courses and beginning to follow the standards that establishing a formal chapter was a reasonable decision, particularly since it would allow presenting educational courses locally. The Society approved, and on January 10, 1961 the Alaska Chapter #158 was formally established. There are 38 names on the charter including two that were SRA members, (both FHA staff appraisers) and it ran the gamut of private and governmental people. Several were insurance agents, several others were real estate agents, a couple were bankers and as best I can remember, only two were actually independent fee appraisers, though several of the government employed appraisers also worked on the side.

By the mid 1960's there were only 6 independent fee appraisers in Anchorage, three or so in Fairbanks, and none in Juneau other than Realtors that would also complete appraisals when needed. Almost all of the independent appraisers were busy with commercial work or condemnation appraisals as that was a busy time for post earthquake construction and urban renewal projects in several locations. By the late 1960's when the secondary market expanded to Alaska in a big way, the banks and savings and loan associations decided that with the higher appraisal requirements in format and content, that use of independent fee appraisers would be a good decision and the appraisal business blossomed.

The Society chapter was very active then and in all subsequent years as it was an association of friends as well as competitors so there was a lot of social interaction. It was a lot less formal organization than the American Institute of Real Estate Appraisers both locally and nationally. The governance structure of the Society nationally was very democratic with a large board of governors. Despite us being a small chapter we just about always had someone appointed as a vice governor with George Nichols being the first. We also had visits from the national president virtually every year which resulted in good attendance at meetings.

To start an American Institute chapter 12 designated members were needed which was not a requirement for the Society, therefore the Institute could not get one going until the mid 70's. Many of the Society designated members moved ahead to obtain Institute designations, mainly because we were tired of the commercial appraisers coming up from Seattle and taking our appraisal work. It was also easier due to both organizations being willing to accept both demo reports and equivalent education to count towards their designations.

The glory years of all appraisal organizations was the 1970's and 1980's with rising membership, economic growth helping appraisers, and that resulted in well funded treasuries. That was to end before too long though that was not universally recognized at the time. Licensing effectively ended many appraisers interest in professional organizations.

The Society and Institute chapters got along well locally with a lot of cross membership. There as somewhat less comradeship on the national level as the Institute was primarily a commercial appraiser organization which to some extent looked down on residential appraisers and the Society a residential one. Both though had designations which were meant to correspond to those of the other organization, residential and commercial. They did work well though on nationwide appraisal issues and for many years there were efforts on merging the two organizations. The affiliation of the Institute with the National Association of Realtors (NAR) was always a problem for the Society which was always very independent as the Institute had to comply with the NAR positions on national issues and were not able to take contrary positions. When that affiliation ended in the 80's that opened the potential for a merger which was completed in 1991. It was my pleasure to serve on the national Committee on Consolidation in which over a 18 month period hammered out the terms of the merger.

It did take a number of years for the complete assimilation of the policies and practices of the organizations to be fully completed and to some extent required the aging out of the hard cases in both groups. What also sped the process along was the final recognition of the equivalency of some of the designations as well as new and younger leadership moving forward.

Prior to the merger, in the late 1980's the Society and Institute saw the need to ensure uniform standards of appraisal practice in the profession and patterned a foundation similar to that of the CPA=s accounting standards board. Each organization contributed

\$1,000,000 to fund the formation and operation of the Appraisal Foundation which adopted a set of standards which became the Uniform Standards of Professional Appraisal Practice, (USPAP) in 1987. The intent was good and the standards have been effectively adopted in whole or in part in Canada and other areas of the world.

In 1989 the FIRREA law through the Appraisal Subcommittee (ASC) formally adopted USPAP as the appraisal standard for the United States, therefore what began as needed uniform guidelines prepared by The Society of Real Estate Appraisers and the American Institute of Real Estate Appraisers became the law of the land relative to measuring appraisal work requirements.

Capping off the hard work over the years by both appraisal organizations to upgrade appraisers to a level of being a profession by experience, education and development of USPAP, along came FIRREA with required appraiser licensing which is decimating the professional appraisal organizations membership. Who knows what will become of these organizations when under licensing in only two or three years you are an appraisal “expert” and may no longer see the need to attain the higher level of a designated appraiser and can stop all but required continuing education?



HISTORY OF THE ALASKA AIREA CHAPTER #57

by Steve MacSwain, MAI
(Alaska AIREA Chapter President, 1980)

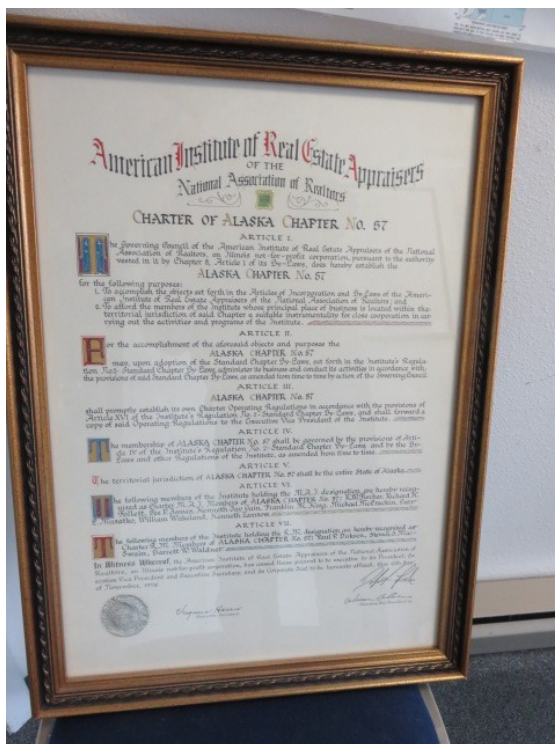


Forty-three years ago, November 1975, Alaska Chapter 57 of the American Institute of Real Estate Appraisers (AIREA) was established. This association is now known as the Appraisal Institute (AI) after its merger with the Society of Real Estate Appraisers in 1991.

Prior to 1975, both Alaska designated and candidate appraisers were required to be members of the Seattle Chapter. Not having local control made it difficult to get appraisal courses to assist candidates becoming designated in Alaska.

Once we had the minimum 12 designated appraisers, we were allowed to form a local chapter. Needless to say, the Alaska appraisal community was very pleased.

After the local chapter was created we had more professional identity and respect with users of our services.



The original 12 designated appraisers in Alaska Chapter 57 were:

- R.W. Fischer, MAI
- Richard H. Follett, MAI
- Lee P. James, MAI
- Kenneth Jay Gain, MAI
- Franklin M. King, MAI
- Michael McCrackin, MAI
- Gary L. Muzatko, MAI
- William Wakeland, MAI
- Kenneth Zamzow, MAI
- Paul P. Dirksen, RM
- Steven J. MacSwain, RM
- Garrett W. Waldner, RM

Congratulations!!!!



***Lydia W. Larson
Alaska Chapter Vice President,
Awarded MAI Designation in
2018***

The Alaska Chapter of the Appraisal Institute is proud to announce that Lydia W. Larson, MAI, earned her MAI Designation on June 20, 2018. Lydia is a University of Alaska, Anchorage graduate with a Bachelor's Degree in Economics where she was president of the Economics Club.

She resides in Kenai with proud husband Phil, Sr. and their two children. Lydia began her appraisal career in Anchorage in 2004 with Black-Smith, Bethard & Carlson, LLC and has valued all property types for all types of private, public and native corporation clients throughout the State of Alaska.

In addition, Lydia served as Assistant Vice President and Appraisal Department Manager for West Coast Bank of Oregon from 2010-2013 where she oversaw the appraisal review of 1,200 commercial real estate appraisals per year.

Lydia currently serves as secretary and board member of her religious organization and still has time for her extensive volunteer work with local veteran's services, Junior Achievement and the Kenai & Soldotna Chamber of Commerce groups.

Susan Crosson, SRA, Alaska Chapter Director, Awarded AI-RRS Designation in 2018

The Alaska Chapter of the Appraisal Institute is proud to announce that Susan Crosson, SRA, earned her AI-RRS (Residential Review Specialist) Designation on April 18, 2018.

Susan is a life-long Alaska resident. Born in Fairbanks, Alaska, she graduated from West Anchorage High School and the University of Oregon. With a major in finance, she assumed that she would be a banker, but that changed when she returned home from college and happened to meet someone who was a real estate appraiser while shopping for a pair of skis.

She began her career at the Assessment Department of the Municipality of

Anchorage in 1976. The following year she began appraising at Alaska Valuation Service and worked there for 15 years. During that time she appraised mostly commercial properties and became a Certified General Real Estate Appraiser.

In 1992, she founded her own appraisal company. In 2015, Susan was awarded the SRA designation by the Appraisal Institute as did her daughter, Ellen Crosson, SRA. Susan's sister, Daphne Koropp, is also an appraiser who earned her SRA Designation in 1990. We call them the Koropp Klan!



Alaska Chapter Member Awarded Grant From Appraisal Institute's Education And Relief Foundation (AIERF) In 2018

Hello fellow Alaskans and Appraisal Institute Members! My name is Brandy Eber and I have served as a Director of the Alaska Chapter in 2017 & 2018. I was elected as Secretary/Treasurer for the Alaska Chapter for 2019.



I live in Eagle River, Alaska and commute daily to my office in Anchorage at Richter and Stone. November 30th, 2018 I was still at home when the 7.0 earthquake hit. As a matter of fact, I was on the phone with Mr. Rick Richter as it happened letting him know I would be a little late.....I never did make it in!!!! I now consider myself lucky I didn't make the commute in. I can't imagine being stuck in the 8-hour commute home to Eagle River and the Valley area. Hopefully none of you experienced that!

Like many, we had significant interior damage to our home. Pretty much everything from the walls, pantry, and cupboards was on the floor. We did have what appears to be cosmetic damage to our home. We are still awaiting a building inspection to determine the extent of the damage. We think it's safe :) There is one significant crack in the asphalt that leads right up to our house that is slightly concerning. In addition, our flooring ripped apart, we had sheet rock crack at corner walls, several pipes broke, cracked garage flooring, and fireplace damage. In the grand scheme of things, we are healthy, safe, and still have a home to live in. Stuff is just stuff. It can all be replaced! Well, mostly! I did go through a flood when I was 14 and lost everything I owned. That's another story :)

We do not have earthquake coverage on our homeowner's insurance policy and even if we did, they don't typically cover the type of damage we have. Throughout the past few weeks many out of state friends in the Appraisal Institute have reached out. All of them encouraged me to apply for a grant through the AI Education and Relief Foundation (AIERF). Several weeks went by and I reluctantly decided to apply. I noted all our damage and sent in pictures. Within 24 hours the board for AIERF approved a grant to help with our damage.

If you experienced any damage to your home, whether cosmetic or structural, I encourage you all the reach out to the AI Education and Relief Foundation. The form is simple. It only takes a few minutes to fill out! The website is; <https://aierf.org/> . If you have any questions, feel free to reach out and I'll assist any way I can.

Alaska Chapter Holiday Party



Jim Amorin, MAI, SRA, AI-GRS and CEO of the Appraisal Institute (left) and Steve MacSwain, MAI (right) with our original AIREA Alaska Charter circa 1975



Jim Amorin, MAI, SRA, AI-GRS gives his take on the future of the Appraisal Institute as CEO



Jim Amorin, CEO of the Appraisal Institute, talks about the future of the appraisal industry



Cece Mendonsa, SRA, displays the original 1975 AIREA Alaska Chapter Charter



Jolynne Howard, MAI, displays the original 1961 Alaska Charter of the Society of Real Estate Appraisers



Susan Crosson, SRA, awarded AI-RRS Designation from Jim Amorin, MAI, SRA, AI-GRS and Appraisal Institute CEO (left) and Bill Barnes, SRA, Chapter President (right)



Lydia Larson awarded MAI Designation from Jim Amarin, MAI, SRA, AI-GRS, Appraisal Institute CEO (left) and Bill Barnes, SRA, Chapter President (right)



Our new 2018 Designee's; Lydia Larson, MAI (left) and Susan Crosson, SRA, AI-RRS (right)



Heidi Ungaro, our evening volunteer photographer (right) with Bill Barnes, SRA, Chapter President



The Bar Is Open!



Dinner Is Served!



We almost caught Ted Jensen, MAI smiling (center)



Fred Ferrara, MAI, SRA's table (center)



Jolynne Howard, MAI with her favorite fly fishing partner husband



Best smiles of the evening!



Brandy Eber (center left) and Lydia Larson, MAI (center right) with their husbands



The Koropp Klan table



Is the desert bar open yet?



There, we did it! We caught
Ted Jensen, MAI smiling!!!



Jim Amorin, AI CEO (left)
with Steve MacSwain, MAI
(right)



Greg Wing, MAI with his
lovely bride