From the President

Dane Anderson, MAI

The Iowa Chapter hosted the Region II meeting in Des Moines on April 4th and 5th. Wayne Hennessey, Sarah Meylor, and past President Ranney Ramsey were all integral in getting this event planned and executed. The Drury Inn in West Des Moines hosted the meeting and we had a nice social-dinner at Stick’s production facility in southwestern Des Moines. Ted McWilliams volunteered his time during the social-dinner and acted as an ambassador. The event was sponsored by Farmers National Company, Nelsen Appraisal Associates, Iowa Appraisal and Research Corporation, Koestner, McGivern and Associates, Roy R. Fisher, Inc., and Real Estate Research Corporation. I would like to thank the sponsors again for their generosity. I would also like to thank the chapter members who attended the meeting and/or social-dinner for supporting the regional meeting event.

During the regional meeting, we had a lively discussion during the leadership breakout session on Friday afternoon. Chapter presidents and vice presidents discussed their concerns and successes. On Saturday morning, Gail Hunyar, Regional Chair, provided an update from the national office. I have summarized below some of what I considered key takeaways from her presentation:

- The number of appraisers nationally has declined for the last five years and currently sits at 83,000. Approximately 26 percent are associated with the Appraisal Institute (members, candidates, affiliates), with 54 percent of commercial appraisers being involved in the Appraisal Institute and 11 percent of residential appraisers.
- For 2013, national Appraisal Institute had a net surplus of $1.5 million. National is still operating just outside AI policy of six months of unrestricted reserves.
- The Appraisal Institute’s new review designations (AI-GRS and AI-RRS) have been well received by membership with many already receiving the designations and a good portion of the membership actively pursuing the new designations.
- There were 490 new members designated in 2013, which was indicated as just offsetting turnover.

If anyone has any questions on the regional meeting, or has concerns or input they’d like addressed at the next regional meeting, please let myself, Bob McGivern, and/or Kevin Pollard know. Additionally, if you have concerns or suggestions for the Iowa Chapter, please feel free to contact me.
From the Treasurer

Jeffery Behrens

Before getting into the numbers, I think it is appropriate to recognize Wayne and Sonja for once again fulfilling additional duties mandated by National’s Chapter Financial Review. As a result of the review, approval of significant expenditures is now required. Wayne and Sonja added plenty of paper shuffling to secure these approvals. Thank you Wayne, now on to the numbers.

The sound of this broken record is welcome. In the past several newsletters, we reported positive budget figures and this quarter continues that repetition. The following table presents member dues, total income and net income/loss for years 2008 to 2013, as well as the proposed 2014 budget and year to date 2014 figures.

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<tbody>
<tr>
<td></td>
<td>$23,062</td>
<td>$18,728</td>
<td>$20,086</td>
<td>$15,920</td>
<td>$14,707</td>
<td>$16,107</td>
<td>$16,000</td>
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<tr>
<td>Total Income</td>
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<td>$119,799</td>
<td>$118,659</td>
<td>$99,741</td>
<td>$73,262</td>
<td>$104,119</td>
<td>$66,312</td>
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<tr>
<td>Net Income (Loss)</td>
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<td>$11,966</td>
<td>$(14,089)</td>
<td>$(9,166)</td>
<td>$(14,745)</td>
<td>$3,151</td>
<td>$19,401</td>
<td>$610</td>
</tr>
</tbody>
</table>

Year-to-date member dues are almost $2,000 over the 2011 totals and once again exceeded the proposed budget. Year-to-date total income will get a boost in the coming months from the remaining education schedule that includes a qualifying education offering. With the only remaining expense item of significance being management, the budget should be on track to look something like the proposed 2014 budget. The money market and checking account balances prior to payment of the management fee total $86,262, which equals about a year of operating expenses.

From the Education Chair

Rich Hughes, MAI, SRA

The education committee is seeing changes to the program on the national, state, and local levels. National has introduced two new review designations for residential and commercial appraisers and the required courses. There is a two-day course for the residential designation and a four-day course for the commercial designation. For both courses, the education committee is looking for some feedback from our membership on their applicability and desirability. The earliest we could schedule the courses in Iowa would be in 2015.

The state has also introduced a new 4-hour seminar that will be required for new appraisal trainees and their supervisors in 2015. We are hoping to schedule that seminar across the state in 2015.

On the local level for 2014, the education committee has scheduled a full slate of educational offerings that include Advanced Education (AE),
Qualifying Education (QE), and Continuing Education (CE). The Iowa Chapter will be offering in 2014 a total of 11 continuing education (CE) seminars. The USPAP offerings in March and April of this year were well attended due to the number of changes incorporated and 2015 should be another big year. The chapter’s complete education schedule is available on our website at www.aiofiowa.org.

For individuals that need “Business Practices and Ethics” in your five year cycle, this required seminar is being offered in June. This class is scheduled once every four years, so make sure to attend if needed.

Since the chapter currently has 21 MAI candidates that are very close to completing the academic requirements, we offered the AE course “Advanced Concepts” earlier this year. For MAI candidates that need “Advanced Income”, that course will be broadcast on-line by the Appraisal Institute this September. The course is four half-day sessions per week for two weeks. Working from your own office, it is an excellent opportunity to save money and office time. For 2015, I am working with Chicago and hoping to have a “Capstone” course in the Des Moines area.

For the 142 appraisal trainees in the state, we are offering the QE course “General Market Analysis and Highest and Best Use” in August. For the CE schedule this year we offered “Appraising Condos, Coops, and PUDs for the residential appraisers in March, and “Appraising the Appraisal; Appraisal Review-General” for the commercial appraisers in May. The CE seminar at AEGON in September will be “Valuation of Self Storage Units” with Chris Sonne. This topic should appeal to assessors, lenders and all appraisers. Our final offering this year is the annual 4-hour economic update in Cedar Rapids.

If anyone is considering becoming an approved instructor, there is the “Instructor Leadership & Development Conference”(ILDC) in September in Chicago.

For appraisers that can’t get away from the office, take advantage of the on-line educational offerings. There are AE, QE, and CE offerings available. For state credit, 28 of the 28 hour requirement can be taken on-line.

A number of organizations offer CE classes throughout the state. However, attending the Iowa Chapter’s Educational offerings supports the Chapter’s scholarship fund for students in the real estate program at the University of Northern Iowa and the chapter’s leadership program LDAC.
From Your LDAC Representative
Dennis Cronk, MAI

Tasha Gould, MAI, and Dennis Cronk, MAI, represented the Iowa Chapter as delegates at the Appraisal Institute’s annual Leadership Development and Advisory Council (LDAC) conference in Washington DC May 19-21, 2014. Tasha, a commercial appraiser who recently went to work for Principal Real Estate Investors in Des Moines, was attending for the second time. Dennis, a commercial appraiser with Cook Appraisal in Iowa City, was a first time attendee.

Tasha served as team leader for the Iowa and Kansas lobbying efforts on Capitol Hill. Over 100 appraisers were in attendance from 32 states and Puerto Rico, as well as the officers of the Appraisal Institute, Ken Wilson, MAI, President, J. Scott Robinson, MAI, SRA, Al-GRS, Vice President, Lance Coyle, MAI, SRA, President Elect, Rick Borges, MAI, SRA, Past President, and Fred Grubbe, CAE, Chief Executive Director.

The purpose of LDAC is to establish an “appraiser-presence” in Congress, discuss new ideas and make recommendations to the national AI Strategic Planning Committee. This year the delegates were actively involved lobbying efforts on two issues assigned by the Appraisal Institute.

The first issue concerned proposed legislation to wind down Fannie Mae, Freddie Mac and the Federal Housing Finance Agency. Senate bill S.1217, the Housing Finance Reform and Taxpayer Protections Act, commonly known as “Johnson-Crapo” would eliminate Fannie and Freddie within 5 years of enactment and transfer certain functions to a proposed Federal Mortgage Insurance Corporation (FMIC) which would create a National Mortgage Data Repository. H.R. 2767, the Protecting American Taxpayers and Homeowners Act, commonly referred to as the PATH Act, would privatize the current functions of Fannie Mae and Freddie Mac and create a National Mortgage Database. The primary concern is a provision that would authorize the proposed FMIC to make the FMIC database information available to consumers, financial institutions, appraisers, appraisal management companies and others releasing the information from appraisals completed for mortgage financing to unrelated parties. The Appraisal Institute is concerned this could lead to potential appraisal influence by lenders, increased mortgage fraud, and possible commercialization of appraisal data.

The second issue revolved around a recent change in a Small Business Administration Policy (SOP 50-10f) regarding going concern appraisals for special use properties. The policy disqualifies most real estate appraisers from valuing going concern appraisals with a value over $250,000 for the SBA 7A loan program. The 7A program (10% of the total SBA budget) supports lending for businesses that provide job growth and creation. The primary real estate involved is special purpose properties like hotels, funeral homes, car
washes and nursing homes. The SBA policy will lead to increased costs for consumers who will now be required to get two appraisals, one for real estate and one for business value, as well as complicate underwriting for lenders who have to reconcile two appraisal values for underwriting. Reps. Leutkemeyer (R-MO) and Rep. Schrader (D-OR) have put forth legislation to reaffirm the acceptance of real estate appraiser to prepare going concern appraisal for the 7a program and we requested that our congressmen support their efforts.

Tasha and Dennis were able to meet with Congressman Steve King and his Legislative Director Tommy Binion, Congressman Tom Latham and his Legislative Director Ian Manzano, Congressman Dave Loebsack and Evan Jurkovich, Legislative Assistant, and Katy Siddal, Senior Legislative Assistant for Bruce Braley. They also visited with Chuck Grassley and his Tax Counsel, Chris Colin, and Zach Steinberg, Senior Economic Advisor for Senator Harkin.

All of the meetings were brief, but productive. Our elected officials and staff expressed interest in the issues shared and wanted to get involved. The general consensus is that the future of Fannie Mae and Freddie Mac was uncertain and the current legislation was not likely to be acted upon in the near future. The staffers and elected officials were not aware of the SBA issue. The consensus was that this was a policy issue dictated by the SBA, but agreed to look into it.

While the issues are not on the congressional forefront at this time, the primary benefit is to get Appraisal Institute members in front of our elected officials, establishing ourselves as experts on real estate issues and offering our support to the Senators and Congressmen in the future if issues on real estate valuation should arise.
Two days of group discussion included topics related to defining and promoting AI designations, embracing and using technology, creating new and expanding existing client relationships and the future of the appraisal profession. Information gathered in the group discussions will be shared with the AI Strategic Planning Committee to help guide the direction of the Appraisal Institute and find ways AI can provide additional support to its members.

The event also provided AI members an opportunity to visit with other appraisers from all over the U.S. and share ideas about managing, maintaining and growing an appraisal business. It was also a great opportunity to network with current and future Appraisal Institute leadership. LDAC participation is an excellent way to support both the Iowa Chapter and national organization.

If you would like more information about the event, please reach out to this year’s delegates or chapter leadership.

## Member News

### Newly Designated

Since the November 2013 Newsletter, Clinton D. Miller with Rally Appraisal and David W. Nebel with Hertz Appraisal Services attained their MAI designations and James Pooley with Farm Credit Services of America received his SRA designation. Congratulations.

Also, a congratulations to the following members on their review designations: Jared G. Cuddeback, MAI, AI-GRS and Jeremy A. Keller, SRA, AI-RRS.

### Members on the Move

Jessica Ballou, MAI, formerly of Des Moines, has accepted employment with Prudential Real Estate Investors of Madison, NJ, and is residing near Chatham, NJ.

Neil B. Madsen, MAI, formerly of Cedar Rapids, has moved to the big city of New York, NY.

Kevin Pollard, MAI, sold his business to Mark Nelson and currently is residing in Florida. However, he remains a member of our Chapter and is our current Regional Representative.

Donovan M. Lerdal, SRPA, SRA, of Ankeny is enjoying retirement as of April of this year.
New Candidates and Affiliates
We welcome the following Candidates and Affiliates who joined the Chapter since our last Newsletter.

- Cliff R. Carlson Candidate - MAI
- Clark DeVries Practicing Affiliate
- Austin G. Estlund Practicing Affiliate
- Charles G. Gohr Candidate – MAI
- Rory Heims Practicing Affiliate
- B. Ryder Houston Candidate – MAI
- David Moww Practicing Affiliate
- Robert J. Mullenberg Affiliate
- Mickey Neilly Candidate – MAI
- Jill Patterson Candidate – MAI
- Daniel Payne Practicing Affiliate
- Kathy Pettinger Practicing Affiliate
- Kristi Jo Whitham Practicing Affiliate

Good luck to all of you in your path to an exciting and prestigious profession.

A special thanks to the following members who volunteer as advisors.

- Dane R. Anderson, MAI General
- Brett J. Blanchfield, MAI General
- Martin E. Corey, MAI, SRA General
- Dennis G. Cronk, MAI General
- Rochelle L. Dietiker, MAI General
- William H. Dooley, SRA Residential
- Shauna E. Gehring, SRA Residential
- Richard W. Hughes, MAI, SRA General
- Chris R. Jenkins, MAI General
- Jeremy A. Keller, SRA Residential
- Robert J. McGivern, SRA Residential
- David Passmore, MAI General
- Kevin M. Pollard, MAI General
- Ranney L. Ramsey, MAI General

If the Chapter can be of help to any of you, please contact your Residential Candidate Guidance Chair, Katherine Cox, SRA at 563-323-3384 or kathy@messmerappraisal.com and/or your General Candidate Guidance Chair, Martin Corey, MAI at mcorey@oakwoodco.com or 309-721-3126(cell). Good luck to all of you.

The Iowa Chapter offers many benefits and welcomes new members. For information on the Iowa Chapter visit our web site www.aiofiowa.org.
**Current Chapter Members, Candidates and Practicing Affiliates**

The Iowa Chapter members and candidates are 230 as of June 3, 2014. The October 2013 Newsletter indicated the Chapter had 230 members.

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<th>Category</th>
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<th>SRPA</th>
<th>Undeclared</th>
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**Practicing Affiliates**

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<td>5</td>
<td>18</td>
<td>0</td>
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</table>

**Total**

|       |       |       |       |       |       | 230   |

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**IOWA CHAPTER - 2014**

**EDUCATIONAL CLASSES**

To date, enrollment in our 2014 educational classes total 378: Total class enrollment for the same time period in 2013 was 456 students.

- **June 13, 2014**: Business Practices and Ethics, Des Moines, 4 hrs
- **August 19-22, 2014**: General Market Analysis and Highest & Best Use, Des Moines, 30 hrs
- **September 12, 2014**: Self-Storage Economics & Appraisal, Cedar Rapids, 7 hrs
- **Oct 9-10, 2014**: TBA, Des Moines, 14 hrs
- **November 21, 2014**: Annual Meeting, Cedar Rapids, 4 hrs

To register, go to the Iowa Chapter’s website: [http://www.aiofiowa.org](http://www.aiofiowa.org).

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**Online Classes Offered Through the Appraisal Institute**

As of the first quarter of 2014, 35 members enrolled in 55 on-line programs. Continue to support our Chapter by taking advantage of these offerings.

**Online Education**: Learn at your own pace anytime, anywhere. 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](http://www.aiofiowa.org).

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