



**Appraisal
Institute®**

*Professionals Providing
Real Estate Solutions*



**North Star
Chapter**

NorthStarAI.org

March Meeting

1265 Josephine Rd., Roseville, MN ~ 651-633-0676 ~ Web site: www.northstarai.org

March, 2015

March 18, 2015

**“SBA Appraisal
Requirements”**

Panel Discussion

A panel discussion with professionals in the SBA commercial lending programs that will provide Appraisers:

- Background information of relevant SBA loan programs
- A presentation of the SBA’s appraisal requirements
- A discussion of “hot-button” issues that involve appraisals
- What you need to know when doing appraisals for financing transactions that involve the SBA.

2 Hrs. Appraisal Institute CE;
2 Hrs. MN Appraisal &
Real Estate CE APPROVED!

A Great Event!



Heads up for...

April 1 - Residential Applications: Using Technology

April 2 - Residential Applications: Using Excel Microsoft

April 8 - 7 Hour USPAP

Register Now!

www.myappraisalinstitute.org/education/NorthStar.aspx

The North Star Chapter of the Appraisal Institute

Presents the

March Luncheon Meeting

With Guest Speakers

Tony Lesicka, MAI - Moderator

Thomas Osborne - SBA

Christopher Kaye - SPEDCO

Gregg Klohn, CPA - 21 Century Bank

“Panel Discussion: SBA Appraisal Requirements”

Wednesday, March 18, 2015

Time: 11:30 am - Registration
12:00 pm - Luncheon Buffet
12:30 pm - 2:30 pm - Presentation

Location: **JAX Cafe**
1928 University Avenue NE
Minneapolis, MN 55418
Phone: 612.789.7297
Website: <http://jaxcafe.com/?act=contactus>



\$50.00 - Out-state Members who have not paid CSF
\$50.00 - Non-Members and Guests

This program was developed and is administered by the North Star Chapter of the Appraisal Institute



2 Hours of Appraisal Institute CE - Approved and
2 Hours of Appraisal and Real Estate CE APPROVED!

Reservation Deadline is March 13, 2015

2015 - President - Frances Odenthal's Corner

WOW!! Who would have thought that my first appraisal course in 1985 would lead me to this place today? Yes it has been quite some time since my first introduction to appraisal terminology, Fee Simple / Leased Fee; Marshall&Swift, Highest and Best Use Analyses, adjustments, cap rates, and more!

That SCSU real estate degree was a very good 'spring board' into the Institute courses; which was a fabulous foundation for the on the job real estate experience accumulated over all these years! During this time, having worked in a couple of independent fee shops, and at brokerage firms, the government and now the financial industry, I feel prepared to take on the challenges and excitement of leading the chapter this year. Thank you North Star Chapter for this opportunity!

2014 saw much success with many of our members obtaining their designations, some even obtained their 2nd designation with the Institute! Our educational offerings continue to be a big part of our chapter, now including both North and South Dakota! We continue to get compliments on our education, as well as seminars, quarterly meetings, and the Trends Seminar! All of these successful endeavors will continue be a primary focus for the group this year, to maintain and improve upon all that we are known for as of today. In addition, it is my goal to work in concert with AI national, while reaching out to local colleges/universities.

We have all heard plenty of statistics over the past several years that the appraisal industry is aging. Currently, the average age of a member in the Institute is 60+ years. By bridging the gap between AI and academics, by making a clear career path from college to licensing to designation, the Institute could find itself in a position of receiving many more tech savvy appraisers! Let's face it, today's college graduates never had to handwrite a paper and pay anyone per page to 'type' it for them. Current graduates aren't familiar with our old 'dictation devices'; "CRT's"; daisy wheel printers; or maps that we personally created by copying a portion of a map, and rubbing numbers, letters and labels onto the map, in order to guide the reader to the relative location of a property and its comparables. These graduates have a basic understanding of technology, which will greatly assist them as they start their careers! They will have an advantage, which will make for efficient use of their time and knowledge as they gain critical experience.

The Institute is wise to further solidify its connection with existing universities, who offer real estate education; and reaching out to others, to attract additional educated, motivated graduates to this profession. I look forward to assisting in that process.

As most of you know, I have been a part of this chapter since I graduated. My children are now in college. As a 'classic' empty-nester, I have more time to dedicate to this industry. I am ready to serve the local chapter, and want everyone to know that I am only an email or phone call away. I would like to request your input, your recommendations and constructive criticism.

Once again, I want to thank all of you for this opportunity.



Frances Odenthal, MAI
Your North Star Chapter President - 2015

IMPORTANT NOTICE FOR New Licensees and those with MN APPRAISAL LICENSES that will EXPIRE - AUGUST 31, 2015

Under Minnesota law, an individual applying for an initial resident real estate appraiser license or a renewal resident real estate appraiser license must consent to a criminal history record check and submit a fingerprint card.

The FBI background check can take several weeks. Based on federal and state requirements governing real estate appraiser licensing, the Minnesota Department of Commerce will not issue or renew a real estate appraiser license before receiving the background check results.

You are strongly encouraged to have your fingerprints taken electronically at a PSI test center before the renewal period opens on July 1, 2015. The earlier you submit your fingerprints, the greater the chance that the results of your background check will be received by the Commerce Department in time for your license to be renewed. You may visit a PSI test center during the designated times listed (see link below).. Appointments cannot be scheduled in advance; walk-in fingerprinting services are provided on a first come, first served basis.

**For Background Check FAQs, PSI Test Locations and Walk-In Fingerprinting Hours (with a map)
GO TO**

<http://mn.gov/commerce/licensees/appraiser-license/Individual-Licenses/background-check.jsp>

The total cost of electronic fingerprinting performed at the PSI test center is \$50.50. This includes charges for background checks conducted by the Bureau of Criminal Apprehension, the FBI, and vendor processing fees. You may also have this done at many local police stations—but call first to make sure they will be able to accommodate you.

You should have received a copy of this notice from the MN Department of Commerce. Many of you are calling wondering how this could have happened? When? Are they serious? Etc., etc., etc.,

**THE BOTTOM LINE IS THAT YOU WILL HAVE TO MEET THIS REQUIREMENT
OR RISK NOT HAVING YOUR LICENSE RENEWED!!!**

The North Star Chapter has been busy trying to find answers to some of these questions. Government Relations Committee Chair: Wendy Walker, MAI; the Chapter Executive Committee—Frances Odenthal, Tony Lesicka, Brian Tinjum, Justin Reed, and Julie Bjorklund; Jason Messner and Harvey Swenson held a conference call with Scott DiBiasio, the Appraisal Institute manager of state and industry affairs.

Scott DiBiasio reminded those on the call that:

1. The background check provision in Minnesota was enacted by the legislature in 2013 to become effective January 1, 2015. It was in response to the adoption of the 2015 Minimum Criteria by the AQB way back in 2011 that included the background check requirement. Obviously, this was also prior to the delay that was implemented in 2014 and the changes that were proposed in 2014.
2. Unfortunately, in 2013 the legislature (rightly) believed that they had no choice but to enact the background check requirements as they are depicted below. And the law was passed in MN to go into effect on January 1, 2015
3. This is the case in most states that adopted their background check requirements in 2012, 2013, and even some in early 2014. The background check train had already left the station in 90% of states before the AQB back-pedaled in April, 2014. States were under the presumption that they were compelled to enact these requirements to be effective on 1/1/2015
4. It was suggested at this time that a group meet with the Department of Commerce to open up dialogue and discuss the issue.

Wendy Walker, MAI, the Chapter Government Relations Chair, agreed to contact the DOC and set up a meeting. She was successful and with Ray Vandever, SRA (former Legislator) Frances Odenthal, MAI; and Byron Miller, SRA, met with 3 members of the DOC. The meetings were very informative and they agreed to have ongoing discussions.

In fact, the Commerce Department expressed an interest in making a presentation during the May 13 “Trends” seminar. They would like to discuss new changes and reminders of existing pertinent clauses from state statute 82B, which will be very informative for both the residential and commercial appraisers. This will be a golden opportunity to hear from the Department of Commerce and gives all of you a chance to raise your questions!

Frances or Wendy will also be giving an update on these events at the March 18th meeting at Jax!

MN Supervisory Appraiser/Trainee Appraiser Course (6 CE Hrs.) to be offered in late APRIL or early MAY

As of Jan. 1, all individuals who become Supervisory Appraisers and Trainee Appraisers will be required to take a Supervisory/Trainee Course per the 2015 Real Property Appraiser Qualification Criteria (AQB). Most states are requiring a four-hour course that will address the national minimum requirements, responsibilities and expectations for Trainee Appraisers and Supervisory Appraisers that are included in the Appraiser Qualifications Board's required course outline.

Minnesota is one of a few states that is going to require 2 Hours of additional state-specific rules and regulations. Minnesota is also requiring that each individual will need to pass an exam at the end of the course (per state requirements).

With this in mind, Brett Hall, MAI, SRA, has adapted the Appraisal Institute's 4-hour course that will address the national minimum requirements, responsibilities, & expectations for trainee appraisers and supervisory appraisers (that are included in the AQB's required course outline of 4 hours), and has added the required 2 hours of MN specific course content, which will meet the additional state-specific rules & regulations required in MN for 6 Hours.

This six hour **Minnesota Supervisory Appraiser/Trainee Course** targets all individuals who became Supervisory Appraisers or Trainee Appraisers on Jan. 1. (Currently credentialed Supervisory Appraisers and Trainee Appraisers are grandfathered).

The course will run 6 hours and 1 additional hour of time will be allotted for an exam. You will receive six hours of Appraisal CE for this course in Minnesota. The Appraisal Institute will approve this course for 7 Hrs.

- Prerequisite: None
- For more information, see [FAQs](#)

The application for this course has been submitted to the Commerce Department for approval. As soon as we receive the actual approval letters we will immediately schedule the course. It is our hope to be able to offer it beginning in late April or early MAY.

Residential Practicing Affiliates

Are You Interested in taking the 45-Hour Demo Package?

(Alternative to Residential Demo for SRA Associates)

If you are a Residential Practicing Affiliate of the Chapter or the Appraisal Institute who would like to take the 45 Hour Demo Package, which can be used as an alternative to writing a Residential Demonstration for the SRA Designation, we have a perfect opportunity for you!

In order to receive the 45 Hours of credit, you would need to take both Advanced Residential Applications, Part 1 (15 Hour course) and Advanced Residential Report Writing/Part 2 as back-to-back offerings at the same location. It is not permissible to take Part 2 for the Residential Demonstration Report alternative at a later time, nor is it permissible to register for Part 2 unless it is taken immediately after Part 1 at the same location.

We have scheduled the

Advanced Residential Applications and Case Studies, Part I on May 28-29

***If there are enough interested students, we will schedule Part 2 to immediately follow - Pt.1
To help you meet this requirement!***

If you are interested please call the Chapter Office-651.633.0676—NOW!

Candidate NEWS

Continuing Education for Candidates

The Appraisal Institute Board of Directors at its Feb. 19-20 meeting in Chicago voted to eliminate continuing education requirements for Candidates for Designation, effective immediately. Candidates are no longer required to complete three hundred and fifty (350) points of continuing education every five (5) years to maintain their candidacies with the Appraisal Institute. **Note. This change in AI regulations does not affect the Continuing Education requirements for Practicing Affiliates.**

The Admissions and Designation Qualifications Committee (ADQC) studied the requirements of the Candidate for Designation and continuing education programs, and recommended elimination of the latter. When Candidates fulfill the rigorous requirements of the Candidate for Designation program within the required timeframes, they typically fulfill the primary purposes of continuing education by meeting or exceeding continuing education requirements; therefore, continuing education requirements for Candidates often become unnecessary or duplicative.

Moreover, Candidates have five (5) year continuing education cycles, but Candidates must complete designation requirements within a maximum time period of three (3) or four (4) years. Therefore, candidacies usually end before the deadline for completion of their continuing education requirements.

Note. Candidates still must complete the first-year Standards (USPAP or IVS) and Ethics (Business Practices & Ethics) requirement.

Upcoming deadlines for AIET Scholarship Applications

Next Appraisal Institute Education Trust Scholarship deadline is
April 1st

Two scholarships are available to eligible *Candidates for Designation*:

- ***Appraisal Institute Education Trust AI Course Scholarship***
- ***Appraisal Institute Education Trust Minorities and Women AI Course Scholarship***

Please note: It is recommended that, prior to submitting a scholarship application, applicants attend a minimum of two Appraisal Institute chapter meetings annually.

AIET also offers scholarship opportunities to undergraduate and graduate college students studying real estate. The deadline for the college scholarships is April 15.

- ***AIET Undergraduate Scholarship***
- ***AIET Graduate Scholarship***
- ***AIET Minorities and Women Education Scholarship***

Learn more about AIET Scholarships email - educationtrust@appraisalinstitute.org.

Education NEWS - April

Are you wondering what to do about Fannie Mae's Collateral Underwriter (CU)?

On Jan. 26, Fannie Mae implemented new rules that require residential appraisers to prove their adjustments. If adjustments aren't adequately supported, appraisal reports will be "flagged" by the CU. We are happy to announce that the Appraisal Institute has education programs that will show appraisers how to support their adjustments and avoid being flagged. We will offer two of them.....

APRIL 1st - Residential Applications:

Using Technology to Measure & Support Assignment Results

APRIL 2nd - Residential Applications, Pt 2:

Using Microsoft Excel to Analyze & Support Appraisal Assignment Results

Take these 2 Seminars Back-to-Back and SAVE \$40.00

These seminars will...

- Provide the analytical tools to help appraisers make and support adjustments as required by CU (without support, appraisal reports will be flagged).
- Discuss how relevant reasoning can lead an underwriter or reviewer to see why the adjustments are necessary and how the adjustment was developed.
- Review residential data analytics and regression analysis.

REGISTER NOW - <http://www.myappraisalinstitute.org/education/NorthStar.aspx>

APRIL 8 7 Hour National USPAP Update Course

7 Hours - Appraisal & Real Estate CE - Instructor: - Craig Harrington, SRA, AI-RRS, .

An appraiser must complete the 7-hour USPAP Update Course every 2 years to meet the USPAP CE requirement.

AI Fee: 180.00; Full Price: 200.00 (does not include 2014-2015 USPAP Book).

April Real Estate Finance, Statistics and Valuation Model.

29-30

15 Hours PL/QE/CE with Exam - Instructor: James Vernor, PhD, MAI

An AQB Course can be used to Upgrade Licenses - Residential or General

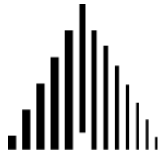
AI Fee - 350.00; Full Fee: 400.00

REGISTER NOW - <http://www.myappraisalinstitute.org/education/NorthStar.aspx>

SAVE THE DATE !

MAY 13 - 17th Annual 'TRENDS' SEMINAR

**8 Hours of Appraisal & Real Estate CE applied for. Assessor CEUs will be applied for.
Watch for Registration Details to Follow in the Mail or by e-mail!**



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North Star Chapter

Fax

1265 Josephine Road
Roseville, MN 55113
T: 651-633-0676
F: 651-633-5956
www.northstarai.org

To Maribelle From _____
 Fax: 651-633-5956 T _____
 Phone: 651-633-0676 F _____
 Date: _____
 Total Pages: 1

2 - Hours of Appraisal CE and
2 - Hours of Real Estate CE has
been APPROVED for this seminar!



Schedule: 11:30 am ~ Registration
 12:00 pm ~ Luncheon and Brief Chapter Meeting
 12:30 pm - 2:30 pm—2 Hour Seminar

Please reserve the following space(s) for me on March 18th at Jax Café**
 for the Luncheon and 2-Hour Seminar on **“SBA Appraisal Requirements”**

Name: _____

Guest: _____

If you have paid your Chapter Service Fee there will be no fee for this meeting.
 The fee for Outstate members and Guests - \$50.00

Please make your reservations for the Luncheon by March 13, 2015
Cancellations not called in by March 17th will be billed.
No Shows will be billed.

Fax: 651/633.5956
 E-mail: maribellec@aol.com
 or mail your reservations to: Maribelle Cushman
 1265 Josephine Road, Roseville, MN 55113



You can fax this form back to 651-633-5956 or send an e-mail: maribellec@aol.com

And you can register online at: <http://www.northstarai.org/meetings>

**** Jax Cafe, 1928 University Ave. NE, Minneapolis, MN 55418**
For Directions: 612.789.7297, <http://jaxcafe.com/?act=contactus> or use www.mapquest.com