

The Scope



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December

NCPAC

**North Carolina
Professional
Appraisers
Coalition**

Newsletter for the NCPAC

This Months Topic:

The 2055 Exterior, perform at your own risk...

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2005-2006 Officers:

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Vice President: [Steve Wolfson](#)

Secretary: [Lauriette West](#)

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This amazing story could have taken place anywhere at any time. It is too incredible to be true, yet it is, and similar situations probably happen like this every day. The assignment was a 2055 Exterior, the subject is an average looking home, in an average subdivision, in an average town. It could have been your town or mine.

The appraiser pulled the tax card, did some background work checking deeds, looked the property up in MLS, and generally prepared for the onsite inspection. Very little information is required about the exterior of the subject to perform a 2055 Exterior, so this form and other exterior forms have become known as "drive-bys".

When an appraiser takes pictures of the subject in a drive-by, only the front and street are required. But this appraiser decided to take it a step further and got out to look at the back of the home and in a window. Just for curiosity's sake.

What is scary is how easily this house could have been something that

just slipped through the system. Very easily. How often are 2055 exteriors inspected on the inside? Almost never...

The 2055 Exterior is not a common request, but it may become more common due to the new forms put out by Fannie Mae. There are only two choices for single family home put through on a Fannie Mae loan, the URAR or the 2055 Exterior. In the case of an "Exterior Only" appraisal it is up to the appraiser to determine if there is enough information to complete the report successfully, either through tax cards, an MLS listing, homeowner verification, or other knowledgeable source.



For this type of assignment looking in the windows to see the interior is not required. But in this case, it was the saving grace.....

What he saw, he could not possibly have been prepared for... see page 2.



Dangers of Doing a Drive-By...

Continued from page 1...

Shock and amazement aside, here is the rest of the story and now for the interior photos!

Had this appraiser not gotten out of his car, here is what he would have missed! This is not just a messy or a deferred maintenance home, this is a disaster zone. There aren't just old



appliances, there are NO APPLIANCES... There aren't just some small holes in the walls, there are NO WALLS... The outside of the house is a shell and the inside has been completely torn apart down to removing the sheet rock!

As it turns out, the homeowner was in the process of renovation and ran out of money and tried to refinance the property without telling the lender that the house was all torn apart inside...

Needless to say the lender was not happy, and this FULL URAR appraisal had really high adjustments and costs to cure!

....AND NOW FOR THE INTERIOR PHOTOS!

So appraisers beware, sometimes it is not enough just to check the tax card or MLS, sometimes you may want to check a window too!-

True story submitted by Glenn Day

Do you have a story that you would like to share with us? Send it in email to amanda@ncpac.org.



Featured Appraiser of the Month

I was sent three suggestions for this month's Appraiser of the Month, but I did not receive their bios in time for this month's article. So here's a little about the publisher, Amanda Creek.

I entered the field of appraisal at the recommendation of my mom in 1997. In my first year, I completed over 300 appraisals. Shortly after getting my appraisal trainee certificate, I decided that adding real estate agent to my portfolio would be beneficial. Since I had many years of experience in sales, I used that experience to leverage sales in real estate.

The next year, while still doing appraisal full-time, I acted as the buyer's agent in multiple real-estate transactions. "Having been in sales myself, I understand both points-of-view in a real estate transaction, and what it takes to forge an agreement."

Today, I am a North Carolina State-

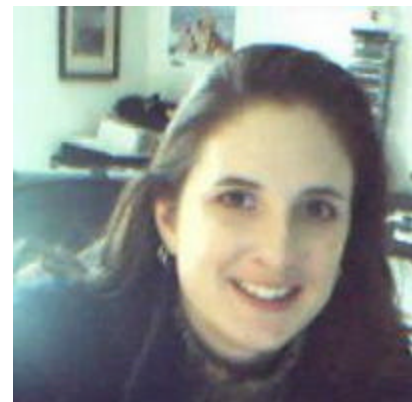
Certified Residential Appraiser, and the Managing Appraiser at Creekside, Inc.

"Our small business has grown so much over the last few years, but our commitment to make every client feel like our only client will ensure our future success." It has been said that very few people enjoy what they do for an occupation, "I am very fortunate in that I am able to get up every day and do to a job that I enjoy, and know that I am helping people." To be able to select the right home for a couple or help determine the best price for someone to sell their home is a valuable service. As our company grows, our determination to not sacrifice quality for quantity ensures that, "Standards and expectations exist only to be exceeded."

In March of 2005, I was approved by the North Carolina Appraisal Board to become a Residential Appraisal Prelicensing Course Instructor. Beginning a new chapter in my portfolio, I began teach-

ing in May of 2005 for Appraisal Schools by M. Curtis West. "My commitment to quality has always been first, but my desire to become a better appraiser and to help others has always been a goal of mine, and this will allow me to do both."

Any suggestions for Appraiser of the Month... send them to me at amanda@ncpac.org.



Amanda Creek- Zebulon, NC

Baldy was right, say NO to discounts...

I first met Baldy Williams when I took G-1 approximately 3 years ago from Triangle Appraisal & Real Estate School. Since then I have attended several of his continuing education courses because of his business savvy and his wealth of knowledge. On this particular day class members were discussing discounts in regards to appraisal management companies, among other things.

At the time I was discounting my fees with Lenders Service Inc (LSI) in exchange for volume. Because of the service they demanded, I found myself spending twice the amount of time per appraisal and getting paid ½ my full appraisal fee. After putting up with this for way too long, I increased my fees with LSI knowing that I would no longer receive any orders from them.

A few weeks later I started receiving several orders from another large appraisal management

company who was offering to pay my full appraisal fee. Here is how it happened. The previous year I applied with this other appraisal management company listing my full appraisal fees for my coverage area. The appraiser they were using was discounting his fee and the management company ended up having a number of quality issues with his work. As a result, the management company stopped using the other appraiser, and began using me.

They were more than happy to pay my full appraisal fee in exchange for better quality and service. To add icing on the cake, three weeks ago I increased my appraisal fees by \$50 with this management company, due to the new FNMA forms and increasing gas prices. This was another

the gamble paid off...

gamble that paid off because the next order I received from them was for my new increased appraisal fee.

The thing that is ironic about this story is it transpired exactly how Baldy said it would, if we as a group of professional appraisers don't discount our fees, the appraisal management companies will begin paying full appraisal fees to professional appraisers, because the appraisers who are discounting their fees will end up costing these management companies more time and money in the long run.

Opinion provided by Bert of Alamance County....

Forum Survey:

Opinions on AMCs?

Opinions on Discounts?

Let us know how you feel...

New Forms Required by Freddie Mac and FHA starting 1-1-06

We have all had a month to get the new forms under our collective belts.

Now as we head into January, all the major players Fannie, Freddie, and FHA are going to want us to use these new forms. FHA and Freddie Mac come online January 1st, 2006. Freddie Mac will accept old forms or new forms up until January 1st, but after that only the new forms will be accepted.

Unlike Freddie Mac, FHA will not accept the new forms prior to January 1st. So until then we must keep doing the FHA reports on the new forms. And beginning January 1st, FHA is supposed to be revamping the FHA forms to no longer include the Old VC(Valuation Conditions) sheets, nor will it require the use of the NTH(Notice to Homebuyer). This should streamline the process for the


preparation of the FHA report, but it does not absolve the appraiser of any liability in the appraisal. Four forms total have been approved...

Check it out online if you need more information. The entire post from FHA is available online at ncpac.org on the appraisers' board under General Topics, Open Discussion.

Calendar For December



December 2005

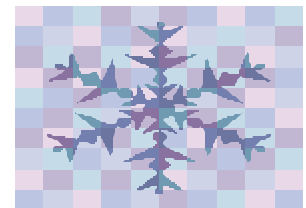
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13 NCAB meeting	14 NCAB meeting	15	16	17
18	19	20	21	22	23	24
25 	26	27	28	29	30	31

This Month:

13-14th -NCAB Meetings
25th -Christmas

Coming up next Month:

A new year 2006...



November NCAB Meeting Minutes by Andy Ledford

This past month's meeting of the North Carolina Appraisal Board was held on November 18th and 19th. Andy Ledford, current treasurer of NCPAC, attended this meeting and took the following minutes.

There were two hearings at the NCAB this month. The first hearing was for Mark J. McGinley and the second was for Eric M. Brown.

Because Mr. McGinley let his certification lapse, his hearing resulted in his right of renewal and his right to recertification being revoked.

Mr. Brown's hearing concerned some character issues, because of these issues the Board denied Mr. Brown's application to become a Registered Trainee.

There were four consent orders presented to the Board. The Board accepted the staff's recommendation for all four.

For more information, go to their NCAB website at this address: www.ncappraisalboard.org



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Our Contributors
Amanda Creek—Publisher
Bob Reeves- Editor
Andy Ledford- Minutes
Guest Contributors

Official Newsletter for the
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The Scope

Check us out online
www.ncpac.org



NP Organization

2005-2006 At-Large Board Members

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[Bob Reeves](#)

[Leonard Breedlove](#)

[Amanda Creek](#)

[Oscar Davis](#)

[Dale Smathers](#)

[Brian Weyeneth](#)

[Doug Winner](#)

Can you believe it?

Editorial by Amanda Creek

For me this holiday season has proved to be very special. I thought for sure our appraisal company was going to get a lull in appraisal work because 1) due to our increased fees for the new forms and 2) of the general confusion regarding the new forms. But thankfully, none of these things have happened.

For this I am very thankful. I thought for sure that lenders and borrowers would start complaining and then eventually silence, i.e. no phones, no faxes.

But in reality, we are busier than ever. Most of our lenders were pleased that we took the time to explain the forms to them. Most homeowners have been happy to see how much work is going into their appraisal to protect them.

For the lenders, we put copies of the new blank forms on our website for them to download. In short, not one single person, lender or homeowner, has complained or not ordered, and most are ordering away, business as usual.

Can you believe it? ...

But by no means has the transition been easy for appraisers, so far the only new form we have not done is the co-op. Thank goodness we took Darrell Hignite's class on the new forms! The lenders have so readily embraced all the new forms, that they are ordering them up like nothing happened. They basically said to us, "If that is the form you think I need, send it to me... If that is what it costs, send it to me..."



A holiday to remember...

We were caught so flatfooted thinking it would be slow, that I had to revamp my thinking just to keep up. Several times this week we have had to quote really high on stuff, just to not get the orders! Who would have thought that would happen?

My only hope is that other appraisers have had the same reaction. I hope you have a pile of appraisals on your desk waiting to be done. And I hope that this transition to the new forms has not been difficult for you...

May your holidays be merry, your health excellent, and your fax full of orders!

Please send comments or suggestions to me at amanda@ncpac.org

Let me know about those New Year's Resolutions...

Hello to 2006...