

# Massachusetts and Rhode Island Chapter Newsletter

December 2019



## UPCOMING EDUCATION

**General Income Part 1**  
February 13 – 16, 2019  
Woburn, MA

**2018/19 7 Hour National USPAP  
Update Course**  
February 27, 2019  
Warwick, RI

**2018/19 7 Hour National USPAP  
Update Course**  
March 13, 2019  
Woburn, MA

**General Income Part 2**  
March 20 – 23, 2019  
Woburn, MA

[Register Now](#)

## MEETINGS & EVENTS

**Economic Outlook and Real  
Estate Trends 2019  
And Winter Chapter Meeting**  
Tuesday, January 29, 2019  
@ the Connelly Center, 4<sup>th</sup> Floor  
Federal Reserve Boston  
600 Atlantic Ave, Boston, MA

## ONLINE EDUCATION

**Appraisal of Medical Office  
Buildings**

[Learn More](#)

## IN THIS ISSUE

- New Designated Members
- New AI Professionals
- LDAC 2018
- Region IV/National News
- Massachusetts Supreme Court Rules on Applicability of Appraiser Bias

## PRESIDENT'S MESSAGE

*By Bud Clarke, MAI, 2018 Chapter President*

As my year as President of the Massachusetts and Rhode Island Chapter of the Appraisal Institute comes to an end, I want to thank all those who volunteer their time to making the chapter the success that it is. The time and the effort it takes to serve on committees and boards is not overwhelming, but is a commitment. Not only do I thank those that have served and currently are serving, but I also encourage all those that are not currently serving the chapter to consider joining the team and making the chapter the best it can be.

Over the past year, what stands out the most to me is all the things I learned about the local chapter, regional operations, and the national organization as a whole. And while I learned much, there is still very much left that I do not know. Prior to serving in a leadership position, I had no idea what I did not know; at least now, I leave knowing what I do not know. To that end, I look forward to continuing to learn and serving as a volunteer to the chapter. I hope to leverage my knowledge to ensure the Appraisal Institute continues to serve its members, and the value of its designations continue to add value to the careers of all those who have achieved this goal.

Along those lines, I am happy to announce that in 2018, the Chapter had 13 newly designated members, including 7 MAI, 3 SRA, 2 AI-GRS, and 1 AI-RRS. Additionally, the Chapter had 8 new candidates and 5 new practicing affiliates join in 2018. As a result, the Massachusetts and Rhode Island Chapter now has a total of 388 designated members, candidates, and affiliates.

(cont'd on page 6)

The Massachusetts and Rhode Island Chapter was awarded the 2017  
Outstanding Newsletter Award for a medium sized Chapter at the



2018 Chapter Leadership Program which was held in October at the  
Palmer House in Chicago.

## 2018 OFFICERS & DIRECTORS

### President

Bud Clarke, MAI

### Vice President

Gregory T. Curtis, MAI

### Treasurer

George Demopoulos, SRA, AI-RRS

### Secretary

John R. Drew, MAI

### Immediate Past President

Karen Friel, MAI

## DIRECTORS

Gregory Accetta, MAI, AI-GRS

Christopher Bowler, MAI, SRA

Deborah Carlson

David L. Cary, MAI

Joseph P. Comperchio, MAI, SRA

Randell L. Harwood, MAI

Melanie Kosich, MAI

J. Michael Tarello, MAI

### Chair of the RI Branch Chapter

Bradford Hevenor, MAI

### Newsletter Committee

Contact the Chapter Office to learn more

### Chapter Office

[Lianne Andreucci](#)

Executive Director

51 Pleasant Street

PMB 164

Malden, MA 02148

781.397.8922

[Website](#)

### Stay Connected!



## RHODE ISLAND BRANCH CHAPTER CORNER

*Bradford Hevenor, MAI, 2018, RI Branch Chapter Chair*

An important part of preparing for the New Year ahead of us is reviewing the year we are leaving behind. The opportunity to reflect on the past and project forward is, of course, a meaningful exercise for appraisers in general, but particularly for Appraisal Institute members in Rhode Island, where securing the future has always involved a deep respect for our shared history coupled with an intrepid willingness to break from it when necessary. I was reminded of this at my first meeting as Chair of the Rhode Island Branch Chapter Advisory Board this year, when retiring member William McGovern, SRA presented the final Hope Scholarships to two of our emerging leaders. As I consider how we serve our members in Rhode Island and what our contribution to the larger Chapter and the Institute can be, I have come to appreciate our deeply-rooted tradition here of building strong bridges to the future.

2018 was an exciting year for the Branch. My focus as Chair was ensuring that our body of knowledge as appraiser practitioners in Rhode Island remains at the cutting edge. I was particularly proud of our successful event in April, when we welcomed Sandra Adomatis, SRA to present two half-day seminars on green construction and solar PV valuation at Rhode Island College. The event not only engaged and expanded the conversation about sustainability, energy efficiency, and renewable energy, but also advanced our outreach to other key stakeholder groups. We partnered with CLEAResult to host an educational session at National Grid's Energy Innovation Hub on the topic of building science and zero energy homes. The Branch Chapter also organized a timely program on commercial and residential solar valuation for our September Chapter meeting. Finally, AI's Valuation magazine featured a cover story on sea level rise and real estate values which was inspired by the work we did in Rhode Island for 2017's panel discussion on the real estate risks of climate change. As a profession, our future will be determined by how well we are able to anticipate and respond to coming challenges while remaining true to what makes us strong. I feel that this year's activities demonstrated not only a continuing forward-looking commitment to innovation and outside-the-box thinking, but also how appraisers' skills and expertise remain as relevant as ever.

While I have enjoyed leading the Branch Chapter, I owe a debt of gratitude to Chapter President Bud Clarke, MAI for being such a thoughtful and responsive leader throughout the year. I also recognize Advisory Board members, in particular Michael Lefrancois for his dedicated efforts in planning our September meeting. I am happy to report that the Branch Chapter is in good hands in 2019. I look forward to the leadership of the incoming Chair, Doug Gablinkse, SRA, AI-RRS, and hope all members do their part to support Doug next year. We are sure to have more great educational offerings, including the brand new seminar "Valuation by Comparison" – taught by Sandra Adomatis – which will be held in Warwick on April 5, 2019.

This year also happened to coincide with the tenth anniversary of my first volunteer service to the Institute, as a Director on the Board of the former Rhode Island Chapter. At the time, we counted 90 members among our ranks, owing a great deal to the volunteers who led the Chapter to that point. Today, we are a Branch Chapter with 57 members at last count, including 23 active designated members and over two dozen active candidates or affiliates. One bright spot is that Rhode Island members will be well-represented among Chapter officers and directors next year, but the success and progress of the Branch Chapter will hinge on all members doing their part to get involved, take part in the events of the year, and support both the Advisory Board and the larger Chapter. Six years ago, as part of our merger, we were given a Branch Chapter. To paraphrase Benjamin Franklin, it is ours, "if we can keep it." As to whether we can, I respond only with our state motto - "Hope."

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## WELCOME to the Massachusetts and Rhode Island Chapter!

The Chapter is pleased to welcome the following new AI Professionals to our Chapter! The real estate professionals listed below have chosen to become part of the Appraisal Institute and open the door to world-class education and networking opportunities. As rapidly as the profession is changing, appraisers today need to prepare for the future. But it's tough to keep up on your own. Appraisal Institute opens the door for you to share in the collective wisdom and experience of 25,000 individuals who are working together to build a stronger future for the profession.

**Douglas Gilbert, Duxbury, MA**

Practicing Affiliate

**Timothy Graham, Boston, MA**

Practicing Affiliate

**Susan Martins-Phipps, Warwick, RI**

Practicing Affiliate

**Margaret Mulhern, Westwood, MA**

Practicing Affiliate

**Julia Lee, South Orleans, MA**

Candidate for Designation

## CANDIDATES CORNER

*Robert Maloney, MAI and Jeff Klein, SRA – 2018 Candidates Guidance Co-Chairs*

2018 has been a tremendous year for the Massachusetts and Rhode Island Chapter in moving candidates through the Candidates for Designation Program – 5 new MAIs and 3 new SRAs have joined the ranks of designated AI members. Additionally, several designated members earned an additional designation, including one AI-RRS, two AI-GRS, and one SRA who earned the MAI designation.

The Candidates Guidance Committee, co-chaired in 2018 by Robert Maloney, MAI and Jeff Klein, SRA is available to assist candidates by facilitating networking amongst chapter candidates and providing timely information about the path to designation. Feel free to contact either Rob or Jeff with questions.

**Comprehensive Exam Prep** - For those nearing the homestretch in their path to designation, the Chapter wants to make you aware of Comprehensive Exam Prep material that has been developed by Gary DeWeese, MAI, an instructor for the Appraisal Institute for more than 20 years. Gary is offering his comprehensive exam prep material for sale. The cost is \$300 for the Income module, \$150 for the Sales module, \$150 for the Cost and Highest and Best use module and \$150 for the General module material. For those who purchase the first three modules, the General module is free. The material is electronically delivered the same day as ordered. For more information about the material, to read student reviews, and learn how to order go to [www.garydeweese.com](http://www.garydeweese.com) or contact Gary directly at [garydeweese@comcast.net](mailto:garydeweese@comcast.net) or 925-216-8751. The materials were developed by Gary DeWeese, MAI and are not sponsored or endorsed by the Appraisal Institute.

**Looking for Help in Preparing for the State Exam?** – The Appraisal Institute's test prep guide provides practice problems to help you pass your state licensing or certification examination. The focus of this test prep guide spans both residential and nonresidential topics, with an emphasis on appraisal basics. Access unlimited practice for every section of the test prep guide for up to a year! Completed practice questions and detailed discussions of the solution can be printed at the end of each chapter. This is an online practice resource and is not a formal educational program. An instructor is not available and continuing or qualifying education credit is not awarded for this program.

Using the 1,000+ real-world questions and answers provided, you can:

- Educate yourself on the concepts likely to be covered on the exam
- Understand the logic behind the testing and scoring processes
- Get study and test-taking tips to improve your chances of passing
- Prepare to meet and beat this career-making challenge

# BOARD OF REGISTRATION OF REAL ESTATE APPRAISERS in Massachusetts Begins the Process to Adopt New AQB criteria

On February 1, 2018, the AQB adopted changes to the Real Property Appraiser Qualification Criteria that went into effect on May 1, 2018. Individual states were given the choice to implement on or after May 1, 2018 or keep the current Criteria in place.

What does this mean for prospective appraisers, current trainees, and those who wish to upgrade their credential?

### The Changes

- The college coursework requirement was removed for the Licensed Residential Appraiser credential level.
- Alternatives have been created to the college degree requirement for the Certified Residential Appraiser credential.
- The number of required experience hours and the minimum time periods for the three credential levels were modified.
- It is no longer an AQB requirement that an applicant for a Licensed Residential Appraiser credential must complete any college coursework.
- The AQB has also created several alternatives for the bachelor's degree requirements for applicants for a Certified Residential Appraiser credential. These would include obtaining an associate's degree in a focused area of study (e.g., business, finance, accounting, economics, etc.), completing 30 college semester credit hours in specified topics, or successful completion of College Level Examination Program (CLEP) exams in specified topics.

### Commonwealth of Massachusetts

On October 18, 2018, the Massachusetts Board of Registration for Real Estate Appraisers took an initial step towards adopting the recent changes to the licensing criteria. Based on the Board's vote, the proposal is to adopt the new AQB criteria in its entirety. The Chapter's Government Relations Committee continues to monitor this issue and will provide updates when available.

### State of Rhode Island

The Rhode Island Department of Regulation Real Estate Appraiser Board has been reviewing the new criteria. The Chapter's Government Relations Committee continues to monitor this issue and will provide updates when available.

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## 2018 EDUCATION – SEMINARS

*By John R. Drew, MAI*

In 2018 the MA-RI Chapter continued to provide high-quality, if not a timely selection of course offerings. We were able to offer six seminars, including Solving Land Puzzles (2 offerings - 36 students), Appraiser as an Expert Witness (16 Students), Evaluating Commercial Leases (16 students), Supervisor/Trainee course (8 students), and Business Practices and Ethics (19 students). In addition to satisfying the general educational needs for 95 appraisers, we strive to provide offerings to assist those both entering the field of appraisal, as well as those more seasoned professionals looking to differentiate themselves by way of the AI Professional Development programs. We hope, as always that our 2018 schedule appealed to our memberships wide mix of interests.

The Seminars Committee has already begun preparation for our 2019 offerings. We have scheduled offering on wide variety of topic throughout the area, including: Case Studies in Residential Green Buildings (April 4th - Woburn, MA), Valuation by Comparison: Residential Analysis and Logic (April 5th - Warwick, RI), Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets (two-day Professional Development Program - April 24th – 25th - Woburn, MA). The Education Committee will continue to survey AI Nationals offerings for topical and interesting programs, including some of AI National's anticipated seminar releases such as Ignorance Isn't Bliss: Understanding an Investigation by a State Appraiser Regulatory Board or Agency, How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value, and Rural Valuation Basics. However, as the 2019 course schedule continues to come together, all Chapter AI Professionals should feel free to offer any home-grown programs and/or suggestions for consideration to the Education Committee. We hope to have the bulk of the schedule complete over the next few weeks.

Our current list of offerings can be found at: <http://www.myappraisalinstitute.org/education/Massachusetts/> .

## NEWLY DESIGNATED MEMBER PROFILES

The Massachusetts and Rhode Island Chapter Congratulates Our Newly Designated Members

### Karen Friel, MAI, AI-GRS



Karen Friel, MAI, Principal at Friel Valuation Advisors, LLC in Carlisle, MA was awarded the AI-GRS designation in March 2018. On May 23<sup>rd</sup>, she was presented with her AI-GRS certificate by Bud Clarke, MAI, 2018 President of the Massachusetts and Rhode Island Chapter of the Appraisal Institute at the Chapter's Spring Chapter meeting and CE event at Boston Landing in Brighton, MA.

Karen Friel has been closely aligned with the Appraisal Institute since the beginning of her career in the 1980's. The Appraisal Institute provided the education, credentials and professional network that has served her career to this day. She managed appraisal procurement and review for Bank of America and predecessor banks for nearly two decades, engaging and reviewing appraisals for properties ranging from community based business properties to some of the most prominent real estate in the U.S. She is an expert on the federal appraisal regulations, vendor management and in scoping real estate appraisals to reflect transactional risk. Her practice now focuses on valuation compliance for community banks and community development financial institutions.

Karen is licensed in 5 states. She holds a BA from the University of Virginia and an MBA from the University of North Carolina at Chapel Hill. She lives in Carlisle and Newburyport with her husband, Pat.

### Jeremiah Manfra, MAI



Jeremiah Manfra, Principal at G&J Manfra Real Estate Appraisals, Inc. in Peabody, MA was presented with his MAI certificate by Bud Clarke, MAI, 2018 President of the Massachusetts and Rhode Island Chapter of the Appraisal Institute on May 23<sup>rd</sup> at the Chapter's Spring Chapter meeting and CE event at Boston Landing in Brighton, MA.

Jeremiah "Jerry" Manfra is a graduate of Norwich University with a Bachelor of Science in Electrical Engineering and a Masters of Business Administration (MBA). After graduation from Norwich University in 1989, Mr. Manfra was commissioned in the US Navy in Naval Special Warfare. After graduation from BUD/S (Class 164), he served with SEAL Team 8. After his tour in the US Navy, while working in the high-tech fields of semi-conductor and data networking industries, he received his trainee license in 1999 and became a full-time real estate appraiser in 2002. He is licensed as a Certified General Real Estate Appraiser and specializes in income producing properties. Mr. Manfra is an adjunct staff at Salem State University and teaches various courses in the Department of Mathematics. Other experiences include engineering and management positions in the semi-conductor and data networking industries.

### NEWLY DESIGNATED MEMBER PROFILES

The Massachusetts and Rhode Island Chapter Congratulates Our Newly Designated Members

#### Vanessa Mann, MAI

Vanessa Mann, an appraiser at White Appraisal Company in Warwick, RI was awarded the Appraisal Institute's prestigious MAI membership designation, which is held by appraisers who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions. On June 22nd, she was presented with her MAI certificate by Bud Clarke, MAI, 2018 President of the Massachusetts and Rhode Island Chapter of the Appraisal Institute at the RI Branch Chapter of the Appraisal Institute's meeting at the National Grid Energy Hub in Providence, RI.

Ms. Mann has been an appraiser since 2002, after her graduation from college. Upon completion of the requirements for a trainee license, she began a career at White Appraisal Company, as both a residential and, ultimately, a commercial appraiser. White Appraisal Company is a mid-sized appraisal company, by Rhode Island's standards, and she has performed commercial and residential assignments in every community of Rhode Island. She became a Certified General Appraiser in 2008, and, since that time, has steadily progressed toward her ultimate goal of obtaining the MAI designation. Her appraisal education journey has taken her to multiple states, and through numerous courses offered by the Appraisal Institute. She completed the Capstone Program last Fall in Washington, DC, and in the beginning of this year, successfully completed all of the modules of the comprehensive exam.

She is a Coventry High School graduate, as well as a graduate of Rhode Island College, with a major in Chemistry. She resides in Western Coventry, with her husband, Corey, and their three children, with a fourth child expected this Fall.



#### **President's Message** *(from page 1)*

In 2018 The Massachusetts and Rhode Island Chapter was awarded best newsletter for a medium size chapter at this year's Chapter Leadership Program in Chicago. The chapter also continues to be one of the leading chapters in the country for providing timely and valuable educational opportunities. In 2018 the Chapter provided 31 program and educational offerings including a joint New England Appraisers Expo held in partnership with the MBREA, which had a record number of attendees.

At the National level, the Region structure, which primarily provides opportunities for enhanced leadership development and service to the Appraisal Institute, is being reviewed. There are currently proposals to add two at-large directors to the Board of Directors and to consolidate the Regions from ten to seven. If this proposal survives, it will be presented to Membership for feedback and comments. The target for exposure to membership is early January 2019.

Additionally, the Chapter Financial Management and Administrative Policy (CFMAP) was approved by a motion to fully implement the policy for all chapters by December 31, 2020. This will be completed in staggered terms of 4-7 chapters at a time. Leadership at the local level has followed this discussion very closely over the past two years and we will now need to consider this latest motion over the next several months, and its implications for the chapter.

Overall, it has been a very busy and productive year. I am very grateful for the opportunity to have served the Chapter and look at the future of the organization as a whole with much optimism. While my role will be diminished, I fully intend to remain an active member and continue to volunteer my time while we continue to transition leadership roles to the next generation of appraisers.

## APPRAISAL INSTITUTE NEWS – National and Region Update

### National News

**AI Unveils Property Use Classification System** - As you might've seen, the Appraisal Institute on Sept. 11 unveiled an information system that classifies and describes property uses and assists real estate analysts and others with their property use data storage and analysis. AI's Property Use Classification System, known as PUCS, can assist appraisers, appraisal firms, data companies and vendors to the valuation profession and the real estate industry sort or organize real estate property information. [Learn more](#) and see how PUCS can help your business.

**Appraisal Institute Joins 17 Groups Opposing Credit Union Administration's Proposed Action** - The nation's largest professional association of real estate appraisers joined 17 other organizations Monday in saying it "strongly opposed" the National Credit Union Administration's plan to reduce the number of non-residential real estate loans requiring appraisals. The Appraisal Institute said it opposed the NCUA's proposal to quadruple – from \$250,000 to \$1 million – the appraisal threshold for non-residential real estate loans. The appraisal threshold is the loan amount below which appraisals are not required. Increasing the threshold would drastically increase the number of non-residential real estate loans that would not require an appraisal. Saying it was "deeply concerned," the Appraisal Institute's letter cautioned the NCUA that its proposal could recreate conditions that led to the housing market meltdown of the late 2000s. "The proposed rule is written purely through the lens of regulatory relief – not safety and soundness. It ignores the fact that the United States suffered through a financial crisis less than a decade ago," the letter said. "If anything, the current market conditions beg for heightened due diligence by regulated institutions today – not a loosening of a fundamental risk management activity." [Read the letter here.](#)

**Last Chance to Submit Proposals for 2019 Annual Conference** - Interested in presenting at the Appraisal Institute's 2019 Annual Conference? The proposal submission deadline is almost here! The Appraisal Institute is seeking proposals by 5 p.m. CST Dec. 3 for presentations at its 2019 Annual Conference, July 22-24, in Denver. The conference theme is "Climbing Even Higher."

### Regional News

**Regional Members Attend Two In-person Meetings** - On **July 29th**, Chapter President Bud Clarke, MAI along with regional reps George Demopoulos, SRA, AI-RRS, Joseph Comperchio, MAI, SRA and Ryan Christman, MAI met with representatives of other Region IV Chapters in Nashville, TN to discuss important issues affecting the future of the Appraisal Institute. Chapters were provided an update about the Chapter Financial Management Policy (CFMAP) by AI CFO, Beata Swatcha. Since CFMAP was adopted by the AI Board of Directors in November 2016 and launched in October 2017, a total of 24 Appraisal Institute chapters have transitioned to the program, with seven more scheduled to transition in future months. Feedback from those chapters continues to drive processes, systems and approach. The program includes participation from chapters in all 10 of AI's regions, with future launches scheduled for November 2018 and January 2019. Staging implementation in small groups – five chapters at a time – has allowed for adequate support from the National office and availability of resources. The Massachusetts and Rhode Island Chapter's Board of Directors continues to monitor this issue. Also discussed was the Governance Structure Project Team. During the joint regional meeting, participants were given the opportunity to share their opinions which ranged from keeping the current regional structure to reducing the number of Regions.

Region IV voted to participate in a joint Regional Meeting in Denver in July 2019. Representatives also voted to charge designated members regional dues in 2019. On a follow-up conference call on September 13th, Regional representatives voted \$30 Region dues for 2019. Monies collected will be used to allow subsidy reimbursement to chapters for attendance at the joint regional meeting in Denver, CO.

On **November 3rd**, Chapter President Bud Clarke, MAI, along with regional reps George Demopoulos, SRA, AI-RRS, Joseph Comperchio, MAI, SRA, Gregory Curtis, MAI, and Mike Tarello, MAI met with representatives of other Region IV representatives in Portland, ME. Representatives were told that the National BOD will be voting on a motion to provide a date for full implantation of CFMAP as well as a motion to restructure regions. There was a lively discussion of both topics.

**Follow-up: At its meetings on November 15th, the National Board of Directors voted for full implantation of CFMAP by all chapters by 12/31/2020. Additionally, the motions regarding Regions were pulled. These motions will be revised with the concept plan in the reduction in the number of regions then presented to members for feedback.**

# Leadership Development and Advisory Council 2018

By Bradford Hevenor, MAI, 2<sup>ND</sup> Year Participant

Each year, around 100 valuation professionals around the country are selected to participate in the Appraisal Institute's Leadership Development and Advisory Council (LDAC) in Washington, DC. This year, attendees at the three-day conference held from May 16 – 18 advocated for the appraisal profession on Capitol Hill, urging congressional support for appraisal regulatory relief and lobbying lawmakers on several key pieces of legislation. In addition, participants received updates from Appraisal Institute leadership and took part in facilitated discussion forums devoted to the formulation of solutions to challenges faced by the appraisal profession.

The Massachusetts and Rhode Island Chapter Board of Directors selected three chapter professionals to participate in LDAC 2018. These included third year participant, Deborah Carlson, a Candidate for Designation and Appraisal Manager at Needham Bank, second year participant Brad Hevenor, MAI, a review appraiser and Chair of the Rhode Island Branch Advisory Board, and Susan Kelly, SRA, owner and CEO of Appraisal Solutions based in Lincoln, RI. Deb, Brad, and Sue were sponsored by the Massachusetts and Rhode Island Chapter, as well as the John D. Hewitt Memorial Scholarship fund

Since its inception in 1969, LDAC has served a valuable leadership development function for the Appraisal Institute. Through a series of roundtable discussions, LDAC provides a forum where new ideas on topics of concern can be exchanged. Through these discussion forums, participants are asked to take a forward-looking view of the appraisal profession and the organization in order to anticipate and advance new programming ideas and initiatives. This year the following topics were explored under the guidance of discussion leaders who were prior LDAC participants: "Grow the Tent/Residential Outreach," "Where are the Best Opportunities for Appraisers in the Future?" "Build and Expand the Professional Community," and "Growing Outside the Box." LDAC participants represented a particularly broad and talented spectrum of AI membership, including residential and commercial appraisers, designated members and candidates, current Chapter and Regional leaders and emerging associates, and valuation professionals from all manner of appraisal practice including appraisal review. The conference also benefited from its geographic diversity, with attendees from all corners of the country, including Hawaii and Puerto Rico. As a result, discussion during these forums was lively, vigorous, and wide-ranging.

LDAC emphasizes the importance of being actively involved in the political process by establishing an appraiser presence on Capitol Hill. This year, participants spoke with lawmakers and staff about three specific pieces of legislation introduced this session, including the recently passed regulatory overhaul (S. 2155) which provides an allowance from appraisal requirements with loans held in portfolio in rural areas if lenders are unsuccessful in placing an appraisal assignment with appraisers on their approved appraiser list. AI professionals also lobbied lawmakers on reforming the overall appraisal regulatory structure instead of establishing exemptions. This would alleviate appraisal shortage concerns by making the valuation profession more efficient and attractive to prospective appraisers while mitigating a buildup of risk in the financial system. Sue Kelly and Brad Hevenor were warmly received at meetings with the Rhode Island delegation, including Sen. Jack Reed, Sen. Sheldon Whitehouse, and Rep. James Langevin. Deb Carlson represented Massachusetts members at meetings with staff in several congressional offices.

All in all, the Appraisal Institute's Executive Committee and Board of Directors clearly stand to benefit from the fresh and creative ideas – as well as some constructive criticism – that was delivered during the conference. As the Institute reforms its governance structure, LDAC is likely to play an even more significant role in the future as a source of leadership and ideas to chapters, committees, and national leadership. Deb, Brad, and Sue made the most of the opportunity to network with national leadership, as well as some of the best and the brightest individuals involved in the profession. These Chapter attendees come back with a renewed focus on building and growing our Chapter and furthering our common goals in the appraisal profession.

***The Leadership Development & Advisory Council strives to foster creative thought from talented individuals involved in the real estate appraisal profession while developing the future leaders of the Appraisal Institute. LDAC also establishes an "appraiser-presence" in Congress and demonstrates that the Appraisal Institute is made up of professionals who recognize the importance of being actively involved in the political process. Each year, the Massachusetts and Rhode Island Chapter sponsors up to three participants. Interested in attending this exciting conference? Contact Greg Curtis, MAI, 2019 Chapter President.***



# Massachusetts Supreme Court Rules on Applicability of Appraiser Bias

The Massachusetts Supreme Judicial Court on Nov. 26 [ruled](#) that the prohibition on appraiser bias contained in the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute's Code of Ethics and Certification Standard, or the appearance of bias, applies only to individuals and not to an appraiser's employer.

The case is [Buffalo-Water 1, LLC v. Fidelity Real Estate Company, LLC \(SJC 12487\) \(Nov. 26, 2018\)](#).

The Court's ruling is consistent with the position advanced in the [amici curiae brief](#) submitted by the Appraisal Institute and the Massachusetts Board of Real Estate Appraisers. At stake was the ability of appraisers who perform services in Massachusetts to engage in the valuation of properties when the appraisers' employers provide other services, such as brokerage, leasing and asset management.

The case stems from the attempted repurchase of a commercial property in Boston by Fidelity Real Estate Company, LLC, from Buffalo-Water I, LLC, a subsidiary of a national real estate company. Fidelity sold the property to Buffalo-Water in 2004, but leased back the building and maintained an option to repurchase it during the final year of its lease. In 2016, Fidelity exercised its right to repurchase the property.

Fidelity and Buffalo-Water were unable to agree upon the purchase price, and each party retained an appraiser who held the MAI designation from the Appraisal Institute and had at least a decade of experience valuing Boston commercial properties, as required in the option agreement. Since the parties' own appraisals differed by more than 5 percent, they were required to retain a third, independent appraiser with the MAI designation to establish the property's fair market value. The parties agreed to engage Cushman & Wakefield and outlined terms of the appraisal services in an engagement agreement signed by the parties and the Cushman appraiser selected to perform the appraisal. Compliance with both USPAP and the AI Code of Ethics and Certification Standard was required because the appraisal was performed by a state-certified appraiser holding the MAI designation. [Read more here.](#)

### NEW MEMBER BENEFIT



Underwrite your next direct-cap or DCF appraisal with FUEL, a state of the art cloud-based platform powering the next generation of valuation, forecasting, and transactions for CRE. With FUEL, access is instant by any internet connected device.

Appraisers can quickly create direct-cap and DCF with 100% assurance on calculations. There is nothing to install. Anyone can share models with the click of a button. Recipients don't need a licensed copy of FUEL to access the models. Users can even work together on the same models at the same time. Calculations are instantaneous and accurate. And, FUEL is as beautiful as it is powerful thanks to its intuitive, industry-driven design.

Learn more about [FUEL](#)

[Sign-up here](#) for your free 30-day trial and discounted \$99/month AI rate (regularly \$149/month).

Log-in Required

### 2018 CHAPTER SPONSORS

Thank You to the following companies who are participating in our Chapter Sponsorship program.



Their support of the Massachusetts and Rhode Island Chapter of the Appraisal Institute is recognized and appreciated.

We are NOW taking accepting sponsorships for 2018. Contact Lianne at the Chapter office for more information at 781.397.8922.

Learn about the Sponsorship Program [here](#).

## 2019 EDUCATION SCHEDULE

<u>Qualifying Education (QE)</u>	<u>Location</u>	<u>Date(s) of Offering</u>	<u>Instructor(s)</u>
Gen. Income Part 1	Courtyard by Marriott Woburn	Feb 13 - 16	Bowler
Gen. Income Part 2	Courtyard by Marriott Woburn	March 20 - 23	Bowler
Basic Appraisal Principles	Hyatt Place Braintree	May 15 - 18	Elliott/Comperchio
Basis Appraisal Procedures	Hyatt Place Braintree	June 19 - 22	Elliott/Comperchio
RE Finance. Valuation and Stats	Courtyard by Marriott Woburn	June 13 - 14	Dowling
Gen. Mkt Analysis and HBU	Courtyard by Marriott Woburn	July 17 - 20	Bowler
General Appraiser Sales Comparison	Courtyard by Marriott Woburn	Sept 18 - 21	Bowler
General Appraiser Site Valuation & Cost Approach	Courtyard by Marriott Woburn	Oct 23 - 26	Bowler
General Appraiser Report Writing and Case Studies	Courtyard by Marriott Woburn	TBD	Smeltzer
<b><u>Advanced Education (AE)</u></b>			
Advanced Market Analysis and HBU	Courtyard by Marriott	August 20 - 25	Dowling
<b><u>USPAP</u></b>			
7 Hour USPAP RI	Wyndham Warwick	February 27	Accetta
7 Hour USPAP MA	Courtyard by Marriott	March 13	Avery
15 Hour USPAP	Hyatt Place Braintree	June 7 - 8	Elliott
7 Hour USPAP MA	Courtyard by Marriott	September 24	Elliott
7 Hour USPAP - RI	Wyndham Warwick	October 17	Accetta
7 Hour USPAP - MA	Courtyard by Marriott	December 5	Avery
7 Hour USPAP - MA	Wyndham Warwick	December 6	Accetta
<b><u>Continuing Education (CE)</u></b>			
Case Studies in Residential Green Buildings	MA	April	
Valuation by Comparison	RI	April	
Ignorance Isn't Bliss: Understanding an Investigation by a State Appraiser Regulatory Board or Agency		April	
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets	Courtyard by Marriott Woburn	May	
Business Practices and Ethics	Courtyard by Marriott Woburn	September 10	Avery
Supervisor Trainee	Courtyard by Marriott Woburn	September 26	Avery

This is a partial schedule and will be updated throughout the year