

AARO NEWS

ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

Winter 2006-07

President's Report

Philip W. Humphries

Dear Friends,

I want to thank you for the confidence you have expressed by electing me as president for this year. I pledge to you that I will work with the other officers and committees to carry out our mission.

The year 2006 was a very successful year under the leadership of Larry Disney, and the Association accomplished many acts to help the appraisal profession in the future. We had two very well attended meetings in San Antonio and Washington with outstanding programs of education and training. Larry and other members attended many

meetings and conferences to represent the Association which was a tremendous boost in spreading our name and mission around the country.

AARO is the organization that if we work together will bond us together to meet the many challenges we are facing and will encounter in the future. The appraisal profession is under fire from many organizations and political leaders due to the record high number of foreclosure and fraud cases in the United States. As an Association we must promote an effective and strong regulatory presence and program in every state and jurisdiction. If we do not

maintain public trust and confidence from individual consumers and appraisers then we will come under extreme pressure for the regulatory process as currently structured to be drastically changed.

AARO is the only organization established to represent and promote regulatory officials across this great nation. In my opinion the system of regulation created by Title XI is not broken but does have some weaknesses that need to be addressed. We have jurisdictions that are struggling to carry out their mission to protect the public and it is my hope that AARO can help

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AARO Spring Conference

Welcome to St. Petersburg, Florida!!

The Florida Real Estate Appraisal Board is proud to welcome the Association of Appraiser Regulatory Officials to Florida. Since the Sunshine City is our meeting site and my hometown, I am delighted to tell you a bit

about St. Petersburg, what to expect and where to spend your time during your visit.

Located on the west coast of Florida, we are situated on the Pinellas County penin-

By Francois Gregoire

sula between Tampa Bay and the Gulf of Mexico. The only land connection is to the north. You may fly in to St. Petersburg-Clearwater International Airport (PIE), north of the Downtown

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WOW! Where Did the Year GO?

By: Larry Disney

As I stated at the AARO fall conference during my closing remarks as the association's 2005-2006 President, "It seemed as if only a blink of the eye had taken place since I accepted the position of President during the 2005 fall conference."

There was so much I had planned for AARO and for the professional appraiser regulatory officials when I accepted the position that I was unable to do. At the end of the year it seemed I had completed only a very minus-

cule percentage of what I had intended to do.

The purpose of this message to the membership and readers is to convey what I was able to achieve, what I observed, and my thought of the current status of the Association of Appraiser Regulatory Officials in the hierarchy of appraiser regulation.

The first thing I discovered, and rather quickly, we are made up of jurisdictions and not the individuals from those jurisdictions. So, rather

than acting on anyone's behalf or speaking for any specific state or territory, the President generally acts and speaks on behalf of the association leadership.

One of my priority objectives was to concentrate on making AARO more widely recognized and foster a cooperative spirit by working with other groups, agencies and individuals within the regulatory groups and the appraisal profession.

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AARO 2006
Fall Conference

Disparities in wealth and in the distance of evacuees from their ruined houses are dictating, in many cases, which neighborhoods will be part of New Orleans's future and which will be consigned to its history.



Katrina Disaster Photo

Post-Katrina New Orleans: A City and a Region Re-defined

Before Hurricane Katrina, the city of New Orleans was home to 462,269 people. A tourist mecca, the historic Big Easy boasted of its fabulous French Quarter, Mardi Gras, delectable food, an amazing musical history and centuries-old architecture—all adding spice to the gumbo that had as its base the diverse cultures of the people who called it home. The heart of a broader market area, the city was often the destination of choice for 1.3 million area residents for entertainment, shopping, medical care and other services. The surrounding communities drew much of their identity from their relationship to the city.

Today, the distinctive attractions remain in New Orleans, but many of the people, their homes and their jobs are no longer there. The city's popula-

tion at the end of 2005 is estimated at 134,400, and a considerable number of commercial establishments were either destroyed or have left. Vast parts of the city still reflect its devastation. Persons in the surrounding areas no longer look to the city for goods and services as they once had.

The present scenario in most—but not all—of the outlying area is significantly different. Population, new home construction and new businesses have all mushroomed as the exodus from the city brings new prosperity from Katrina's devastation—together with its accompanying challenges. The I-12 interstate spur that connects the Mississippi Gulf Coast to Baton Rouge, Louisiana, the state capital, is on track to become the base of popula-

tion density for a flourishing region whose identity is far less dependent on the city.

August 29, 2005 will be the date from which all future analyses of the city and the greater New Orleans region may mark their beginnings and endings. Pre-Katrina demographic analysis, economic base analysis and generally accepted axioms regarding the region are for the most part no longer pertinent and stand only as points of reference.

In reality, this is a "tale of two cities"—or of one city and the remainder of the broader region that surrounds it—in which it is the best of times and the worst of times. The effects of Katrina and the ensuing 18 months on the city and other parts of the

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WOW! Where Did the Year GO?

In meeting that priority I, or a member of the AARO leadership team, attended every ASB and AQB meeting of the Appraisal Foundation. The Appraisal Foundation recognized AARO as a member of the Education Council of the Appraisal Foundation Sponsors (ECAFS). Also, the Appraisal Foundation continued to have a representative sitting on The Appraisal Foundation Advisory Council.



Other meetings which I attended on behalf of AARO were the Illinois Coalition of Appraiser Professionals, the Chicago Land Area Chapter of the National Association of Independent Appraisers, the Valuation 2006 conference in San Antonio, Texas, the Appraisal Institute 2006 Summit in Washington, DC, the HUD Stop Mortgage Fraud Symposium in Savannah, Georgia, and AARO was also asked to participate in the panel presentation at the Appraisal Foundation's Mortgage Fraud Symposium in Washington, DC.

The Appraisal Foundation recognized AARO by asking a representative to participate in the Course Implementa-

tion Task Force along with representatives of the Appraisal Foundation to advise the regulatory agencies, educators and others in implementing the 2008 Education Criteria, and other changes that must be in place for appraiser regulation no later than January 1, 2008.

All of the above meetings and conferences have, hopefully, assisted in letting others 1) know that AARO exists, 2) what the mission of AARO is, and 3) what we can do as an organization to assist appraiser regulatory agencies across the nation in having a more effective and successful appraiser regulatory enforcement program.

My second priority was to carry out the mission of providing education to appraiser regulatory agencies and the individuals within those agencies. I am pleased to report that through the efforts of the AARO leadership, and a committee of many individuals, AARO is the only agency or organization that, I personally have knowledge of, is active in developing, perfecting, and offering an investigation program for real property appraiser enforcement agencies.



The investigator training has been successful beyond our greatest expectations. It is my hope that in the coming years the leadership will work

towards developing training sessions for appraiser regulatory Board members, attorneys, and staff. The dream would be to have a complete training and education core curriculum that would lead to a professional recognition certification for appraiser regulatory officials. This certainly can, and should become a reality, because today there is no such program available.



Also, I believe that AARO should work diligently toward developing an education approval program that will be a corollary to the AQB Course Approval Program. This type program would be especially beneficial for those states and territories that either cannot or will not, for whatever reason, abdicate all qualifying education course approval to the AQB Course Approval Program. The program could serve as the clearing house for qualifying education courses that are approved by member states and territories.

The association must continually strive to encourage the leadership of states and territories to commit and provide the resources, funding and assistance to the appraiser regulatory agencies sufficient for them to operate an effective appraiser enforcement agency. In the near future we will all be put under the microscope to evaluate our effectiveness in combating the massive abuses

It was my great pleasure and honor to have served you as President of AARO. I thank everyone for the support and assistance during my year of service, and I am appreciative for having been given that honor and privilege.

In closing, I urge all of you to push as hard as you possibly can for the most effective heights you can achieve within your agency. Push your AARO leadership and demand effective leadership. We can no longer simply meet the minimum and expect it to be the best we can do. We must demand more from ourselves and our agency. Only you can make your state appraiser agency more effective and proactive.



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AARO Spring Conference

Hilton meeting Hotel, and not see a bridge on the way to town. If you fly in to Tampa International Airport (TPA), take one of the three bridges across Tampa Bay into St. Petersburg. From downtown, to head to Bradenton or Sarasota to the south, take the world famous Sunshine Skyway Bridge (Interstate 275) across the mouth of Tampa Bay. The Interstate feeders to downtown are Interstates 175 and 375, which branch off of 275. Take Interstate 175 straight to the Hilton St. Petersburg Bayfront (333 1st Street South, 727-894-5000) AARO Meeting Site.



The Bayfront Hilton is located at the southern edge of downtown, just across from Progress Energy Park (minor league baseball), Demens Landing Park and the South Yacht Basin. Within three blocks of the hotel you will find Pioneer Park, the southernmost of several miles of landscaped parks along the waterfront of Tampa Bay.



From sports bars by Tropicana Field, jazz bars on Central Avenue and nonstop entertainment at BayWalk, St. Petersburg really comes alive after dark. You may dine at one of varied downtown restaurants, followed by live music and entertainment at a number of venues. The newest entertainment spot, BayWalk/Muvico 20, offers a 20-screen cinema with stadium seating, designer retail shops and theme dining establishments. BayWalk also includes martini and daiquiri bars. Within walking distance of the hotel you will find sushi, oyster bars, a wine tasting venue, cigar bars and plenty of restaurants with outside and sidewalk seating.

Each and every first Friday of the month, part of Central Avenue is closed off for First Friday. This is a monthly street party



with live jazz or rock music, plenty of food and beverages. It just so happens, this will be the night of the AQB meeting, May 4th, is located just four blocks from the hotel and it's FREE!

On Saturday, May 5th, if you're not attending committee meetings, take a walk to Central Avenue between 1st and 2nd Street for the Saturday Morning Market. From 9:00 until 2:00, the downtown hosts a European-style open air market featuring fresh produce, prepared foods, gourmet baked goods, greenery, handcrafted house wares and gifts. You'll find work by local artists, live music and more.



The Tampa Bay Blues Fest will be going on May 4 – 6 at Vinoy Park – Bayshore Drive and 5th Avenue NE (one of the downtown waterfront parks). Listen to the internationally recognized blues sound of musicians from around the country. Food and activities are offered. The cost is \$25 daily or \$60 for a three day pass.

The Tampa Bay Devil Rays will be playing Minnesota on May 3rd and Oakland May 4-6. Tropicana Field, the home of the Devil Rays, is just about one mile west of the hotel. You can't miss the big dome on the way in to town.

The world's most comprehensive collection of Salvador Dali's surrealist art works is housed at St. Petersburg's world-class Salvador Dali Museum, downtown on Bayboro Harbor just about a half mile from the hotel.

Downtown St. Pete has nearly everything, but no real beach. However, three of the Top 20 beaches in the United States are in Pinellas County. From St. Petersburg, the closest and most pristine is Fort DeSoto, a 900-acre county preserve consisting of five islands, seven miles of undeveloped beaches, a camp ground, boat ramps, fishing piers, paved fitness trails and a historic fort. Nine miles due west of downtown, you'll find the white sands of St. Petersburg's 500-foot Gulf-front municipal beach on Treasure Island. It's certified annually by the National Clean Beaches Council as an outstanding environmentally-friendly "Blue Wave" beach.



We are confident there will be plenty to do during your visit to the Sunshine City of the Sunshine State. In fact, it will be best if you plan your trip to arrive early or stay late to make sure you spend some time attending the AARO programs we have planned for



you.

Watch the AARO website (<http://www.aaro.net>) for links to other hotels, bed and breakfasts, dining establishments, interactive maps, events and more. We want to make sure you are treated right.



President's Report

in as many cases as possible. We have already become a member of a group consisting of the governmental affairs

officials of the major appraisal trade organizations to try to educate the state policy makers and governors on the responsibility of each jurisdiction under Title XI. This group is in the discussion stage of drafting letters and other communications to state leaders in an attempt to have adequate funding for each jurisdiction to run an effective and compliant regulatory program. I endorse that we work together with trade organizations to help publicize the need for strong and accountable regulation. I realize our mandate as regulatory boards and commissions is to protect the public and not represent appraisers but we must in my opinion work with those that we regulate to have a successful program.

Under the leadership of Brenda Kindred-Kipling, Jim Martin and Larry Disney we have come a long way in establishing a professional and mutually respected working relationship with the Foundation, ASB, AQB and the Appraisal Subcommittee. While I will always stand up for individual State rights, it is a very healthy relationship when we can all work together to accomplish our goals and responsibilities as regulators. I will continue to promote this excellent relationship that has been established and

keep our Association on the high road in our working relationships with everyone involved in appraisal regulation.

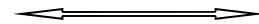
I want to welcome our new member jurisdictions and also those who have become active members again after a period of being inactive. We have missed you and look forward to your participation within the Association. Our membership has grown over the last few years and this is a reflection that we are providing quality programs of education and training. I want to encourage everyone to become involved in the Association and in an attempt to accomplish this goal I have appointed new and larger committees with greater representation from more states. I challenge you and will assist you to get involved, as we must develop new leadership for the future success of the Association. Please go to our outstanding website developed and managed by Dennis Badger at <http://www.AARO.net> to review the committee appointments. Every Board member, staff member, agency employee, friend and sponsor of AARO is very important to us and AARO needs your involvement, support and expertise.

We are in a very serious business as the appraisal profession is critical to the success or failure of the financial economy of our country. Without minimum qualification for licensure, standards for performance and regulation to enforce these items can you imagine what would be taking place in our nation? AARO is the

only national organization of regulatory officials to come together on a volunteer basis to work together to promote a strong regulatory presence in each state and jurisdiction.

We have two national meetings scheduled for this year with the first being in St. Petersburg, Florida in May and the second in Washington, DC in October. Work has already begun on planning the programs with pertinent "need to know items" on the agenda and training for everyone. Your officers and leadership will be attending many other meetings around the nation to represent the Association and have a voice in what is taking place in regulation. I encourage you to attend the two meetings to obtain and share information on how other states are experiencing the most significant change to USPAP in 13 years with the elimination of the Departure Rule and the most significant change in AQB requirements with the change in required qualifying education that becomes effective at the end of the year.

During the course of this year please do not hesitate to contact me or any officer of the Association with your concerns or ideas. We have agreed to serve in these positions and have taken an oath to represent the best interest of the Association to the best of our abilities. Remember, you are important, and working together we can and will make a positive difference in the business of regulation in this great nation



Tentative Spring 2007 Conference Program

By Bob Keith

The program for AARO's spring 2007 conference in St. Petersburg, Florida will focus primarily on various aspects of implementation of the AQB's mandatory 2008 Real Property Appraiser Qualification (education) Criteria. Secondly, the conference program will address how to identify and prevent mortgage fraud and appraiser identity theft. The Appraisal Subcommittee and the Appraisal Standards Board will be on the program to give updates relevant to appraisal regulation and USPAP.

Appraiser Qualifications Board (AQB) Chair, Sandy Guilfoil, will speak on the AQB Course Approval Program (CAP) and how it might benefit state appraiser regulatory agencies in their course approval process. Ms. Guilfoil will also provide valuable information about the new (post 2008) state appraiser examinations: what the exam is like, how states can use it, the "context specific" nature of the exam, and what type of questions are used. Sandy will also address the issue of acceptance of mass

appraisal (typically ad valorem) experience and what constitutes acceptable documentation of mass appraisal experience.

The conference will also feature two panel discussions. One will be comprised of state appraiser regulators from three states and will feature three methods of appraiser education course approval, from simple to more complex approaches. The other panel discussion will be comprised of representatives

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Post-Katrina New Orleans

focused primarily on New Orleans proper region cannot be understood except by viewing them as two separate entities. What is true of one is not necessarily true of the other.



THE CITY

New Orleans probably has more potential now than at any time since its inception. Billions of dollars are *supposed* to be flowing into the city for reconstruction. Many are sure that much, but not all, of the promised funds will materialize, which will be a boon to the restoration process.

The real estate market

There are concerns in most quarters, however, that New Orleans—and its real estate market—will fail to live up to the potential, as the real estate market is a function of government's level of effectiveness, the economics of a particular place, and people's actions and expectations. Many issues were in place before Katrina: a poor public school system led by a school board rife with corruption that allowed most physical plants to severely deteriorate; acceptance of high crime in poorer neighborhoods where improperly educated people had severely limited economic options; an ineffectual and corrupt city government that hampered coordinated growth and master planning within the city; inadequate planning for major hurricanes; and, of course, unbeknownst to the majority of the populace, an ineffective levee system.

The government remains unable to take any form of leadership, even 1½ years after the storm, with no prospects of change. Local, state and federal government interactions have led to a confused response from the public sector. The private sector is grappling with increased construction costs, property insurance issues that are making property and business insurance either cost prohibitive or unobtainable, and an appallingly slow response on definitive redevelopment plans from both private and public sectors. This results in a real estate market driven by the composite of individual property owners' situations and decisions, rather than on a concerted plan affected by government as was speedily accomplished in Pensacola after Ivan. Recovery appears to be solely dependent upon the willingness of individual citizens to move back, fix up their properties or buy undamaged ones in the area, and live and work here.

Knowledgeable prognosticators consider that the overall real estate market in New Orleans and many southshore suburban suburbs will decline in 2007. It is also considered possible that this slippage of prices and absorption will bleed into 2008. Others consider the extended future of the city to be a much brighter one, however. While some of the former residential neighborhoods will be vacant or much less densely populated, many areas will thrive. Housing stock will be new and improved and new segments of business will arise. The potential is phenomenal. Some of that promise will be realized over the long term. The question left to be answered is how much and when.

Crime

The biggest obstacle to recovery in the city right now is crime. Many criminals are back, no longer limiting themselves to their former neighborhoods. What members of the larger population accepted in poorer neighborhoods is not accepted within their own. Violent crime, headed by murder, is higher per capita now than in any of the recent decades. The lasting perception that life in the city is unsafe is disastrous to the real estate market. Citizen anger at the lack of response to the murder rate by the city government resulted in a march on City Hall in mid-January. The government now appears to be changing its processes throughout the judicial system. Time will tell if the proposed measures will bring about the de-

sired reduction in crime.

Tourism and convention industries

The negative national media attention highlighting the city's problems from crime to the drinking water has hindered the rebirth of the tourism and convention industries. Unlike 9/11, which had only a short-term impact on tourism, Katrina may well have a lasting effect in the face the negative perceptions and increased competition.

Levee protection

The jury is still out as to the Corps of Engineers' credibility in their claims that they will restore and improve the levee protection for the city and environs. Efforts are being made to create a separate organization—not government related—to check on the Corps' progress and report thereon. As long as the status of levee protection remains uncertain, this will have a negative impact on recovery.

Education

Headway is being made in some public schools that have moved from the control of the school board to charter status. That is a ray of hope for the dreams of having an educated, employable workforce in the future.

Insurance

Of immediate concern to property owners is the dramatic upswing in property insurance of all types. While homeowners are feeling the pinch of 2006 premium increases that range from 5 percent to more than 50 percent, it is the commercial property owners who have been hardest hit, most seeing premium increases well in excess of 100 percent, often many multiples thereof. It is hoped that these costs will come down in a few years; much will depend on the state insurance commissioner's efforts, as well as unknowns such as future hurricanes.

Strong family ties

One intangible will support recovery. New Orleans, perhaps more than many modern cities, is one of extended families with roots running deep in the community. For many, the question is not, "Am I coming back?" but "Is my extended family coming back?" Many are. The city's unique aspects, such as music, food and culture, will continue to draw former residents back, even in the face of adversity.

THE REGION

Population

The New Orleans Metropolitan Statistical Area consists of seven parishes: Orleans, Jefferson, St. Bernard, St. Charles, St. James, St. John and St. Tammany. The more inclusive market area, the Greater New Orleans Area, adds Tangipahoa Parish. At the end of 2005, the New Orleans market area had a current population of 929,554, down from 1,319,589 pre-Katrina. Parish-by-parish estimates suggested the following population distributions as of the end of 2005.

Orleans:	134,400 (down from 462,269)
Jefferson:	375,000 (down from 453,590)
St. Bernard:	8,000 (down from 65,554)
Plaquemines	14,500 down from 28,969
St. John the Baptist	48,581 up from 45,581
St. Charles	69,073 up from 50,073
St. Tammany	280,000 up from 213,553



Forecasts indicate an overall population loss because of the hurricane's impact, but the continuation of an internal migration of populations within the region, with St. Tammany and Tangipahoa parishes the recipient of the largest percentage. In about one year, a stabilized population of the seven-parish MSA may reach approximately 1,185,000, or about 90 percent of the pre-storm totals. The longer the recovery takes in terms of providing housing and the reopening of schools and hospitals, the less likely the area

will recover to its pre-storm population totals.

Notably problematic is the decline for Orleans and St. Bernard, which may never regain their loss population. Redevelopment of the significantly flooded areas has been stagnant since the storm, and there may be long-term issues associated with redevelopment in large portions of these two parishes. Jefferson Parish, although expected to experience, at most, modest losses in population, may be negatively impacted by other issues that are affecting parishes south of I-12/I-10.

Housing

In the post-Katrina era of housing in the region, the trend has been for strong demand for non-flood-damaged housing stock. This is true in all affected parishes including Orleans, with the notable exception of St. Bernard Parish. In St. Bernard, 100 percent of the housing stock was either destroyed or severely damaged.

The current national downturn trend in housing may not be experienced in this region because of the singular demand for housing in the affordable home segment of the market. The local construction industry is poised to experience a level of activity never before realized.

According to Wade Ragas, PhD, MAI and owner of Real Property Associates Inc., a year-end (2006) study of housing suggests the following trends for housing in the region:

There are two distinct markets for housing in the region: damaged and undamaged.

Sales of existing home are far ahead of 2005, up 20 to 30 percent.

Low-income tax credit rentals are forecast to be 6,000 to 8,000 units for the 2007-08 years.

St. Bernard will grow to 30 percent of its pre-storm population, approximately 19,500 people.

St. Tammany home sales are running at 550 units per month, with no indicated slow down and stable demand and pricing.

St. Charles, St. John and Tangipahoa parishes are experiencing price appreciation and increased sales volumes of new and existing homes

Commercial real estate

The parts of the region that have not been negatively impacted with hurricane-related devastation are experiencing prosperity in the demand for new offices, warehousing, retail space, special purpose properties (car washes, movie theaters, hotels) and viable commercial vacant sites.

With a decrease in the total number of residents in the region, however, there will be less demand overall for available commercial space of all types. There may be a glut of space ranging from small retail and office to warehousing and large special purpose properties in the flooded areas. Many a south-shore business has moved or is planning to move from the southshore to other areas within the region.



Education

The ability to attract new residents is dependent on the quality of public education in the area. This is a challenge in Orleans and Jefferson parishes. Conversely, St. Tammany Parish public and private schools enjoy one of the highest rankings in the state, drawing many young families not only from Orleans but also from other parishes. Tangipahoa, St. Bernard and St. Charles are all ranked in the top twenty-five school systems in the state. At the present time, two of the eleven colleges and universities in the area have not reopened. Tulane, UNO, Xavier and Loyola all report lower enrollments for 2006.

Quality of life

The outlying parishes have burgeoning populations. New home construction is at an all time high. Many businesses are relocating to the north shore region. New schools are being announced. Should this trend continue, there may still be quality of life issues in the region, but these will be

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Post-Katrina New Orleans

focused primarily on New Orleans proper and not the region as a whole. More specifically, the outlying areas will provide housing, employment and other positive features that make for a high quality of life offering a safe and hopeful future to the residents of this re-defined region.

The following observations are based on information from a study summary excerpted from the internet and published by Capital One, N.A. The October 2006 study, *Advancing in the Aftermath III: Tracking the Recovery from Katrina and Rita Summary Results*, was performed by Dr. Loren C. Scott, and sponsored by Capital One, N.A. The full report is available at



www.lorenscottassociates.com.

In the New Orleans MSA, 515,249 homes were damaged by the storms, and 204,757 were left uninhabitable. Only 26 percent of homeowners in the New Orleans MSA had flood insurance.

The first checks from the Road Home funds from the federal government intended to help fill the gap between insurance compen-

sation and the actual cost of repair or replacement of a home were not issued until September, 2006

The MSA added jobs at an average rate of 4,200 per month in the second quarter of 2006 before slowing to an average of 450 per month [in late third quarter]. The decrease is due to the delay in receipt of insurance funds, a dramatically reduced population, a shortage of labor and the slow pace of federal aid.

Hospitals and healthcare are still on the critical list in New Orleans and St. Bernard, although other parishes in the New Orleans MSA have reopened most of their facilities. All areas, however, still face shortages of doctors and other healthcare professionals.

Revenue at the area's casinos is up dramatically, increasing more than 30 percent from the same period a year ago for each of the gambling operations in the New Orleans MSA.

Only 13 percent of the St. Bernard schools are open; 43 percent in Orleans parish. Most schools in other parishes within the MSA are fully operational.

(The area has recovered about 75 percent of pre-Katrina hotel rooms.

Sales tax collections in each month since the storm have been higher than the corresponding month of 2005, except in Orleans and St. Bernard parishes.

The Port of New Orleans is operating at pre-Katrina total tonnage levels. The Port of St. Bernard is 100 percent recovered. Cruise line activity is expanding.

Special thanks to Anne Brassett for providing this article on Post-Katrina New Orleans.

Contributing writers:

Rick Murphy

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Tentative Spring 2007 Conference Program

from national course providers. They will share their collective experience in the course approval process in hopes of aiding state regulators in developing and/or improving their course approval process.

Issues of mortgage fraud, the appraiser's role in mortgage fraud, and appraiser identity theft continue to be hot issues nationwide. As a result, the AARO spring conference will devote the Saturday afternoon session to these important issues to help appraiser regulators understand how mortgage fraud works and how to better regulate appraisers to help reduce mortgage fraud.

Also, we will hear an update from the Appraisal Subcommittee to learn about the most urgent issues facing state appraiser regulatory agencies as we approach the January 1, 2008 deadline for implementation of the new AQB education criteria. Finally, the Appraisal Standards Board (ASB) will present information regarding recently proposed changes for the 2008 edition of USPAP.

If you are a state appraiser regulator, you cannot afford to miss this conference. See you in St Pete!



ASC Announces New Policy Manager



Kristi Klamet

The ASC is pleased to announce that its long process of recruiting a qualified applicant for its vacant policy manager position is complete. Kristi Klamet, began work on January 7, 2007. Kristi was the Director of Missouri's appraiser regulatory program. Kristi was one of the original "starters" of Missouri's program. After a number of years with the program, Kristi moved to other positions in State government. A couple of years ago, the Commission brought Kristi back to the appraiser program.

Kristi lives in Jefferson City, MO with her husband and new bulldog. She will be assigned St. Louis as her duty station. Kristi should be a great addition to the ASC's policy manager staff.

Policy Managers assist in monitoring State programs for compliance with Title XI. **Kristi Klamet** will have primary responsibility for the following States:

- Arkansas
- Iowa
- Kansas
- Kentucky
- Maryland
- Nebraska
- New Jersey
- New Mexico
- Nevada
- North Dakota
- Oklahoma
- South Dakota
- Rhode Island

The three veteran Policy Managers have primary responsibility for the following States:

Denise Graves

- Florida
- Idaho
- Illinois
- Louisiana
- Maine
- Minnesota
- Montana
- New Hampshire
- Oregon

- Pennsylvania
- Texas
- Virgin Islands
- Wyoming

Vicki Ledbetter

- Alaska
- Arizona
- Delaware
- District of Columbia
- Georgia
- Hawaii
- Michigan
- Mississippi
- Missouri
- New York
- North Carolina
- Tennessee
- Utah

Jenny Howard Tidwell

- Alabama
- California
- CNMI/Guam
- Colorado
- Connecticut
- Indiana
- Massachusetts
- Ohio
- Puerto Rico
- South Carolina
- Vermont
- Virginia
- Washington

AARO Mission Statement

The mission of the Association of Appraiser Regulatory Officials shall be to improve the administration and enforcement of real estate appraisal laws in member jurisdictions. The Association shall accomplish this mission through:

1. **Communication.** The Association will facilitate communication and cooperation between and among Appraiser Regulatory Officials and others concerned with appraiser and appraisal issues.
2. **Research.** The Association will conduct research and obtain information relative to appraisal matters.
3. **Education.** The Association will participate in educational programs on appraisal and will assist with instruction, administration, and regulation of appraisal education for regulatory officials and others. In addition, the Association will continually strive toward raising the level of competence and professionalism of all appraiser regulatory officials.
4. **Cooperation.** The Association may also develop and encourage cooperation with all other organizations whose objective is similar in nature to the objectives and purposes of this Association.

(Excerpts of the following statements were taken from a letter drafted by Larry Disney in January 2005)

How membership in the Association of Appraiser Regulatory Officials (AARO) can provide benefits for a real property appraiser regulatory agency, its Board members and staff.

We must all remember that the process of regulating real property appraisers first began in 1990; therefore, it is an infant when compared with other real estate regulatory commissions and agencies.

As is the case with all government programs, appraiser regulation is not without problems or mistakes. We all continually strive to achieve positive growth and quality service to our membership.

To my knowledge "AARO" is the "only" regulatory association devoted entirely to the issues and problems associated with enforcement and regulation of real property appraisers. In my opinion this becomes the most critical reason for real property appraiser regulatory agencies to become members of AARO.

The purpose for creating real property appraiser enforcement agencies is included in Title XI. The sole mission is intended to protect the safety and soundness of the nation's federally regulated financial institutions by establishing and administering laws, regulations, and policy that establishes a minimum qualification for real property appraisers, a standard for real property appraisal development and reporting, effective monitoring of appraiser performance, and timely settlement of complaints with equitable disciplinary actions.

Each State and territory implemented the regulation of real property appraisers differently. Currently there are only thirteen (13) Boards and agencies that are considered

"stand alone" or governed by a body directly responsible for real property appraiser regulation only. The remaining agencies are under the governing authority of an umbrella organization with responsibility to regulate other professional licensee disciplines. Therefore, the focus of these agencies can sometimes become multi directional. In many instances due to work load, the small numbers of licensed and certified appraisers, limited budgets and staff, appraiser regulation is simply considered an extension of one of the larger professional groups regulated by the larger umbrella agency. In these instances the agency regulating real property appraisers seldom communicates or meets with peers in other state appraiser regulatory agencies, the ASC, TAF, ASB or AQB.

Throughout the past ten (10) years the expectations for real property appraiser regulation, appraiser qualifications, appraisal standards, and disciplinary activities have all changed exponentially each year. Historically the most effective way to monitor changes, stay informed and remain up-to-date has been through the meetings of AARO. These meetings offer one-on-one conversations with peer members of regulatory agency boards and staff, the ASC, the Appraisal Foundation, ASB and AQB boards, and an opportunity to receive pertinent information and training in appraiser regulatory issues.

Mr. Ben Henson, Executive Director of The Appraisal Subcommittee advises real property appraiser regulators to meet with other agency members and staff responsible for regulation of appraisers in the various states and territories. Typically those agencies who stay involved through regular meetings with their regulatory official peers are the most informed, receive the instructions necessary to carry out the most effective enforcement programs for appraiser regulation, and appear the most knowledgeable upon review by ASC Policy Analyst.

In my opinion the greatest benefit AARO has to offer member jurisdictions is the opportunity to meet and discuss current problems and issues. Attendance at AARO meetings also affords the opportunity to meet individuals with common appraiser

regulatory interests and the opportunity to create future net-working resources.

Remember, AARO is a young organization. Therefore, occasionally mistakes will happen during meetings and when planning meetings, but we all grow from mistakes and only the membership working together can make positive change for the future. Appraiser regulatory jurisdictions cannot afford to sit on the sidelines and wait for someone to step forward. There is not one other group of regulatory officials committed to serving the unique needs of appraiser regulation.

The current executive leadership commits and pledges to you and all individuals representing the regulation of real property appraisers the very best that we can offer for the organization. We promise to be receptive to the needs of all member jurisdictions, open to all regulatory officials and their staff, their ideas and suggestions. We promise quality programs with effective content and we promise to work as hard as we possibly can to be fair and honest as we move forward together for the betterment of all appraiser regulatory officials, staffs and member jurisdictions.

The real estate appraisal profession ranks among the smallest numbers of any professionally licensed group in most states; therefore, we can not afford to be uninformed or lack training when addressing issues and concerns. I anticipate we will sometimes differ, and should in some issues. However, let us always go forward without becoming disagreeable. Let's unite and work for the good of everyone.

Remember, those individuals who are licensed and certified real property appraisers in every state and territory hold us, the regulators, responsible for their professional careers. We make the decisions for required education, experience, national examination and disciplinary action in complaint cases. These folks deserve the very best that we have to offer them. The best can only be achieved through cooperation and drive within each of us as a regulator to be the best we possibly can be.

Appraisal Regulatory Structure

