

AARO NEWS

Conference Highlight:
Washington DC
After Dark Guided Tour



2009 Fall Conference

October 10th-13th

Washington D.C.

ASSOCIATION OF APPRAISER REGULATORY OFFICIALS



Information—Misinformation

Bruce Fitzsimons

This morning I was listening to a weekly radio program produced by a Kansas City expert Realtor discussing the HVCC with his guests, a mortgage broker and real estate attorney – no appraiser. I was deeply concerned to hear these “experts” inform the listening audience that the HVCC was developed because appraisers were inflating values, which resulted in the collapse of the real estate market. They said the HVCC now requires lenders to use AMC’s to order appraisals, resulting in conservative values. AND, the HVCC hasn’t deterred appraisal fraud, as evidenced by regulators not taking action against the “bad” appraisers.

I am bombarded with media reports about the debates and town hall meetings on the Health Care bill. Will this proposed bill result in socialized medicine, long waiting lines for medical treatment, a “death panel” for the elderly, medical treatment for illegal aliens? Or will it provide medical care for the thousands of

uninsured, improved medical care, lower the skyrocketing costs of medical insurance, and not result in increased income taxes on the middle class?

The controversies and debates become intensely heated with folks that are either not well informed on the issues, have a hidden agendas, or believe everything they hear from pundits on either side of the health care debate. Welcome to the fast paced twenty-first century universe of 24/7 news information overload.

It can be difficult to absorb all of the information that we are barraged with daily, from a myriad of sources, but we are fortunate to have a variety of technological resources available to us to choose the source and delivery method that we trust to provide balanced and accurate information that truly has a direct impact on our daily lives and careers.

The Association of Appraiser Regulatory Officials

(Continued on page 2)

Inside this issue:

HVCC Working As Intended?	3
What Makes A Good Board Member Good.	5
HR 1728 The Yin and the Yang	6
Book Your Travel Committee Meetings	7
Course Approvals There Is A Better Way	11
Fall Conference Program Agenda	12
AARO Mission Statement	15

Places To Go and Things to See Washington, DC

Washington, D.C. is an incredible place filled with free cultural attractions and world-class entertainment venues, as well as some of the best shopping and dining available. The Smithsonian Museums are the most visited museums in the world and there's nothing more majestic than viewing the monuments on the national mall at night when they are all lit up.

Despite popular opinion, the city is not all marble and granite monuments! There are beautiful parks and recreational facilities sprinkled throughout D.C. and its suburbs. Go for a stroll

along the C&O canal or rent a paddle boat on the Tidal Basin to get up close and personal with the Jefferson Memorial or the famous cherry blossoms.

Washington, D.C. has more museums and galleries than you can count, and most of them are free to visit. The Smithsonian Museums are always worth a visit as their exhibits are constantly changing (plus, they're a good place to stop in for some cool air conditioned relaxation

(Continued on page 8)



Newsletter Editor
Bruce Fitzsimons

Information—Misinformation

(Continued from page 1)

(AARO) has two conferences every year that are designed to provide a platform for dissemination of balanced information on all issues affecting the regulation of the appraisers. This is accomplished through educational offerings, training programs for appraisal board members, administrators, staff, attorneys, and investigators, and incredible networking opportunities between regulators, lenders, education providers, appraisal professional organizations, attorneys, investigators, valuation service providers, etc.

The Fall 2009 AARO conference program is structured to provide current information on the issues that have a direct impact on the regulation, licensing, education, and discipline of appraisers. The intent is to provide sufficient information, some of which may be controversial, so that individuals can make “informed” decisions.

I encourage all registered members and non-members of the AARO conference to attend the Committee Meetings on Saturday morning. This will provide you with an opportunity to present your thoughts and provide suggestions for the overall strategic objective of AARO. Your involvement and input in these meetings truly can facilitate appropriate changes to appraiser regulations.

Although I come from the Enchanted Land of OZ (Kansas) where dreams really can come true, our board is concerned about consistent and fair enforcement of USPAP. The Appraisal Foundation established a task force earlier this year to develop a proposed matrix that could be used by States avoid inconsistent disciplinary actions on similar USPAP violations.

What are the duties and responsibilities of appraiser regulatory agency board members? AARO has developed a program to provide essential information to new and existing board members that not only will enlighten and educate board members, but may prevent possible adverse consequences resulting from promoting a personal agenda or from ex parte communications.

Remember your first AARO conference? The session speakers using so many acronyms and USPAP references, you thought they were

speaking in tongues. Could you attend committee meetings? What are those job function breakout sessions all about? How can I get involved and contribute using my skills and knowledge? The First Timer session was developed to inform new attendees on what to expect and how to navigate through the labyrinth of meetings and sessions. Existing members are encouraged to attend, meet, and greet.

Representatives from the Appraisal Subcommittee, the Appraisal Foundation, the Appraisal Qualifications Board, and the Appraisal Standards Board will provide information on current issues and proposed changes to USPAP. The program sessions provide an opportunity for attendees to ask questions pertaining to issues and concerns affecting their particular jurisdictions. Most of these representatives will be available throughout the conference if further discussion of issues and concerns are needed.

Representatives from a variety of appraisal related industries will provide information on the Home Valuation Code of Conduct (HVCC), Appraisal Management Companies (AMC's), Broker Price Opinions (BPO's), and Automated Valuation Models (AVM's). Many of the topics discussed are considered “hot button” issues affecting the regulation of the appraisal industry. The information presented during the conference sessions should help attendees make “informed” decisions on proposed legislation.

There have been significant changes recently that affect the appraisal industry and the regulation of appraisers. Proposed changes to federal and state appraiser regulations and education requirements may completely change the face of the appraisal profession in the future. Knowledgeable speakers at the AARO conference will provide attendees with insight and understanding of proposed changes that could prepare you for what's in store for the future.

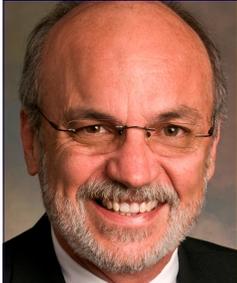
Stay informed. Attend the AARO Conference.

Bruce Fitzsimons is President Elect of AARO, Chair of the Kansas Real Estate Appraisal Board, Chief Appraiser of First National Bank of Olathe for 19 years, Client Advisory Board member of the Appraisal Institute, and Government Relations Chair of the Kansas City Chapter of the Appraisal Institute.

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HVCC – Working as Intended?

Francois (Frank) K. Gregoire, IFA RAA



Over the past few months there have been dozens of articles, blog posts and rants about the Home Valuation Code of Conduct (HVCC). If you are an appraiser involved in valuation for mortgage finance transactions, the probability of direct experience, and it being

negative, is virtually assured. Because the HVCC implementation date was May 1, 2009, it's unlikely there has been any real impact on real estate appraiser regulation, but that is likely to change soon.

The Home Valuation Code of Conduct (HVCC) is the product of an agreement between the Attorney General of New York, Andrew Cuomo, Fannie Mae, Freddie Mac and their federal regulator, the Office of Federal Housing Enterprise Oversight (OFHEO). The accord now includes the recently created Federal Housing Finance Agency (FHFA). For more than a year, the New York Attorney General's office conducted an investigation into mortgage fraud which included subpoenas to Fannie Mae and Freddie Mac seeking information on the mortgage loans the companies purchased from banks, including Washington Mutual, at that time the nation's largest savings and loan. The subpoenas came on the heels of the filing of a lawsuit by the Attorney General against First American and its subsidiary Appraisal Management Company (AMC), eAppraisalT.

The lawsuit, announced November 1, 2007, detailed a scheme showing First American and eAppraisalT caved to pressure from Washington Mutual to use appraisers who provided inflated appraisals on homes. E-mails also showed that executives at First American and eAppraisalT knew their behavior was illegal, but intentionally broke the law to secure future business with Washington Mutual.

The stated purpose of the HVCC is to prevent pressure on appraisers from those that stand to gain from closing mortgage loans, and assure the appraiser's independence in arriving at their estimate of value. To accomplish this, the HVCC

requires a clear separation of those individuals involved in loan origination from the selection of appraisers. Since the implementation date, the "separation solution" employed by most loan originators is the use of Appraisal Management Companies.

Appraisal Management Companies (AMCs) are brokers of appraisal and other valuation services. These companies, many owned by the largest banks in the nation and not regulated by most states, assign appraisals to a panel of independent contractor appraisers. Substantial anecdotal evidence exists to suggest the criterion used for appraiser selection by the AMC is the appraiser's fee and turnaround time. As a result of the low fee split offered to appraisers and the AMC demand for quick completion of the appraisal report, many experience practitioners choose to refuse the assignments. Plenty of these appraisal assignments are awarded to novice appraisers at the low end of the range of experience. An alarming number of assignments seem to be accepted by appraisers quite distant from the subject property. According to a recent survey of their membership by the National Association of Realtors®, 70% reported an increased use of out-of-area appraisers.

The low fee paid to the appraiser, combined with the quick completion time demand, often results in an appraisal with only a cursory examination of market data and comparable sales. The National Association of Realtors® survey revealed 86% of their broker members and 84% of appraiser members reported a perceived decrease in appraisal quality. When asked if turn around time pressure from AMCs results in a product that is less reliable for the end user by a national appraisal publication, 74% of appraisers responding answered affirmatively.

Although the reduction in appraisal quality claimed to be caused by the HVCC has not been proved, it is likely state appraiser regulatory agencies will be fielding a wave of complaints from real estate brokers and borrowers alleging violations of the USPAP Scope of Work Rule and Competency Rule. Many of the veteran appraisers that refuse the low AMC fees and quick turn around times are marketing their

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(Continued on page 4)

HVCC – Working as Intended?

(Continued from page 3)

review and consulting services to folks that feel wronged by AMC appraisers. Some buyers and real estate brokers are encouraged to lodge complaints with regulators against the appraiser that traveled a significant distance and hurriedly filled a form and signed a certification as to their compliance with USPAP and knowledge and experience in appraising in a specific market area.

Despite its good intentions, the HVCC is likely to result in many appraisers being disciplined by state regulators. The sanctions will not be due to value pressure from mortgage and real estate brokers. Instead the violations will be the result of pressure from brokers of appraisal and valuation services to accept assignments beyond

the licensees' experience and geographic competence and to produce appraisal reports without allowing the time necessary develop the appraisal and ensure credible results. The law of unintended consequences is demonstrated once again.

Frank Gregoire has been licensed in real estate since 1976 and involved in real estate appraisal since 1977. He served eight years as a member of the Florida Real Estate Appraisal Board and is an Honorary Member of AARO. Gregoire provides valuation, expert witness and consulting services for a wide variety of local and national clients. Clients include Banks, Mortgage Companies, Relocation Companies, Insurers, Realtors, Attorneys, Private Individuals and Government Agencies.

This column is an editorial submitted by one of AARO's members. It does not necessarily represent the viewpoints of AARO or its members.

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Westin Washington, D.C. City Center

1400 North, An American Restaurant, overlooking the main lobby.

The central location makes it easy to enjoy our nation's capital and the world-renowned buildings and historical monuments found throughout the city. Ready to see the nation's sights – the White House is just five blocks to the south. Looking for excitement – the city's vibrant nightlife comes alive after dark with an abundance of restaurants and entertainment options. Shops and nightclubs are just four blocks to the west on Connecticut Avenue.

Located in the heart of our nation's capital, the Westin Washington, D.C. City Center is a vibrant hotel that captures the capital city's dynamic spirit.

The atrium lobby offers spectacular skylight views and the welcoming staff provide world-class service.

The 406 guest rooms and suites are designed with your comfort in mind. Sleep well in the Heavenly Bed® and refresh in the Heavenly Bath®. Every room offers High Speed Internet Access and 24 hour room service.

Reenergize in the WestinWORKOUT® Gym featuring a Stairmaster, LifeCycle, treadmill, and weights. Rejuvenate and relax with a cool drink and a light snack at Liquid 14 after exploring the nearby museums and monuments. Enjoy breakfast, lunch, and dinner in the comfortable



You'll appreciate our country's rich history when you visit some of the many cultural exhibits and

memorials in the area, such as the Smithsonian Institute, the U.S. Capitol Building, the National Gallery of Art, and the Lincoln Memorial. Our location is served by two metro stations: McPherson Square on the Blue/Orange lines and Farragut North on the Red line.



What Makes a Good Board Member Good?

Camille Nohe

Over the past 20 years, as an Assistant Attorney General, I have served as general counsel for a variety of professional and occupational licensing boards, including the Kansas Real Estate Appraisal Board. During that time I've had the opportunity to observe the good, the bad and the ugly in members serving on those boards. Fortunately, the bad and the ugly have been rare in comparison to all of the people who have been willing to give of their time, and sometimes giving up of some income, to serve the public as good and responsible board members.

Hopefully without trying to sound too "preachy," I would like to share some of my observations regarding the qualities that I consider essential in making a good board member good.

To begin with, a good board member realizes that he or she has been appointed to serve the interests and protection of the public, rather than the interests and protection of the profession. Although these interests are not necessarily in opposition on some issues, this board member does not bring an agenda to enhance the status of the profession or the promotion of other personal issues.

A board member who has read, and continues to read, the statutes and regulations that pertain to real estate appraising is valuable beyond words. This board member is in a position to have meaningful discussions with other board members, the board's executive director and the board's legal counsel about issues that may arise in the course of reviewing applications, evaluating disciplinary cases, determining whether to amend regulations and deciding whether to seek statutory changes.

A valuable board member also educates himself or herself about other laws that may

affect service on the board, such as open meetings and open records laws; and also becomes at least passingly familiar with the budget process, the legislative process and the regulation-adoption process.

In relation to board meetings, a member who is prepared by reading board meeting materials ahead of time is an asset to the effective functioning of the board. An effective board member is also available for board meetings and hearings, and misses a meeting only when absolutely necessary. This is particularly important for boards with a small number of members that need a quorum present in order to conduct business. An effective board member also arrives to meetings on time so as not to delay the business at hand. Reliability and trustworthiness are definitely qualities to continuously cultivate.



Being interested, engaged and curious are qualities that serve a board member well. Asking "why do we do things this way" is always a good question, as the original reason for some process may have changed. However, bear in mind that one may disagree without being disagreeable; civility and courteousness more often leads to resolution of differences of opinion than heavy handedness.

A good board member works in concert with the executive director of the board without micromanaging administrative office matters. However, board members should always bear in mind their role as the official head of the agency. An effective and well-functioning real estate appraisal board balances these two roles in a spirit of cooperation.

Camille Nohe has been employed at the Kansas Attorney General's office for almost 20 years in the Legal Opinions and Governmental Counsel Division. In that capacity, she has served as General Counsel to a wide variety of professional licensing boards. She has been General Counsel to the Kansas Real Estate Appraisal Board.

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HR-1728 – THE YIN AND THE YANG

Jim Postma

I'm reminded of the story that goes something like this: an older, skeptical type, gentleman is perusing a catalog which offers small engines, pieces and parts, etc... for purchase. He notices a 3.5 hp Briggs and Stratton engine which he thinks will be an adequate replacement for the one on his lawnmower that pooped out last week. He writes a simple note to the catalog company, "I am very interested in your 3.5 hp Briggs & Stratton engine on page 34 of your catalog; please send me the engine, if it is any good and operates as advertised, I will send you a check." A week or so goes by and the skeptical gentleman receives a simple note back in the mail, from the catalog company, "Dear Sir: We appreciate your interest in our 3.5 hp Briggs & Stratton engine on page 34; however, please send us your check, if it is any good, we will send you the engine."

What if we operated our appraisal business like this? Appraiser to lender: "...please send me your check, if it is any good, we will send you the appraisal," to which the lender replies: "...please send us your appraisal, if it is any good, we will send you a check." Hm m m m m.

From www.govtrack.us/congress, here is a summary of HR-1728, the appraisal regulatory portion:

Directs the Secretary to study and report to certain congressional committees on the fraud and abuse potential of certain mortgage servicing practices.

Specifies property appraisal requirements.

Makes unlawful certain unfair and deceptive practices relating to a consumer credit transaction secured by the consumer's principal dwelling.

Amends the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 with respect to appraisal subcommittee, appraiser independence, and approved appraiser education.

Directs the Comptroller General to study possible improvements in the appraisal process.

Amends the Equal Credit Opportunity Act to condition the requirement that a creditor furnish a mortgage applicant with a copy of all property appraisal reports upon a specific written request by the applicant.

In reading portions of HR-1728, it appears to be a huge dragnet of legislation involving

modifications to FIRREA and Title XI as well as TIL (Truth in Lending) and RESPA, amends the HUD act of 1968, amends the ECOA (Equal Credit Opportunity Act), directs the Comptroller General to study and recommend possible improvements in the appraisal process, potential AMC regulation, creates a new agency within HUD known as OHC (Office of Housing and Counseling) and proposes several changes to the lending provisions which have not only lenders, nationwide, quite concerned but NAR and the NAHB as well.

It seems to me that without a proper balance of all aspects within a real estate transaction, the vital economic engine of real estate commerce could be drastically altered with HR-1728 – for better or worse remains to be seen (it passed in its present form on the House side, May 07, 2009).

Back to my story above, it does seem a tremendous amount of "yin and yang" has been occurring in real estate since at least 1989 (FIRREA). A federal regulatory structure of appraisal enforcement and oversight, designed to be both implemented and managed at the State level, was decided to be the best alternative for preserving the solvency of this nation's real estate and lending, as well as provide a financial foundation for housing in general. In spirit and in theory, FIRREA was designed to be an intricate partnership of appraisal regulation, enforcement and management between the Feds and the States. In practice, the management, enforcement and regulation of the appraisal profession at the State level is all over the board, from stellar to an almost "poor performance". The Feds haven't particularly received high marks either. And yet, the simple solution of an adequate allocation of funding (getting licensing fees out of the general fund) of the appraisal board, at the State level, can turn the scenario of a poor performing State to one that is stellar, very quickly, if the appraiser-citizens of that State wish to pursue it.

In the meantime, the appraisal regulatory inconsistency contributes to and exacerbates the breakdown of the vital role of the appraisal, its use as the fundamental foundation in determining both the proper and credible value of the real estate which then supports the value of the loan, collateralized by the real estate. Good quality appraisals lead to quality decisions about real estate, which lead borrowers to make good

(Continued on page 7)

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HR-1728 – THE YIN AND THE YANG

(Continued from page 6)

decisions about the house they're buying, which allows banks to make sound decisions on the loans they're making, which in turn drives the single greatest economic engine of our economy – real estate. It is vital that every single appraisal performed in this country, by its 100,000+/- appraisers, be credible, accurate and reliable so that each appraisal contributes to the solid foundation of economic growth and prosperity, both for this country and its citizens. Here is a simpler way to remember it: credible appraisals = solvent banks; bad appraisals = insolvent banks and potential widespread financial ruin.

Finally, where is the balance of power between the Feds and State's rights? I'm reminded of the Bill of Rights (aka: the original first 10 amendments) of the U.S. Constitution,

Amendment 10, which states:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Is HR-1728 "just right"? Is it overreaching? Does it not go far enough? You decide.

Jim Postma has been appraising since 1992; specialize in odd-ball/unique type properties; currently a Certified Residential Appraiser in North Carolina & Vermont; also, a Licensed General Contractor – Unlimited Residential in North Carolina; past real estate broker; appointed by the Governor to the Vermont State Tax Appeal Board in '03 and the Vermont Appraisal Board in '04.

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It is vital that every single appraisal performed in this country be credible, accurate and reliable so that each appraisal contributes to the solid foundation of economic growth and prosperity, both for this country and its citizens.



Book your conference travel, but allow for....

So you decided to attend the fall AARO conference in Washington, DC and you are one of the fortunate ones who got your travel approved. Maybe this is your 20th AARO conference or it's your very first.

We want you to be aware of AARO committee meetings that will occur the morning of Saturday October 10, 2009 and to encourage you to book your travel arrangements to permit you to attend one or more of these important committee meetings.

Committee meetings are where the "AARO rubber" meets the road and things get done. You do not need to be an official member of the committee in order to attend a meeting and provide your input.

Regular AARO attendees bring valued wisdom and institutional memory while new(er) attendees contribute in a very significant way by bringing fresh ideas and perspectives to the work AARO accomplishes. All conference attendees are highly encouraged to attend a committee meeting or meetings.

Here is a list of AARO committees:

- Planning and Policy
- Program
- Budget, Finance and Sponsorship
- Publications
- Nominating
- Education
- ASB Oversight
- AQB Oversight

Identify your area(s) of interest in one or more of these committees and come join us and help make AARO the very best it can be. The underpinning of success for AARO in the past and in the future arises from small contributions of time and effort from people just like you!

Bob Keith is Immediate Past President of AARO. He joined the Appraiser Certification and Licensure Board's (Board) staff in August 2000 as the Appraiser Compliance Program Coordinator and was appointed to serve as the Board's Administrator in July 2001. He is a Certified General appraiser and was recently awarded the IFA designation by the National Association of Independent Fee Appraisers.

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Places To Go and Things to See Washington, DC

(Continued from page 1)

while walking the national mall).

DC is a city that makes history. Discover it for yourself in classic sights like the Library of Congress and the Lincoln Memorial and plug in to the energy of interactive attractions like the International Spy Museum and Newseum.

Green Festival

Washington Convention Center

10/10/2009 - 10/11/2009

Green Festival is a project of two non-profit organizations, Green America and Global Exchange and is coming back for its sixth year! Featuring 150 speakers and performers, 400 exhibits, live music, great food, kids' activities and more, the Green Festival is a celebration of what's working in our communities across DC, Maryland, and Virginia.

\$10-\$15 per person

Sugarloaf Craft Festival

19807 Executive Park Circle

10/11/2009

Sugarloaf Craft Festivals have expanded from the Mid-Atlantic to New England. Sugarloaf art fairs and craft festivals are among the nation's best and largest shows of their kind. You'll find a variety of work by the most talented craft designers and fine artists. From blown glass and sculpture to fine art and designer clothing, you'll find the handcrafted creations you're looking for at Sugarloaf!

Adults: \$8

2009 Taste of Georgetown

Georgetown Wisconsin Ave & M St NW

10/10/2009

The annual Taste of Georgetown showcases the spectacular cuisine of thirty of Washington, D.C.'s finest restaurants, highlighting Georgetown's culinary personalities and featuring nearly sixty delectable dishes to sample, as well as wine pairings and the jazz talents of Blues Alley. As the fifteenth annual celebration of food, wine, and music, the Taste of Georgetown has become the premier food and wine festival of D.C.

Ticket information and more details at



DC is a city that makes history. Discover it for yourself in classic sights like the Library of Congress and the Lincoln Memorial and plug in to the energy of interactive attractions like the International Spy Museum and Newseum.

www.TasteOfGeorgetown.com

Falstaff

Washington National Opera

What happens when an old knight who fancies himself a ladies' man sends identical love letters to two married women? Plenty, as Sir John Falstaff (DC favorite Gordon Hawkins in a role debut), Shakespeare's drunken, but much loved rascal, discovers when the merry wives of Windsor (and a few furious husbands) decide to teach him a lesson. Verdi's last opera shows the master at the peak of his power and displays some of his most inventive melodies. This stunning production is directed by Christian Roth

(Continued on page 9)

Places To Go and Things to See Washington, DC

(Continued from page 8)

and conducted by Sebastian Lang-Lessing in his WNO debut.

JERSEY BOYS

National Theatre

The 2006 Tony-award winning Best Musical about Rock-n-Roll Hall of Famers - the Four Seasons. This is the story of how four blue-collar kids became one of the greatest successes in pop music history.

101 Wonders of Woodrow Wilson House: Hidden Treasures from the Presidential Collection

Woodrow Wilson House

This major exhibition also serves as a fitting tribute upon the 90th anniversary of President and Mrs. Wilson's historic trip to Europe in 1918-19

following the end of World War I. Wilson was the first president to travel to Europe while in office. While staying in Paris for the Peace Conference, the Wilsons visited the countries of Great Britain, France, Italy, and Belgium, where the President received a hero's welcome.

During their lifetimes, President and Mrs. Wilson amassed an impressive collection of gifts, curios, and awards, many of which were presented by foreign dignitaries. Today, Woodrow Wilson House is home to many exquisite treasures, both large and small. These unique artifacts and gifts of state help new generations to celebrate and understand Wilson's extraordinary legacy.

Taking the form of a cabinet of wonders - a wunderkammer of sorts - the exhibition will reveal the jewels in the crown of the museum's permanent collection. Showcasing rarely seen

artifacts, including ethnographic and ceremonial artifacts that would have been stored away by the Wilsons, being too unwieldy for the day-to-day household, this exhibition will display long hidden treasures including wedding gifts, important gifts of state, significant medals and awards, and other tokens reminiscent of Wilson's life and times.

Manhunt: Chasing Lincoln's Killer

Newseum

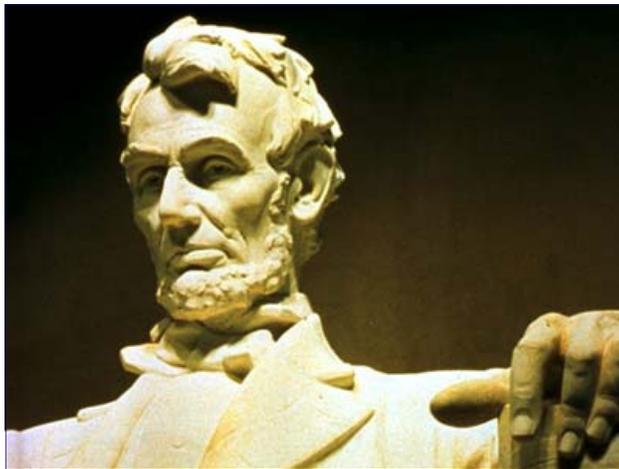
555 Pennsylvania Ave. NW

Newseum, Location: LEVEL 6

The Newseum's new exhibit, "Manhunt: Chasing Lincoln's Killer," explores how new developments

in journalism and technology came together in the news coverage of Abraham Lincoln's death and the hunt for his killer. The exhibit, which runs through Feb. 28, 2010, was created in collaboration with James L. Swanson, author of "Manhunt: The 12-Day Chase for Lincoln's Killer."

Adults (19 to 64): \$20, Seniors (65 and older)



Portrait of Barack Obama by Shepard Fairey

National Portrait Gallery

The portrait that came to symbolize the historic campaign of President-elect Barack Obama is now on display at the National Portrait Gallery. The piece, created by Los Angeles-based graphic designer and street artist Shepard Fairey, came to the museum through the generosity of Washington, D.C., art collectors Heather and Tony Podesta, in honor of Tony Podesta's mother, the late Mary K. Podesta. This large-scale mixed-media stenciled collage is on view in the "New Arrivals" exhibition, on the museum's first floor. Fairey's Barack Obama "Hope" poster became the iconic campaign image for the first African

(Continued on page 10)

Places To Go and Things to See Washington, DC

(Continued from page 9)

American president of the United States. Early in 2008, Fairey produced his first Obama portrait, with a stenciled face, visionary upward glance, and the caption "Progress." In this second version, Fairey repeated the heroic pose and patriotic color scheme, substituting the slogan "H o p e ."

The artist's intention that the image be widely reproduced and "go viral" on the Internet exceeded his greatest expectations. The campaign sold 50,000 official posters; a San Francisco streetwear company produced T-shirts; grassroots organizations disseminated hundreds of thousands of stickers; and a free downloadable version generated countless repetitions. Although the reproductions rarely convey the elegant surface patterning seen in this original collage, they forged an unprecedented and powerful icon for Obama's historic campaign.

Presidents in Waiting

National Portrait Gallery

John Adams, perhaps our most cantankerous founding father, viewed vice presidency as the "most insignificant office" ever invented by man. Adams would probably have never guessed that 14 vice presidents would succeed to the presidency. This National Portrait Gallery exhibition will focus on these men, almost one-third of America's presidents, and how they-upon the death or resignation of an incumbent or by winning election on their own-became president. Co-curators of the exhibition are Sidney Hart, senior historian, and James Barber, historian.

Man Ray, African Art and the Modernist Lens

The Phillips Collection

1600 21st Street, NW

Man Ray translated the 20th-century modernist taste for African art into photographs that

reached a popular audience. About 60 of his photographs, many never before exhibited, along with more than 40 photographs by his contemporaries, including Cecil Beaton, Walker Evans, and Alfred Stieglitz, will appear side-by-side with 20 of the African objects featured in the images. The exhibition explores the pivotal role of these photographs in shaping the perception of non-Western objects as fine art. Man Ray, African Art and the Modernist Lens is organized by International Arts and Artists.

Adults: \$12 - 62 & over and students: \$10

Graphic Masters II: Highlights from the Smithsonian American Art Museum

Smithsonian American Art Museum

Graphic Masters II: Highlights from the Smithsonian American Art Museum, the second in a series of special installations, celebrates the extraordinary variety and accomplishment of American artists' works on paper. These exceptional watercolors, pastels, and drawings from the 1920s to the 1960s

reveal the central importance of works on paper for American artists, both as studies for creations in other media and as finished works of art. Rarely seen works from the museum's permanent collection by artists such as Stuart Davis, Sam Francis, Edward Hopper, Willem de Kooning, Joseph Stella, Grant Wood, and Andrew Wyeth will be featured in the exhibition. Joann Moser, senior curator for graphic arts, selected the artworks in Graphic Masters.

Tour of the United States Capitol

Two hour exterior tour will explain why it took 40 years to build the original Capitol, why and how it has been continually enlarged and the new Capitol Visitors Center. No reservation necessary. \$10.00 per person. Meet every Monday





Course Approvals— There is a better way!

The process to secure approvals for an appraisal course has many state by state administrative steps and a significant amount of coordination and expense for the course providers.

For the state and jurisdictional regulatory agencies, administrative time is required to process appraisal course applications. The process is duplicated from state to state and redundant with the CAP (Course Approval Program) process. In many instances there is no value added from the current state processes.

Many state processes have not been revised since prior to the CAP program implementation. Some states merely rubber stamp the application as long as the course is CAP approved. To simplify the process would benefit states and education providers since all states have access to 100 percent of every CAP approved course through the AQB's online portal.

How to Improve the Process: The CAP "clearinghouse" process could be modified to offer regulators from each jurisdiction the opportunity to allow courses that have completed the rigorous CAP process to be automatically approved for delivery in their state.

On a voluntary basis, states and jurisdictions would notify the AQB and providers that they will automatically accept CAP courses (Opt-In). States that have "unique state requirements" that go beyond the CAP requirements are encouraged to examine the CAP processes and determine if their "unique state requirements" are improving the quality of education in their state.

For those that Opt-In, notification would be provided from the AQB concurrently with the provider notification that the course is approved. The provider would begin offering the course immediately in that state. There would be no administrative requirement at the state level or the provider level except to update the files of approved courses in their state.

Nothing in this proposed process change eliminates a states' right to approve courses on their own or to impose requirements that go above and beyond those established in the CAP. The proposal is strictly voluntary for each jurisdiction.

Benefits: Modifying the course approval process as described above would significantly improve efficiency, saving time and money and relieving the unnecessary processes causing education providers and regulators alike to be mired in repetitive paperwork. A more efficient process for course approvals might result in a larger number of high quality education course offerings.



Next Steps: Confirm the AQB's willingness to add this step to the end of the CAP process, provide a mechanism for states to "Opt-In" and allow the streamline process to begin.

States that have "unique state requirements" that go beyond the CAP requirements are encouraged to examine the CAP processes and determine if their "unique state requirements" are improving the quality of education in their state.

Any questions regarding this revised process should be directed to Burton Lee via email at blee@vaned.com

Burton Lee, MAI, MRICS is the managing member of Van Education Center, an online real estate and appraisal school based in Boulder, Colorado. Additionally, Mr. Lee manages the commercial appraisal and consulting practice of Bristol Realty Counselors. He has written appraisal textbooks and developed classroom and online courses."

This column is an editorial submitted by an affiliate member of AARO. It does not necessarily represent the viewpoints of AARO or its members.

AARO Fall 2009 Program Agenda

Saturday, October 10, 2009

8:00a – 4:00p **Registration**

8:30a – 9:15a **Committee Meetings**

AQB Oversight – Henry Faircloth
ASB Oversight – Nikole Avers
Nominating – Bob Keith
Budget & Finance & Sponsorship – Don Rodgers

9:30a – 10:15a **Committee Meetings**

Past Presidents – Jim Martin
Investigator Training – Dennis Badger
Policy & Planning – Ami Milne-Allen

10:30a – 11:45a **Committee Meetings**

Program & Publications – Bruce Fitzsimons
Education – Larry Disney

12:00p – 1:15p **Board of Directors Meeting**

1:30p – 2:30p **Consistent Enforcement – Enforcing USPAP**

Moderator – Larry Disney

Joe Traynor –Chair, The Appraisal Foundation Consistent
Enforcement Task Force

Jenny Tidwell - Appraisal Subcommittee

2:30p – 3:30p **Board Member Training Program**

Moderator – Ami Milne-Allen

Administrator – Sherry Bren, North Dakota
Attorney – Camille Nohe, Kansas

3:30p - 3:45p Break

3:45p – 5:00p **First Timer Session**

Presenters – Larry Disney, Ami Milne-Allen, Don Rodgers,
Bruce Fitzsimons

6:00p – 8:00p **Presidents Welcome Reception & Silent Auction**

Neva Conway – AARO President
Chester Mallory - Master of Ceremonies

8:00p – 10:00p **Hospitality Suite**

(Continued on page 13)

AARO Fall 2009 Program Agenda

(Continued from page 12)

Sunday, October 11, 2009

8:00a – 4:00p **Registration**

8:00a – 8:45a **Continental Breakfast**

8:45a – 10:30a **General Session**

Welcome – **Neva Conway**, AARO President

Jim Park - Appraisal Subcommittee

David Bunton – The Appraisal Foundation

Sandy Guilfoil – Appraisal Standards Board

Gary Taylor – Appraisal Qualifications Board

10:30a – 10:45a **Break**

10:45a – 12:00p **General Session – Changing Face of the Appraisal Profession**

Moderator – **Nikole Avers**

Joan Trice - Appraisal Buzz

Jim Amorin - Appraisal Institute (AI)

Richard Edmunds - American Society of Farm
and Rural Appraisers (ASFMRA)

John Marrazzo - National Association of Independent
Fee Appraisers (NAIFA)

12:00p – 1:00p **Lunch**

1:15p – 3:00p **General Session – HVCC – AMCs & BPOs Issues**

Moderator – **Rod Stirman**

Jeff Dickstein - Broker Price Opinion Standards and Guidelines (BPOSG)

Frank Gregoire - National Association of Realtors (NAR)

David Feldman – Real Estate Valuation Advocacy
Association (REVAA) & (TAVMA)

3:00p – 3:15p **Break**

3:15p – 4:30p **General Session – Education Approval Clearinghouse**

Moderator – **Don Rodgers**

Burton Lee - Van Education Center

Dan Doepke - Appraisal Institute

Rick Baumgardner – Appraisal Qualifications Board

Mark Grace - American Society of Farm Managers and
Rural Appraisers (ASFMRA)

6:30p – 9:30p **Washington D.C. Guided Bus Tour**

DC After Dark – Guided tour bus to major sights and monuments.

6:00p – 10:00p **Hospitality Suite**

(Continued on page 14)

AARO Fall 2009 Program Agenda

(Continued from page 13)

Monday, October 12, 2009

8:00a – 4:00p **Registration**

8:00a – 8:45a **Continental Breakfast**

8:45a – 10:15a **General Session – H.R. 1728 and The SAFE Act**

Moderator – Jim Postma

Alfred Pollard - Federal Housing Finance Agency (FHFA)

Bill Matthews - Conference of State Bank Supervisors

10:15a – 10:30a **Break**

10:30a – 12:00p **General Session – Lender Policy Updates and Issues**

Moderator – Leslie North

Peter Gillispie - Federal Housing Administration /
Housing & Urban Development (FHA/HUD)

Robert Murphy - Fannie Mae (FNMA)

Jacque Doty - Freddie Mac (FHMC)

Gerry Keifer - Veterans Administration (VA)

12:00p – 1:15p **Lunch**

1:30p – 2:45p **Job Function Breakout Sessions**

Administrators Moderator – Don Rodgers

Attorneys Moderator – Roberta Ouellette

Board Members Moderator – Craig Zell

Investigators Moderator – Tom Lewis

2:45p - 3:00p **Break**

3:15p – 5:00p **Annual Business Meeting & Installation of Officers**

All AARO Conference attendees welcome

6:00p – 10:00p **Hospitality Suite**

Tuesday, October 13, 2009

8:00a – 10:00a **Registration**

8:00a – 8:45a **Continental Breakfast**

8:45a – 10:15a **General Session – State AMC Legislation**

Moderator – Bruce Fitzsimons

Bob Clark – California Office of Real Estate Appraisers

Donald Blanchard – Lender Processing Services (LPS)

10:15a – 10:30a **Conference Wrap-Up**

Bruce Fitzsimons – Program Chair - Incoming AARO President

10:45a – 12:00p **Post Conference Board of Directors Meeting**



Fourth Annual Silent Auction

In lieu of door prizes, which are part of the spring conference, in the fall a silent auction is held. This is done in an attempt to raise additional funds to assist with the financial support of AARO.

The Program Committee is again requesting contributions such as gift certificates, wines, gift baskets, etc. In the past, some of the more popular items were home made. Jim Martin made a golf club that he contributed. Art work and music CD's by AARO members were also very popular items. The typical donation varies in price anywhere from \$40 - \$200 but any contribution would be readily accepted and appreciated. When selecting your contribution you may want to consider size for transporting to and from the conference.

The Auction will again be held in conjunction with the Saturday night President's Welcome Reception. This is always a very fun and exciting event with a lot of interactive participation. This is an increasingly popular event and, for the record, it was noted that the first year the auction raised approximately \$1,100. The second year the amount was about \$800. This year let's make it the goal of AARO to raise more than both of the previous years combined.

If you have any questions concerning the auction please contact Sherry Bren at 605-773-4608 or email at Sherry.Bren@state.sd.us. Please provide Sherry with information about your auction items by September 19th so she can make proper arrangements for the display and bidding process for your item. Again our thanks and appreciation go out to Sherry for all the participation and involvement she contributes to AARO!

When selecting your contribution you may want to consider size for transporting to and from the conference.

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:

Communication. The Association will facilitate communication and cooperation between and among Appraiser Regulatory Officials and others concerned with appraiser and appraisal issues.

Research. The Association will conduct research and obtain information relative to appraisal matters.

Education. The Association will participate in educational programs on appraisal and will assist with instructions, 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.

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.



The mission of AARO shall be to improve the administration and enforcement of real estate appraisal laws in member jurisdictions.

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2010 Director / Officer Nominations

The campaign season will be in full swing in Washington D.C. during the Fall Conference and you can be a part of the action by submitting your 2010 Director nominations to Bob Keith, Nomination Committee Chair. It's your right and your duty to promote individuals with leadership qualities that will provide the quality programs and regulatory information that you can rely on.

Every vote is important.

Every vote will be counted.

But—only one vote per member jurisdiction.

Self nominations are also accepted.



Interested in Sponsoring an AARO Conference?

Call (919) 870-4854 for details on becoming a
Diamond, Platinum, Gold or Silver sponsor.

Visit <http://www.aaro.net> for additional information
and to complete the Sponsor Request form.

Not a member of the AARO ?

Contact Brent Jayes at (919) 235-4544

Visit <http://www.aaro.net> for additional information
and to complete a Membership Application.

AARO Discussion Forum

Don't miss any of the latest breaking
appraiser regulatory news.

Get quick answers to your regulatory questions.

Visit <http://www.aaro.net> for additional information
and to register for the Discussion Forum.

Donate an Auction Item

Help support AARO with your contribution!

Remember to keep the size reasonable because most
recipients must pack the gift for air travel.

Contact Sherry Bren at 605-773-4608 or
email at Sherry.Bren@state.sd.us.



Use the new AARO website as
your primary source of appraiser
regulatory information at:
www.aaro.net