

Quarterly Newsletter – 1st Quarter, 2023

President's Letter

Greetings NDAAs Membership,

As I write this, we are experiencing what I hope to be our last snowstorm of this winter season. It is the first week in April and I can without a doubt say that we are all ready for spring! This winter has been long and grueling, much like NDAAs's legislative session the past three months. The 2023 North Dakota Legislative Session is ending with a majority of the bills being heard in both the ND House and the ND Senate. NDAAs went into this legislative cycle with ambitious goals and produced three bills to move forward. This is the most active the NDAAs has been since its inception.

The bills we produced were common sense reform and benefited not only appraisers but all professionals in real estate and the general public. Unfortunately, our voices fell on unsympathetic ears and routinely turned into questioning us on issues the legislature had regarding the appraisal profession. That is not to say we didn't make connections and get our story out. I will discuss this further down, but first, let's get into the proposed Bills and the end results.

H.B. 1107; we initially wanted to send a bill that would allow all appraisers the ability to perform evaluations for financial institutions within the State. Unfortunately, through guidance of the legislative branch we were asked to produce an amendment to H.B. 1107, which was a language clean-up bill by the State Appraisal Board. We were no longer a standalone bill and there were many discussions on some of the changes the Board had proposed, and our amendment was pushed to the side. We were able to resurrect our amendment for a brief moment in the Senate but forces behind the scenes were working against us and the bill moved forward without our amendment.

H.B. 1133; this bill was an effort to remove additional sales disclosures from the exemption list. We targeted two exemptions, the first was the change in use (line G) - we reworded this to only exempt a change of use sale for surface minerals; the second was removing the exemption for agricultural land sales of less than 80 acres (line K). We were able to get this passed through the House but ran into issues in the Senate. The committee did not feel that the needs of those sales for appraisers and other real estate professionals outweighed the privacy that was wanted by the public. The committee voted a do-not-pass, and the bill was voted down on the senate floor.

H.B. 1225; we know that appraisals are only as good as the data that is available to the appraiser. This bill was intended to increase the amount of data to real estate professionals by requiring all counties to move to an online platform that allowed for easy access to property information which would include taxes, classification, sketches or pictures, and a searchable sales database. Again, we were able to get this bill passed in the House and it was voted through the Senate to go to appropriations. All legislatures are in agreement that this bill is positive and helps many professions and the general public.

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Unfortunately, there is disagreement on how to pay for and how much to pay for this program. As it currently sits the Bill has been amended to become a study where the issues will be vetted over the next two years and come back to the legislature in 2025. This bill is still being voted on therefore the conclusion has yet to be determined.

If you have read this far you have quickly realized that we were 0-3 on our proposed legislation. That is not the outcome we wanted or expected. I can tell you that NDAA has taken a new step forward. We are and were recognized as active participants in the legislative process. We weren't waiting for something to happen and then reacting; we took our concerns to the legislative body and were heard. Early in the process we were continuously questioned with "What are you doing to improve the appraisal situation?", "Why are turn-times so slow?", "Why can't we find rural appraisers?". Our legislative team was able to tactfully answer these questions and provide real solutions that NDAA is already doing and the current projects that we are working on to improve our profession.

We were able to accomplish name recognition, get the story out about appraisers and our association, made connections with representatives/senators, and found some common ground with other professional groups and associations that will help us to continue our push to be an active organization within the legislature.

This has been an extremely busy three months for several of our leaders. I want to personally thank Dean Rylander as our government relations chair. He has spent countless hours on the road and several nights across from the state capitol. If something needed to be done, Dean did it. We are extremely lucky to have a State Representative on our Board of Directors. I want to thank Steve Vetter for his hard work and dedication to our bills. Steve resurrected two of our bills on the House floor by flipping the vote, no easy task and he came through each time. I would also like to thank Wade Becker and Bill Gion for their testimony on H.B. 1133; these two were well prepared and gave passionate speeches to the two committees. I also want to give a big thank you to Barry Wilfahrt, our lobbyist. He helped our green leadership navigate the legislative process and we would have been lost without him. Lastly thank you to the NDAA Board for their leadership, time, and willingness to sit on two-hour plus meetings to discuss these valuable legislative topics.

As always, please reach out to me with any questions or concerns. I want to thank you all for your support of the NDAA!

-NDAA President, Joe Sumers

Committee Reports

Bylaws/Policy:

The goal/purpose for this committee is to maintain the bylaws and policy for our association, along with meeting any future needs of our association in regard to new or changing of policies and bylaws. There has not been any changes within this committee with the exception of a housekeeping / clerical error issue. This committee is working on a mission statement for our association to include within the website.

-Committee Chair, Patricia Hodenfield

Finance:

The financials for the NDAA the past year are good. We have been able to accumulate a surplus through the years and have invested some of that into a new NDAA website that will be coming soon. We would like to thank all the members for the support through the years. Without all of you this would not have been possible.

-Committee Chair, Nick Duchscher

Marketing/Public Relations:

An in-person meeting of the Marketing & Public Relations Committee was held on November 16th, 2022, just prior to the NDAA's Annual Conference & Education Event in Fargo. The primary topic of discussion was to gather concepts and ideas for an Association newsletter to be published in the first quarter of 2023. Other topics of discussion included a refocus of committee goals/objectives, corporate sponsorships, affiliate and associate memberships and a social media presence.

On March 7th, members of the committee conducted a virtual interview with industry experts to gather information regarding the topic of "ghosting".

On March 10th, an outline of the newsletter was sent to the committee members for review/feedback. Further, recruitment of the first candidate for the newsletters Apprentice/New Member Spotlight was conducted and a finalist was selected on March 30th.

-Committee Chair, Wade Becker

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Education/Events:

Since our last meeting at the annual conference we have been planning our upcoming education offerings and bringing timely classes to our members. We are hosting a spring offering in Bismarck on June 9 with the class: *Inconsistency: It's hiding in plain sight in your residential appraisal*; with Craig Steinley as our instructor. This class will be offered both in person and via zoom for our members. Location: First International Bank & Trust.

We have also been planning this year's annual conference which will be held in Fargo on November 13 and 14th at The Gate City Bank Swintek Center (500 2nd Ave N, Fargo) with a block of rooms reserved at the Jasper Hotel on Broadway. The classes will be the 7 Hour USPAP Update course taught by Craig Steinley and a hybrid day with 4 hours of observing the state board meeting and a 3 hour class taught by Peter Christensen on Bias. There will be a free social appetizer and beverage bar immediately after the class on the 13th.

We are working on reserving dates and scouting classes for the future!

We would love more people to actively help on this committee, both in year-round planning and at the time of the events. If you'd like to volunteer, please contact Kathy Huss at 701-261-0337 or at Kathyhuss@gatecity.bank.

-Committee Chair, Kathy Huss

Website:

The Website Committee is in the process of developing a new website on WordPress. The existing website serves as a starting point for creating a new and improved user experience. We are working on a daily basis to bring the new site to the NDAA as soon as possible!

-Committee Chair, David Whartnaby

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Membership:

The strength and sustainability of any organization is the loyalty and commitment of their individual members – every member counts, every voice matters!

Since the adoption of the NDAA Bylaws on June 20, 2016, to the first NDAA election on September 12, 2016, to the present times, the NDAA has been blessed to have great membership in numbers and spirit! The NDAA, through their representative membership, has established itself as the primary voice of the appraisal profession in North Dakota!

The primary purpose of the NDAA Membership Committee is to retain and grow membership, while enhancing the direct membership benefits and seeking qualified election candidates. We strive to promote effective communication of the Association activities to the Members, and between the Standing Committees (7) & the Board of Directors.

For this first quarter of 2023, we focused on NDAA membership renewal and as of April 1, 2023, the **NDAA has 143 members:**

	<u>NDAA</u>	<u>% of NDAA</u>	<u>ND TOTAL</u>	<u>% NDAA/ND</u>
➤ General Certified	(60)	42%	191	31%
➤ Certified Residential	(47)	33%	84	56%
➤ Licensed Residential	(19)	13%	31	61%
➤ Apprentice	(15)	11%	<u>34</u>	44%
➤ Associate (non-appr)	<u>(2)</u>	1%	n/a	
	143		ND Overall = 340	42%

Our additional 2023 goals include: recruiting new members at all levels (including Associate, Affiliate & Honorary Members); assisting with future website development for enhanced membership benefits along with continued efforts to research other potential and viable membership benefits.

If you have questions, concerns, suggestions or would like to serve on the NDAA Membership Committee please contact Bill Gion at 701-690-7633 or gionappraisal@gmail.com. You may also contact any NDAA Membership Committee members (contact information is listed on the NDAA Website @ About @ Standing Committees).

-Committee Chair, Bill Gion

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Government Affairs:

Your Government Affairs Committee has been working hard since our Convention in 2022.

As indicated in the Presidents letter we have been busy working on the 3 sponsored bills brought to the legislature this year. While our results were not ideal, we did take away a lot of good information and knowledge for the next legislative session.

As it was stated to me by a lobbyist “The NDAA has arrived”. We have been seen and we have been heard by Legislatures. They are well aware that we are trying to make a difference in the State of North Dakota in regard to finding solutions that hinder our profession. Our talking points besides the Bill’s themselves included, how our industry on a national platform has taken steps to reduce barriers to the profession over the past several years. Lowered experience hours, lowered qualifying formal education, created alternative pathways to licensing, and created an entire new model of training with Practical Application of Real Estate Appraising (PAREA) available now and this fall with the Appraisal Institute.

However, the NDAA has looked hard at what we can do right here in our State to improve the issues that hinder our profession that include, NDAA website Search Engine so Lenders, AMC’s and the general public can find qualified appraisers throughout the state, offering Apprentice Appraisers 1st year membership free of charge, NDAA scholarships for qualifying education and license upgrades. And the NDAA as well as industry professionals are working with NDSU to create a Real Estate Valuation Minor. When coupled with PAREA will create a powerful tool for newer and younger people to enter the profession. This is on track to be offered the spring of 2024.

Of all the things we have done so far, the greatest issue that hinders appraisers is access to, and availability of, DATA... House Bill 1225 was our attempt to bring Counties without online services into the 21’s Century. The bill was put into a study for the next legislative session in 2025. Representative Steve Vetter is still working on this bill with an update later. If you work in counties without public access to data, please take the time to ask why they don’t have a program like Vanguard. If we push a little now, we may find a simple solution in the future.

Lastly, I would like to remind everyone, what you do matters, how you act and treat people matters. With every industry there are bad actors, and we must police ourselves to make sure we communicate with our lender clients. Please take the time give updates and when you quote a report delivery date please be on time or a quick note to say you will be delayed a day or two. This is not Appraisal Process, its just good old fashion customer service. Being late a day is not the end of the world to most lenders. But not communicating it is catastrophic to the lending process. Why is this important?

While we stand before the Legislature speaking on behalf of Appraisers telling them how important our profession is, it is not helpful that we get reprimanded by a Representative or Senator that received poor service from an Appraiser. When we ask for other industry associations to help with supporting our cause and get denied because of poor appraiser service is not helpful. What you do matters, and it does affect our legislative efforts.

-Committee Chair, Dean Rylander

Important Issues & Links

Important Issue: “Ghosting”

Though “ghosting” has become a hot-button issue in the appraisal profession, the definition of “ghosting” is still uncertain for many people in the practice. As a means of providing a better understanding of what “ghosting” is and how it impacts the appraisal profession, an informal interview was held with three individuals who are particularly passionate about the topic: Peter Fontana, a board of Trustees Member for the Appraisal Foundation, Mike Simmons, Co-President of AXIS AMC, and John Russell, the Strategic Partnership Officer for the American Society of Appraisers (ASA). During this interview, Mr. Russel succinctly defined “ghosting” as the “when an appraiser knows they will not complete an assignment for any reason and fails to communicate this to the client.” Appraisers should keep in mind that they enter into an agreement to complete an appraisal upon execution of a contract or engagement letter. It is only from this point that the act of “ghosting” can occur.

Mr. Simmons said for a recent blog post, “I want to clarify something: while the issue causing most of the heartburn only involves a small percentage of appraisers, it’s spreading and eroding the public’s trust in appraisers.” Further, while it is a small number of appraisers engaging in this activity, the issue has begun to gain attention by several influential parties. Mr. Fontana noted that the topic of “ghosting” has gained traction with the United States Department of Veterans Affairs (VA) as well as Rocket Mortgage. According to Mr. Fontana, the VA has made multiple complaints of veterans being unable to purchase a home due to appraisers “ghosting” their clients. Further, Mr. Fontana noted that the CEO of Rocket Mortgage has noted “ghosting” as one of their top five issues they are looking to fix. Clearly, while it may only be a small percentage of appraisers engaging in this activity, it has not gone unnoticed.

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In order to address this growing issue, a group, to include Mr. Fontana, Mr. Simmons, and Mr. Russell, has been formed out of individuals with a diverse set of opinions and interests on the topic of “ghosting”. This group was formed after the topic of “ghosting” was addressed multiple times at an Association of Appraiser Regulatory Officials (AARO) conference in San Antonio, Texas in May of 2022 and again in Washington D.C. in October of 2022. As a result, these individuals have been taking steps to better provide regulatory officials a means of holding appraisers accountable who engage in this activity. This included approaching the Appraisal Standards Board and arguing for a change of verbiage to USPAP to add the following sentence: “An appraiser must communicate with their client when they will complete an assignment.” Other professions such as attorneys, CPAs, and Realtors include similar requirements in their own Codes of Conduct. While this verbiage has not yet been adopted into USPAP, it can be expected that further efforts will be made to advocate for this change. Additionally, alternative terminology is being discussed to replace the informal “ghosting” with more common terms such as “abandonment” and “non-performance”.

As this issue appears to be a growing area of concern, it can be expected that “ghosting” will be addressed again in the future. Stay tuned for additional information on this topic from the NDAA.

Important Links:

The Appraisal Foundation: [Appraiser Talk Podcast](#)

Fannie Mae: [Selling Guide Announcement \(SEL-2023-02\)](#)

Appraisal Institute Webinar Regarding Fannie Mae Selling Guide: [Understanding Value Acceptance and the Impact on Residential Appraisal](#)

North Dakota Appraisers Association: [NDAA Website](#)

Upcoming Events – 2nd Quarter, 2023

6/6/23: 1:00 PM - 3:00 PM CT: NDAA Board Meeting

6/9/23: Education – [Inconsistency: It’s Hiding in Plain Sight in Your Residential Appraisal](#)

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Apprentice/New Member Spotlight

Name: Summer Steinmetz

Question #1: *Where are you from and in what areas of the state do you appraise?*

I am from Carson, ND, in the southwestern part of the state. I serve the southwestern counties of the state bordered by our Missouri River to the north and east.

Question #2: *How long have you been appraising?*

I received my apprentice appraiser license in January of 2019. I was a teacher until the spring of 2020, then transitioned into a full time apprentice appraiser.

Question #3: *Who do you work for and what type of appraisal work do you perform?*

My supervisor appraiser is Bill Gion, Gion Appraisal, out of Regent, ND. We primarily serve the agricultural community in Southwestern North Dakota for agricultural appraisal. We have done a handful of residential and commercial appraisal in the small towns in Southwestern North Dakota.

Question #4: *Who got you started in the appraisal profession and why does it interest you?*

I have always enjoyed math, which is why I became a High School/ Middle School Math teacher. With our growing family, I needed something flexible and long-term. My husband suggested looking into being an appraiser. After taking the 75 educational hours to become an apprentice appraiser, I knew it was something I would enjoy and do well. The multiple aspects of compiling an appraisal report from client communication, inspection days, data analysis, narrative report writing, map making, reconciliation and many others are why I have continued to become a Certified General Appraiser.



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Question #5: *What type of credentialing are you seeking and when do you anticipate achieving it?*

I am seeking a Certified General Appraisal Certification. As of March 2023, I am approved by the board for a Certified General Appraisal License pending the exam. I plan to sit the exam within the next 1-3 months, and be a Certified General Appraiser by fall of 2023.

Question #6: *How has the NDAA helped you throughout the process?*

The NDAA has helped me tremendously throughout the Apprentice Appraiser experience, by providing the Education Support Scholarship. I applied for the Education Support Scholarship in 2019, 2020 and 2021 and was rewarded the scholarship all three years. As a recipient of Education Support Scholarship, I have been able to take my qualifying education classes with financial support, allowing me to take them within a narrow timeframe to submit for certification. The NDAA has supported my apprentice journey and seen it through to the end with the Education Support Scholarship. The NDAA provides the 7-hour USPAP update course every two years at a reasonable cost being a NDAA member, that I will be utilizing going forward.

Question #7: *How do you view the current supervisor/trainee model as it related to the educational and experience requirements?*

My experience with the current supervisor/trainee model for the educational requirements, qualifying education, has been good. I have completed my qualifying education through a variety of different platforms from in-person, Appraisal Institute Asynchronous, and McKissock Asynchronous, allowing me to do my education at my own pace and, for the most part, in the comfort of my own home.

My experience with the experience requirements, hour requirements, has been a more prolonged process. North Dakota Real Estate Appraisal Board allows a maximum of 24 hours per land appraisal report, with a minimum requirement of 3,000 hours for a certified general. As a majority agricultural apprentice appraiser, fulfilling these required hours with the maximum hours allowed has taken far more time than expected. Even though it seemed like a long tedious process, I have succeeded in documenting my experience hours and appraisal reports completed, and have been approved by Board to sit my exam.

Question #8: *Who or what has had the greatest influence on your appraisal career thus far?*

People. People are by far the greatest influence on my appraisal career. The clients I get to work with, meet, form a relationship and help them with their appraisal needs. Every appraisal is different because of the people and the land; and with those comes the stories and experience they have had throughout their lifetime. I, as an appraiser, have the privilege to be a part of their experience.

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Contact Information

Please feel free to reach out to any members on the North Dakota Appraisers Association Board of Directors for comments, questions, or future opportunities to volunteer:

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Submit comments and ideas for future newsletters to Wade Becker.

