

# Real Estate

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## REAL ESTATE MAILBAG



**ROBERT J. BRUSS**

### Appraiser Has Few Good Words

**Dear Bob:** Don't you have any guts? Your recent article about appraisers must have been written for you by one of the appraisal societies. It was so weak you didn't tell how corrupt the appraisal industry really is. I have been an appraiser for 24 years and have my MAI designation. However, some of the MAI members of our local chapter are the worst appraisers I've ever seen. I much prefer to work with new young appraisers who are eager to do an honest job. I do considerable review appraisal work for banks and S&Ls, so I see the work of many appraisers. Having a professional designation is not always a sign of competence. But you said the forthcoming licensing of appraisers will be a move in the right direction. I'm not so sure. Look at how easy it is to become a licensed real estate salesperson by taking a few courses. I'm afraid licensing appraisers will make us fall to the same level of incompetence. The present appraisal system works well, except for the few corrupt appraisers who are paid off by lenders anxious to make loans. Why don't you tell it like it really is in the appraisal industry?

John R.

**Dear John:** Wow. Although I respect your opinion based on your extensive experience and professional training, something needs to be done to prevent the over-optimistic appraisals that have caused billions of dollars of lender losses. Incidentally, you were not the only appraiser who wrote to chastise me for being too easy on the appraisal industry.

As you know, appraisal is an art, not a science. Even highly skilled appraisers will differ as to the value of the same property. But appraisers know if they come in with low valuations and the lender doesn't make the loan, that appraiser probably won't be called back on the next assignment. On the other hand, high appraisals can result in mortgages that are too high and the property frequently winds up in foreclosure.

Because the current system of not licensing appraisers isn't working well, the only alternative appears to be the new system of appraiser licensing that is being forced on the states by the federal government. If you have a better alternative, other than the status quo, please let me know.

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