

# FAR Annual Conference

By Greg Lane

I took my first trip the FAR conference in Orlando at the end of August, which was a shock to some of my colleagues and friends. They wondered what I could possibly gain by attending a conference for REALTORS®, as the Home Valuation Code of Conduct (HVCC) seems to have stripped any benefit from an appraiser developing a professional network. My answer to the naysayers is simple: what the HVCC cannot do is take away the need to develop my own professional skills and understanding of the entire real estate process.

Appraisers need to be experts in communicating to the lender/client. We must report our findings and estimates, with supporting data, as to how a buyer might react to a list price, the condition of the home, or specific amenities. How can we possibly do this when we are not typically working directly with buyers? Most of the time, it is the REALTOR® who has that one-on-one, direct

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contact with the market participants. Using my time wisely, I surveyed REALTORS® at the conference, asking what they viewed as the major hurdles for buyers. I also wanted to know what buyers were looking for in the selection of their new home. Most of the barriers involved job security, insufficient cash to close, the inability to sell their current home, and indecision due to the oversupply of listings. I could sense that condition was more important today than it was even a few years ago, and that seller concessions (closing costs, etc.) were vital to many buyers.

As you can imagine, one of the most popular issues at the conference was appraisals; specifically, the problem with geographic competency. *The Wall Street Journal*, *USA Today*, even our local *Tallahassee Democrat* have all printed articles on the issue of appraisers traveling outside their competency area to appraise homes, many times resulting in an unfair estimate of value. I can now tell you firsthand that this is not falling on deaf ears amongst the staff of FAR and NAR. NAR is the largest trade organization in the United States; they are lobbying currently for an 18 month moratorium of the HVCC. FAR has become involved, drafting a letter

to the Florida Attorney General. At the conference, the Appraisal Council of FAR applauded the work of the FAR administration with regards to this issue, and has recommended a continued push toward a moratorium.

From my viewpoint, and of most colleagues, the HVCC is not all bad; it includes some clear language with good intentions toward reducing any influence on appraisers. But the problems with geographic competency and the use of unregulated appraisal management companies continue. A moratorium of the HVCC would at least allow us to reevaluate "The Code" and move towards a more appropriate quality assurance program for the appraisal process.

And by the way, I had one more very important reason to attend the FAR conference this year. You see, like most of our local appraisers, I am also one of you; I am proud to be a REALTOR®.

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