

“Social Network Revolution”- By Alvin “Chip” Wagner III, SRA, SRCP

Real estate appraisers have seen appraisal orders transition from telephone to fax machine to electronic mail in just the last few decades. We’ve gone from Polaroid instant photos to one-hour photos to digital photos. Reports have moved from the typewriter to printing on personal computers, now to a completely digital product delivered electronically to clients.

The Internet has changed the way appraisers conduct business. Who would have thought that the cell phone could/would take over land line telephone service? Internet based “phone service” (called VOIP – Voice Over Internet Protocol) is taking off. The PDAs (personal digital assistants) of a few years ago transitioned into “smart phones.” What is next? The sky is the limit!

Smart phones have helped bring the “Social Network Revolution” to new levels. Some feel that **Facebook** will replace e-mail. It is hard to believe that in the business world, but texting and social networking is by far the preferred way to stay in contact with “younger generations” – tomorrow’s business professionals. Perhaps **Facebook** may not be the way of the future, but other new products may be – like **Google+**, or other platforms not yet released or developed.

Through social networking, networks of online friends and group member keep in touch with current friends, reconnect with old friends or create real-life friendships through similar interests or groups. Besides establishing important social relationships, social networking members can share their interests with other like-minded members by joining groups and forums. Networking can also help members find a job or establish business contacts.

In the fall of 2008, my brother encouraged me to join **Facebook**; he said I would enjoy reconnecting with friends. It took minutes to join. I spent the better part of a year reconnecting with grammar school, high school, and college friends; aunts, uncles, and cousins; former neighbors, fellow appraisers, and real estate agents that I had met through my career. Through **Facebook**, a network of friends was created.

A year later, I saw a business presentation by a Social Media expert; I decided to begin developing my “on-line brand” or “persona.” I also read the book: **Socialnomics: How Social Media Transforms the Way We Live and Do Business**, by Erik Qualman.

After networking with friends and relatives, I took it to another level. I developed a company **Facebook** page where I post real estate related articles. These articles inspire conversation or they are shared with other friends’ business or social networks; this has opened up new relationships (potential clients and referral sources).

Social networking is no longer new; it is here to stay and is as much a part of our World Wide Web experience as search engines. **Facebook** has replaced **Google** as the most visited website. Previously considered the province of kids who wanted to keep up with class gossip, social networking services are being co-opted by adults who are examining ways to use them both within and outside of their places of employment. (Cont’d. on page 13)

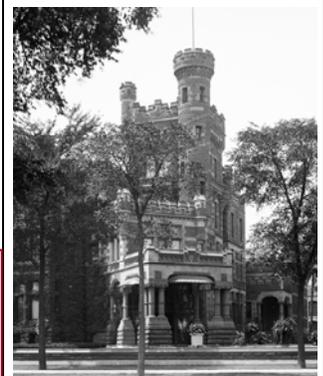
IN THIS ISSUE:

“SOCIAL NETWORK REVOLUTION”	1
JUDY BIGGERT AND CCAI, 1-26-12 AT THE REEL CLUB	2
CHAPTER LUNCHEON, 2-29-12 AT WILDFIRE	3
LEADERSHIP CELEBRATION, 3-28-12 AT CCAI AND MONK’S	4
NEWLY DESIGNATED MEMBERS	6
CANDIDATE FOR DESIGNATION PROGRAM,	10
UPCOMING SEMINAR, “ASSOCIATION LIVING,” 5-2-12	11
“COVERED BONDS - WHAT ARE THEY?”	12
COMMITMENT TO DIVERSITY NATIONAL NEWS	15
JOB OPPORTUNITIES; UPCOMING EDUCATION	16
GUESS THE SUBJECT!	19
UPCOMING CHAPTER EVENTS	20

NEWSLETTER EDITOR:

KEVIN BYRNES, MAI

Join the CCAI Facebook page! Go to <http://www.facebook.com/Chicago.Chapter.Appraisal.Institute>



Judy Biggert with CCAI at the Reel Club

The Chapter held its first dinner meeting of 2012 on a Thursday evening, January 26, at the Reel Club at Oakbrook Center. Our guest speaker was U.S. Congresswoman Judy Biggert (IL-13th District). Judy has been a key legislator on appraisal issues for a number of years. At our dinner event, she addressed issues of transparency to borrowers, identifying the lender, the AMC, the appraiser, and showing the appraisal fee apart from the AMC fee, as part of a reform of the Truth in Lending Act. She recently held a hearing of her subcommittee where AI President Sara Stephens spoke on how the Dodd-Frank legislation affects appraisers (for a recap of Stephen's testimony, go to http://appraisalnewsonline.typepad.com/appraisal_news_for_real_e/2011/07/help-regulators-take-proper-aim-appraisal-institute-tells-congress.html, which also has a link to the 18-page prepared statement by Stephens).

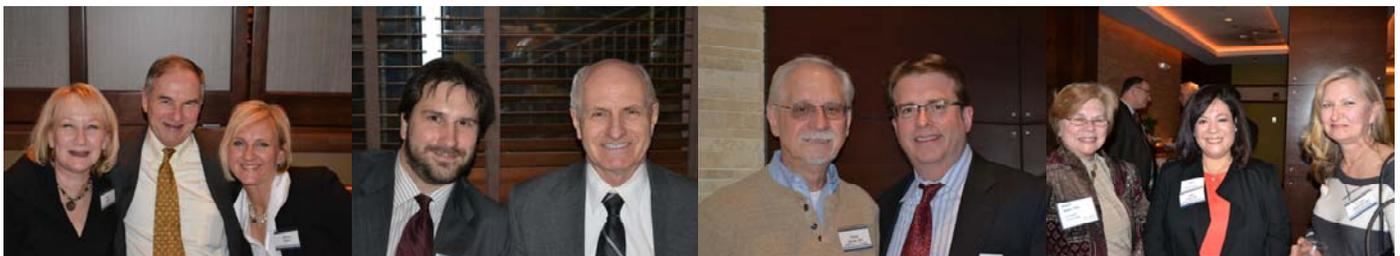


Congresswoman Biggert noted that although the Dodd-Frank bill intended for the Fed to write rules replacing HVCC, giving appraisers more independence, they would up largely rehashing the HVCC rules. In addition to promoting rules that would clarify relationships between appraisers, lenders, and AMCs, she has been active in legislation relating to commercial real estate. One of the more interesting bills she has backed is H.R. 940, the Covered Bond Act. Covered bonds are similar to the asset-backed securities (CDOs, etc.) that are associated in the popular mind with the financial crisis of 2008, with one important difference: if the issuer goes bankrupt, the bond holders still have recourse to the cash flows from the "covering" pool of assets. Covered bonds will probably come to play a greater role in the secondary market for real estate financing. (See article, page 12.)



The event was very well attended with over 75 members and guests on hand. Alex Meade was presented with her MAI certificate by her father, past Chapter President Tony Uzemack.

The conversation was lively, and we were able to catch up on matters large and small. Attendees positively cited the service, the quality of food and drink, and the location (Oakbrook Center being near the intersection of 294 and 88), and the owners were very cooperative with us—so feel free to patronize them on your own! Over 60 photos of the event and attendees are linked at the Chapter's Facebook page. For an in-depth interview with Judy Biggert, see CCAI and ICAP member Rich deVerdier's article at <http://icapweb.wordpress.com/2012/01/30/congresswoman-judy-biggert-the-icap-interview/>.



Chapter Luncheon at Wildfire



On Leap Day, February 29, 2012, the Chapter held a luncheon at Wildfire Restaurant in River North. Nancy Vallone, CEO of The Judicial Sales Corporation (TJSC) presented "What Happens at the Judicial Sale Auction." With 35 years in the mortgage industry, Nancy started with TJSC in 1991, and related interesting details of the housing boom and bust from her perspective. Her role begins towards the end of the foreclosure process—when the foreclosed property is finally going on the auction block.

Apart from the standard facts of bid requirements and redemption periods, Nancy gave her inside view of who buys these properties and what happens to some of the former owners. She noted that Cook County is holding over \$19 million in mortgage surplus funds—money left over after the lender is satisfied by the sale proceeds. For appraisers familiar with short sales, it may have been surprising to hear about the number of sales where the foreclosed borrower turned out to be in the money!

Two designations were awarded at the luncheon to new SRA members Jason Ricke and Loren Schiro (see their profiles elsewhere in this newsletter). 2011 Chapter President Chip Wagner presented Maureen Sweeney, SRA with the Chapter's Distinguished Service Award for development and instruction of her highly rated seminar "Association Living." Maureen will present this seminar again on May 2, 2012. Look for details on page 11 of this newsletter.



CCAI Leadership Celebration



Roland Rives and Jack Shanahan

On Wednesday afternoon, March 28, the Chapter held its first **CCAI Leadership Celebration** event. We gathered at the Chapter offices on Wacker. LA Anderson, our Executive Officer, was there, along with the following Chapter members: Barb Baffoe, Jim Blaydes, Kevin Byrnes, Rich deVerdier, Paul Gillespie, Pat Kelly, Rich Knitter, Mike Kowalski, Mike Maglocchi, John McMahon, Alex Meade, Kari Olbrecht, Pete Poulos, Roland Rives, Tim Rooney, Jack Shanahan, John Shanahan, John Shanahan, Jr., George Sikorski, Dick Sorenson, Gene & Joan Stunard, Joe Thouvenell, Anthony Uzemack, Jr., Chip Wagner, Joe Wallace, and Mike Wolin. After some initial socializing, Tim provided introductory remarks concerning current chapter initiatives, such as our current lease negotiations.

Joe Wallace and Kari Olbrecht then gave a presentation on the Appraisal Institute's Leadership Development Advisory Council (LDAC). Joe mentioned the origin of LDAC, which younger members may not be aware of: it was started by the Society of Real Estate Appraisers in 1969 as the Young Men's Council (a reflection of the times), with an age limit of 35; within a few years women were admitted and the name changed to the Young Advisory Council. By 2000 it had become LDAC (more history is available on the AI website under Membership and LDAC).



Joe Wallace and Kari Olbrecht

Joe pointed out that the Appraisal Institute's relationship with U.S. Congresswoman Judy Biggert started through LDAC. Kari then displayed several charts showing that seven of the last 17 Chicago Chapter presidents had been in LDAC. Eight current chapter positions are filled by LDAC-ers. LDAC people are also in AI at regional and national levels. This year, the Chapter is sending six members (Barb Baffoe, Rich deVerdier, Kari Olbrecht, Pete Poulos, John Shanahan, Jr., and Anthony Uzemack, Jr.) to the annual LDAC trip to Washington, D.C., which will take place May 22 through May 24.



Chip Wagner, Gene Stunard, Pat Kelly

Joe Thouvenell asked about chapter support for this trip; Tim noted that the chapter pays \$450 per appraiser for air fare and pays the hotel charges. Joe suggested that current members make donations to offset the Chapter's cost. Several members have made donations, and we hope that many more will. The goal is to make this function financially self-sufficient; Tim estimates that it would take about \$6,000 to cover all the associated costs. If you are interested in making a donation, the easiest way would be to send a check with LDAC in the memo line:

Chicago Chapter of the Appraisal Institute
c/o LA Anderson re: LDAC
205 W. Wacker Drive, Suite 202
Chicago, IL 60606

(Cont'd. next page.)

CCAI Leadership Celebration



LA Anderson and Jim Blaydes

Tim asked for observations and suggestions from the attendees, particularly the past presidents. Gene Stunard noted that back in the 1960s he knew all 165 members of the chapter—because there was a photo directory! Many of the somewhat older members also recall this directory, which lasted, this reporter thinks, until about 1990. Chip Wagner, Alex Meade, Kari Olbrecht, and Barb Baffoe contributed ideas about setting up photos on either the Chapter’s Facebook site or on the web-site, possibly with an intranet application.

Joe Thouvenell suggested more home-grown seminars—seminars developed and offered by local members. Chip Wagner asked about 4 hour

seminars, pointing out that there might be more response for a half-day commitment versus a full-day one. Joe Thouvenell noted that Peter Korpacz gives a seminar on cap rates and would be willing to present it for the chapter. After the initial meeting many of the attendees made their way down Wells Street to the venerable Monk’s pub, where they enjoyed food (platter after platter of tacos, mini cheeseburgers, chips and salsa, tater tots, and other noshing fare), drink, and lots of lively conversation. This reporter learned among other things that the Stunards started their business in a basement in Oak Park, that Tim Rooney’s father gave Joe Thouvenell an education, and that there are very specific rules for naming Greek babies (thanks, Pete!).



Kari Olbrecht and Barb Baffoe

It was important to recognize our past leadership and to get together with them, since they have so many valuable experiences and insights to offer. It also struck me that this social occasion was, in a way, much like the dinner program with Judy Biggert in January, where members of the Chapter had ample opportunity to catch up with one another. As TJ McCarthy pointed out at the February 29 luncheon at Wildfire, while we are sometimes competitors, we are colleagues, too. We work together in a discipline that has been the subject of constant outside inquiry over the past 20 years; sustaining and expanding our network of social and professional relationships with events such as this Leadership Celebration will create a stronger Chapter, and a stronger profession.

And—it’s a lot of fun.



Anthony Uzemack, Jr. and Pete Poulos



Mike Wolin and Roland Rives



Rich Knitter and Mike Maglocchi

Newly Designated Members

The Chicago Chapter is proud to announce the following newly designated Members (since December 2011).

Susan Camp, SRA

Michael L. Cooper, MAI

Mark T. Gasick, SRA

Jason R. Ricke, SRA

Loren F. Schiro, SRA

Toby Sorensen, MAI

Keith J. Stewart, MAI

Leon F. Sweet, MAI

Learn more about the newly designated members in the next several pages!





Congratulations Newly Designated Members

Susan Camp, SRA

Susan Camp, of Camp-Hoffman Associates, has almost 20 years of residential appraisal experience in Central Illinois. Sue's interest in real estate began early with her father who developed residential subdivisions, and encouraged her to purchase investment properties. Sue worked as a licensed real estate agent, a project manager for a residential builder, and a property manager.

Sue began her appraisal career in 1992 as a staff appraiser at Champion Federal Savings & Loan, later known as First of America Bank. Sue worked under Michael F. Sweeney, MAI, with two additional MAI's and two SRA's on staff for mentoring. Sue joined the Appraisal Institute in 1993, and started her own company in 1998 after First of America eliminated staff appraisers. Sue received the Crommelin Trust Scholarship in 2008 on behalf of the Chicago Chapter. She is currently serving on the Board of Directors for ICAP. Sue has lived and worked in the Bloomington-Normal area her entire life.



Susan Camp, SRA

Michael L. Cooper, MAI

Michael L. Cooper, MAI is the President of the Cooper Valuation Group which is a commercial real estate appraisal and market analysis firm specializing in healthcare and senior housing properties. Clients include HUD Lenders, banks, financial institutions, private firms, developers, owners/operators, and buyers/sellers. HUD experience includes assignments for HUD's Lean Program for insuring mortgages for Section 232 (nursing and assisted living facilities) and also HUD's MAP program. Michael was formerly the Vice President in charge of the Senior Care Division at Appraisal Research Counselors in Chicago and received his Bachelor of Business Administration degree in Real Estate and Finance from the University of Wisconsin-Madison in 1991.



Michael L. Cooper, MAI

Mark T. Gasick, SRA

Mark works for JPMorgan Chase at their office in Westmont.

*Interested in pursuing the MAI or SRA designation?
Check out the following link for further information:
<http://www.appraisalinstitute.org/membership/guides.aspx>*

Congratulations Newly Designated Members

Jason R. Ricke, SRA

Jason has been a Realtor since 1998, opening a brokerage in 2002 that specializes in residential and commercial sales. He feels that establishing fair market value for a listing is imperative when trying to get it sold, and credits the instructors at the AI, in addition to many mentors through the years for helping him to developed a keen sense of value. Recognizing his true passion for evaluating real estate, Jason became an appraiser in 2003, and now he both sells and appraises residential real estate exclusively. With gratitude, Jason recently received his SRA designation, and would like to thank the AI for helping him to not only become a more competent appraiser and broker, but a better person overall.

Jason lives in Elmhurst, IL with his wife and two-year old son. Admittedly, he feels the desire to work less nowadays, since becoming a father. When he is not working or rough-housing with his boy, Jason enjoys jogging, biking, and playing softball.



Jason R. Ricke, SRA

Loren F. Schiro, SRA

I started in 1992 working for an MAI (Ron Lipman) in Lagrange and then with an SRA (Mark Cassidy) in Geneva for 5 years. I started my own business in 1997 and then brought my father into the business in 1997 as well. I have personally worked with and trained 45 appraisers throughout the years. Something AMC's don't do! Coincidentally, I received this SRA award at the same luncheon as Jason Ricke. I trained Jason from his start and we have been associates since 2003.

I am involved in the Naperville Chamber of Commerce (member since 1997), Appraisal Institute, ICAP, and now an owner of an AMC (something I usually don't talk about). It does help to fully understand the regulations and the effects this has on us residential guys.

I have owned and rehabbed over 20 properties through the years including a self storage company I owned from 2005 – 2008, so not only am I an appraiser, I am an investor. I understand the many sides of these transactions. I still own and manage 4 rental properties (unfortunately!).

I instill in all of my appraisers to hold our valuations and our integrity to the highest standards, so as to promote the public trust of all appraisers, even if that means losing a client. No client in the world is worth compromising the trust that has been given to us.



Loren F. Schiro, SRA



Congratulations Newly Designated Members

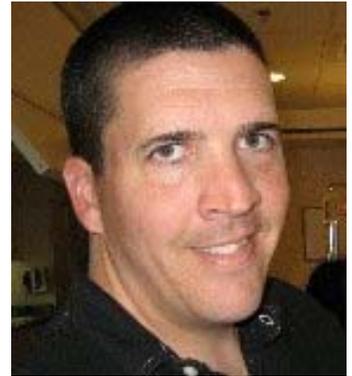
Toby Sorensen, MAI

Toby, a 1998 graduate of the University of Illinois at Champaign-Urbana, has many years of complex appraisal experience and is a Vice President at Renzi & Associates.

Keith J. Stewart, MAI

Keith Stewart, MAI is the President of Stewart Real Estate, Inc., and has been involved in the appraisal of commercial real estate since 1997. Keith is a graduate of the University of Colorado, with a degree in Economics. He specializes in the appraisal of retail, office, industrial, apartments, mixed-use and vacant properties throughout the Chicago area.

Keith is also a licensed managing real estate broker and has successfully marketed and sold both residential and commercial properties. He has been a life-long resident of DuPage County and continues to be involved in the community. He is a member of the Rotary Club of Wheaton and enjoys assisting the community with hands on projects of various types. Keith also spends time with his wife and two sons. He is a licensed private pilot and enjoys flying, golf, snow skiing, fishing, and spending time outdoors.



Keith J. Stewart, MAI

Leon F. Sweet, MAI

Leon Sweet, MAI, of Joseph J. Blake & Associates, received his Bachelor of Business Administration degree in Real Estate and Urban Land Economics from the University of Wisconsin-Madison in 1996 and joined the Appraisal Institute in 1997. Leon has 15 years of experience appraising all types of commercial properties throughout the USA.

The Chicago Chapter membership congratulates your dedication to professionalism and excellence in achieving your appraisal designations. Well Done! Your examples will encourage others to complete their paths to designation. We hope to see you soon at a professional, educational, or social event of the Chicago Chapter.





Candidate for Designation Program

The Appraisal Institute's **Candidate for Designation** Program will begin in June. Many of you will be involved in this new program. Don't miss this very informative meeting!

The Chicago Chapter of the Appraisal Institute invites all Associate Members and Designated Members to join our presentation of "Candidate for Designation/Affiliate Member Informational Event" on Tuesday, April 24th 5:30 to 6:30 pm at the Chapter office, 205 West Wacker Drive (2nd floor).

The informal discussion will be presented by Immediate Past President of the Appraisal Institute, Joe Magdziarz, MAI, SRA, who will provide insight into the reasons behind the change and the benefits of the new classifications going forward.

Education Chair, Ron DeVries, MAI, SRA, will also discuss the education requirements and the process of transitioning from Associate Member to Candidate Member, as well as provide information regarding programs such as Capstone that is designed as one of the demo alternatives.

A social hour with complimentary hors d'oeuvres is scheduled afterwards at Monk's Pub.

Please RSVP to L.A by FRIDAY, April 20th if you will be attending....LA@ccai.org (please note the new email address).

Associate to Candidate Transition

Are you currently an Associate Member? Times are changing! On December 13, 2011, the Appraisal Institute Board of Directors voted to approve the **Candidate for Designation** program.

According to the AI, "Becoming a Candidate for Designation will be the one and only path to Designated membership in the Appraisal Institute. Those interested in becoming Designated members will enroll in a structured program – similar to an MBA program – that will offer guidance and financial incentives for Candidates to make progress toward an MAI or SRA designation."

The current system of Designated Members, Associate Members, and Affiliate Members will be replaced by Designated Members, Candidates for Designation, and Affiliates, as newly defined. Further from AI:

"The Appraisal Institute will invite all current state certified Associate members (or equivalent) into the program. Those new to AI will have up to one year to become a Candidate for Designation. Non-state certified appraisers, including those who are currently Associate members, will become newly-defined Affiliates, as will Associate members who decline to become Candidates.

"Participation in the program will constitute a commitment between the Candidate and the Appraisal Institute. Candidates will commit to meeting the designation requirements within an established timeframe, and the Appraisal Institute will help them be successful. There will be a maximum time limit set for completing the designation requirements.

"The program will provide advisers for Candidate members; those advisers will be assisted by the staff and will receive continuing education credit."

For more on the Candidate for Designation program, Members can go to <http://www.appraisalinstitute.org/myappraisalinstitute/CndtDsgntn/Default.aspx> for FAQs, examples, and a presentation (log-in required).



Upcoming Seminar: "Association Living"- May 2, 2012

Home-grown seminar by Maureen Sweeney, SRA

MAY 2, 2012 - ASSOCIATION LIVING

Don't miss this very informative seminar for condo appraisers!

Have you ever appraised a condominium?

Do you know the difference between a townhouse association and condominium association?

What's all this talk about PUDs and how do you know if you are appraising one?

If a condominium and a cooperative look the same, why can't I use them as comps?

What should I ask the management company?

If you ever encountered any of these appraisal situations, do we have the seminar for you!

It's called **Association Living** and it's happening on Wednesday, May 2nd at the Chicago Chapter. This is an advanced seminar on condominiums, cooperatives, and Planned Unit Developments (PUDs), focusing on the Chicagoland market. Take this 7 hour CE seminar and see what the buzz is about.

7 HOURS OF CE FOR THE STATE OF IL & THE APPRAISAL INSTITUTE!

Upcoming Education

If you haven't taken your 7-hour USPAP update, sign up for a seminar offered by the Appraisal Institute soon. Between now (mid-April) and the end of June—when the alarm clock goes off—the 7-hour seminar is being offered *eight* times, including five in the Chicago Chapter education center at 205 W. Wacker, two at White Eagle Golf Club in Naperville, and one down in Bloomington at the Parke Hotel.

If you are need education for licensure, CE, or towards designation, there is a lot going on at the Chapter. Apart from the eight USPAP seminars, there are 33 other courses or seminars available from mid-April through the end of October. Two promotional packages are being offered at discounted rates: Principles, Procedures, and 15-hour USPAP in June/July, and again in September/October; and **"Fundamentals of Separating Real, Personal Property, and Intangible Business Assets," a two-day course in June, with the book, A Business Enterprise Value Anthology, Second Edition, included in the course fee.**

A summary list of all the courses offered through the end of October is found on pages 16 through 19, on the left side of each page.

For details and registration, go to <http://www.appraisalinstitute.org/education/chicago.aspx>.



Chicago Chapter Newsletter

“Covered Bonds: What Are They, and Why Regulate Them?” - by Kevin A. Byrnes, MAI

Judy Biggert (covered in a story elsewhere in this newsletter) is a backer of H.R. 940, “United States Covered Bond Act of 2011.” Covered bonds are a relatively new financial instrument in the United States, first (reportedly) issued by Bank of America and WaMu in 2006. So—what is a covered bond, and why does the government want to regulate it?

A covered bond is a corporate bond with enhanced protection, backed by a “cover pool” of assets (mostly public-sector debt or mortgage loans). Many articles in the financial press note that under a covered bond, the bond holders have first priority in case of issuer bankruptcy, but in many U.S. bankruptcy cases this would probably be the case anyway. The more significant aspects of protection, it seems, are the specially designed legal protections established by government and the required management supervision.

While these instruments have not been widely used in the U.S., they have been getting more common in Europe. In 1988 the European Union issued a Directive on Undertakings for Collective Investments in Transferable Securities (UCITS), which was adopted as law by Luxembourg in the same year and is now the law in two dozen European nations. The Directive defines the minimum requirements that provide the basis for privileged treatment of covered bonds in different areas of European financial market regulation. In brief, the European standard requires that:

- The covered bond issuer must be a credit institution.
- Covered bond issuance has to be governed by a special legal framework.
- Issuing institutions must be subject to special prudential public supervision.
- The set of eligible cover assets must be defined by law.
- The cover asset pool must provide sufficient collateral to cover bondholder claims throughout the whole term of the covered bond.
- Bondholders must have priority claim on the cover asset pool in case of default of the issuer.

After the experience just a few years ago of collateralized debt obligations and credit default swaps, instruments that lacked any “special prudential public supervision,” H.R. 940 (with its analogous bill, S. 1835) seeks to establish several guidelines similar to those adopted by the EU. Based on the summary prepared by the Congressional Research Service, the proposed bills would, among other things:

- Direct the Secretary of the Treasury to establish a regulatory oversight program for specified recourse debt obligations of an eligible issuer (covered bonds) that provides for such bonds to be maintained in a manner consistent with safe and sound asset-liability management and other financial practices.
- Direct the Secretary to establish minimum over-collateralization requirements for covered bonds designed to ensure that sufficient eligible assets and substitute assets are maintained in the cover pool to satisfy all principal and interest payments on the bonds when due through maturity, based upon the credit, collection, and interest rate risks (excluding the liquidity risks) associated with the eligible asset class.

(Cont'd. on next page)



“Covered Bonds: What Are They, and Why Regulate Them?” (Cont’d.)

- Require the eligible and substitute assets in any cover pool to meet in the aggregate and at all times, the applicable minimum over-collateralization requirements.
- Require a covered bonds issuer to appoint the indenture trustee for the covered bonds, or another unaffiliated entity, as an independent asset monitor to verify and report to the Secretary and specified persons whether the cover pool meets applicable minimum over-collateralization requirements.

The requirement for over-collateralization might be compared to more traditional measures used by real estate lenders to reduce risk, such as loaning less than the full market value of a property (loan to value ratio under 100%) or requiring net income to exceed debt service (debt service coverage ratio greater than 1). As appraisers are well aware, there has been a lot of devil in those underwriting details.

Both bills have been in committee since last year, and some observers doubt that they will ever come to a vote; it remains to be seen as to how covered bonds will be used and regulated in the near future. In the residential market, investors might well require greater assurances than were reflected by CDOs in the 2000s; the commercial MBS market, which made a comeback in 2011, seems to have other issues. For an interesting take on covered bonds, see "Lucrative knock-offs: Covered bonds in the US," by Pinedo and Tanenbaum. (<http://www.mofo.com/docs/pdf/LucrativeKnockoffscovered.pdf>)

Chip Wagner, “Social Network Revolution” (Cont’d.)

As of January 2012, **Facebook** has more than 800 million active users, of which more than half log in daily. Users may create a personal profile, add other users as friends and exchange messages, including automatic notifications when they update their profile. Additionally, users may join common interest user groups, organized by workplace, school, college, or other characteristics.

Facebook has a wide range of services, mainly because of the large number of “third-party applications” that people can install and use. One example is **BranchOut**, the first career-networking tool that allows a person to search and/or browse **Facebook** friends’ career information as a resource. **BranchOut** is a powerful resource for the ultimate inside connection for finding a new job or identifying business opportunities at the companies that matter to you. Browse and share available jobs that people within your career network have posted. One can also post jobs for FREE, which could lead to referral bonuses while helping out friends.

However, the use of **Facebook** for business networking has been controversial. Companies that may consider using **Facebook** to keep their increasingly mobile employees in touch are concerned—not without reason—that all the games and social groups can distract employees from focusing on their job. Other professionals are concerned with mixing their high school or college friends with co-workers, superiors and employees, and client prospects. Innocent comments or old photos from fraternity or sorority days may be inappropriate to the business network.

Perhaps the largest business-oriented social networking site is **LinkedIn**. Founded in 2003, it is mainly used for professional networking. As of January 2012 (2010 -11-02), **LinkedIn** had more than 135 million registered users, spanning more than 200 countries and territories worldwide.

Chip Wagner, "Social Network Revolution" (Cont'd.)

The site allows registered users to maintain a list of contact details of people they know and trust in business. The people in the list are called *Connections*. Users can invite anyone (site user or not) to become a connection. I joined **LinkedIn** in 2007 and currently have close to 600 Connections which link me to some 5,835,400 *professionals*. The "gated-access approach" (where contact with any professional requires either a preexisting relationship or the intervention of a contact of theirs) is intended to build trust among the service's users. **LinkedIn** also allows users to research companies with which they may be interested in working. Type a company name in the search box, and statistics about the company appear.

LinkedIn Answers allows users to ask questions for the community to answer. This feature is free; questions are more business-oriented, and the identity of the people asking and answering questions is known. **LinkedIn** users post a question, and you may provide an answer, becoming a subject matter expert. The searchable **LinkedIn Groups** feature allows users to establish new business relationships by joining alumni, industry, or professional and other relevant groups. **LinkedIn** groups can be created in any subjects and by any member of **LinkedIn**. Some groups are specialized groups dealing with a narrow domain or industry whereas others are very broad and generic in nature.

LinkedIn has third party applications that can be added. Some of the popular ones include an **Amazon Reading List** that allows **LinkedIn** members to display books they are reading or have read; a connection to **TripIt** (noting your upcoming business trips); and a **WordPress** and **TypePad** application that allows members to display their latest blog postings within their **LinkedIn** profile.

Twitter, another popular social networking service (also referred to as a microblogging service), lets its users send and read text-based posts of up to 140 characters, known as "tweets." San Antonio-based market-research firm *Pear Analytics* analyzed 2,000 tweets originating from the U.S. over a two-week period in 2009 and found that 40% of the tweets were "pointless babble." About 9% had pass-along value, and 4% was news. Most people are aware of 'tweeting' by celebrities in which hundreds of thousands, if not millions of fans follow them. But when an earthquake shakes a region, people are tweeting it before it is confirmed by the news media. I have not found a practical use for 'tweeting' in my appraisal business, but because I have many followers (95% people that I do not know personally), I make sure any self-promotional newsletters or blogs are tweeted as well.

So, which is actually better for professional use, by both companies and employees (and would-be employees)? **LinkedIn** with its focused approach, or **Facebook** with its multitude of applications? The answer is...most likely both. My social and business networking strategy is to publish an electronic newsletter for my personal and professional contacts. This vehicle includes professional thoughts and monthly/quarterly supply and demand market studies. The newsletter is produced through **Constant Contact**, an online mass e-mailing service.

From time to time, I also write a Blog. My electronic newsletter and Blog are connected to both my **Facebook** and business **Facebook** pages; and my **LinkedIn** and **Twitter** accounts. My followers were built through several means, e.g., direct e-mail, **Facebook** friends and groups, **LinkedIn** contacts and groups, and **Twitter** followers. If people like what they read or find something interesting or thought provoking, they "share" it with friends and contacts, it then becomes VIRAL.

What is right for you? The first step might be to join the various services discussed above, which will lead to locating friends, colleagues, and clients. By actively participating in some of these groups, you can share your expertise and knowledge. This will not happen overnight or over a weekend, but a steady commitment to it will connect you to the next generation of business clients, leads, and referral opportunities, or maybe even that next career!

APPRAISAL INSTITUTE COMMITMENT TO DIVERSITY

Elsewhere in this newsletter, it was noted that LDAC began as the “Young Men’s Council” in 1969. We’ve come a long way, but achieving meaningful diversity is still an active goal of the Appraisal Institute. Sara W. Stephens, MAI, the current President of the Appraisal Institute, has said: “The Appraisal Institute invites all appraisers and interested parties to join the Appraisal Institute. Our commitment to diversity extends to everyone and it allows our members to participate in the Appraisal Institute on all levels, ensuring equal treatment and equal opportunities for everyone.” The Institute has taken active steps to encourage this diversity, including the creation of a Minorities and Women Directory, a Diversity Committee, the Appraisal Institute Education Trust (AIET) Minorities and Women AI Designation Scholarship, and the AIET Minorities and Women Education Scholarship.



The Designation Scholarship is designed to provide financial assistance to help associate members in advanced designation states achieve their SRA or MAI Designation. The Education Scholarship is awarded to minority and women undergraduate students pursuing academic degrees in real estate appraisal or related fields. In connection with the Designation Scholarship, there is an Appraisal Institute Designation Voucher program for qualified Appraisal Institute Associate members working toward the MAI or SRA designation. These vouchers are sponsored in whole by participating Appraisal Institute Chapters and are only accepted at participating Appraisal Institute Chapters.

The Chicago Chapter indicated in February that it would donate two seats in a 2012 class offered by the Chapter for a qualified Associate working towards the MAI or SRA, valid for any AI Level II course on the Associate’s designation path. Our own Barb Baffoe was the recipient of an AIET Minorities and Women Designation Scholarship in 2011.

RECENT NATIONAL NEWS

Use Appraisals, Not Assessor’s Values, in Mortgage Fraud Cases

CHICAGO (March 14, 2012) – “Speaking at a hearing in Washington, D.C., the Appraisal Institute today urged a federal judicial agency to require the use of real estate appraisals when calculating loss in mortgage fraud cases. The Appraisal Institute is the nation’s largest professional association of real estate appraisers.

“In prepared written testimony, Appraisal Institute President Sara W. Stephens, MAI, told the U.S. Sentencing Commission, ‘We believe the Commission should adopt a special rule for determining the fair market value of real property if the mortgaged property has not been disposed of by the time of the sentencing. However, this rule should require use of real estate appraisals prepared by qualified appraisers in accordance with the Uniform Standards of Professional Appraisal Practice, as opposed to tax assessments, to ensure fairness and consistency.’

“Stephens said the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers oppose the proposed amendments to the federal Mortgage Fraud Sentencing Guidelines because the amendments propose using tax assessments, and not real estate appraisals, to determine fair market value when the property in question has not been sold....Stephens appeared at the hearing, held in the Thurgood Marshall Federal Judiciary Building, on behalf of the Appraisal Institute and the American Society of Farm Managers and Rural Appraisers, which together represent more than three-fourths of all professionally designated real property appraisers in the United States. ”

The press release goes on to point out that tax assessments could be deficient for the stated purpose due to inaccuracy of public records, the age of the assessments (which might reflect different market conditions), and the lack of a current inspection.

Upcoming Education in Chicago

- Apr 16 - 21, 2012**
Advanced Concepts & Case Studies
- Apr 23 - 24, 2012**
Residential Site Valuation and Cost Approach
- Apr 25 - 26, 2012**
Adv. Residential Applications & Case Studies, Pt. I
- April 27, 2012**
7-Hour National USPAP Update Course
- Apr 27 - May 1, 2012**
Advanced Residential Report Writing, Pt. II
- May 2, 2012**
Association Living
- May 7 - 10, 2012**
Residential Sales Comparison and Income Approaches
- May 14 - 15, 2012**
Real Estate Finance Statistics and Valuation Modeling (REVISED)
- May 16, 2012**
7-Hour National USPAP Update Course

REGISTER NOW

*Please visit our website www.ccai.org for a full listing of all



Chicago Chapter Office
205 W. Wacker Drive

Job Opportunities

AI Members looking for a job, or for a change in position, can look at the AI website: http://www.appraisalinstitute.org/profession/career_center.aspx (login required). Other resources include <http://www.careerbuilder.com/>, <http://www.indeed.com/>, and other similar sites where you can search by keyword and location. Of course, nothing beats having a network of friends and colleagues in a professional organization, such as you find in the Chicago Chapter and in the AI. The Chapter and AI are here for your benefit—use them!

Currently on the AI “Positions Available” website, posted since March 20, 2012:

Mokena , IL **Quality Control** **Allstate Appraisal, L.P.**

Staff Quality Control Appraiser / Analyst

Allstate Appraisal, L.P. is a Chicago area based, National Appraisal Management Company that is currently seeking Certified Appraisers to join their in house staff review team responsible for conducting current and retrospective quality control reviews of appraisal reports to support lending decisions and determine if they meet Fannie Mae/Freddie Mac guidelines, as well as the Uniform Standards of Professional Appraisal Practice (USPAP) and other professional appraisal standards.

Location: Chicago Heights IL / Mokena IL

Job Description:

Our staff review appraisers will work under the divisional manager and will perform due diligence quality control reviews, ensuring that each appraisal / appraisal review adheres to client's requirements.

Duties and Responsibilities

- Analyze an automated review of each appraisal as well as perform manual reviews to ensure accuracy.
- Prepare cover letters to be sent with each appraisal delivered to our client to ensure that both automated and manual QC has been performed on each assignment.
- Manage and prioritize caseloads of pending and active appraisals and / or appraisal reviews.
- Communication with nationwide appraisal subcontractors to ensure the appraisal has been completed per client requirements.
- Assist in developing and utilizing check lists to adhere to new / changing client requirements.
- Work with team to develop automated scoring system for approved appraiser panel.

Skills and Specifications

- Ability to work under tight deadlines.
- Politeness, confidence, tact, patience and diplomacy while dealing with complex problems.
- Motivational, listening, and problem-solving skills.
- Ability to produce creative ideas to ameliorate customer service standards.

(Cont'd. on next page)

Upcoming Education in Chicago

May 17 - 18, 2012

Residential Report Writing and Case Studies

May 18, 2012

7-Hour National USPAP Update Course

May 30, 2012

7-Hour National USPAP Update Course

June 6, 2012

7-Hour National USPAP Update Course

Jun 11 - 14, 2012

Basic Appraisal Principles

June 14, 2012

7-Hour National USPAP Update Course

Jun 18 - 19, 2012

Fundamentals of Separating Real, Personal Property, and Intangible Business Assets

June 20, 2012

7-Hour National USPAP Update Course

June 21, 2012

Business Practices and Ethics

Jun 25 - 28, 2012

Basic Appraisal Procedures

June 28, 2012

7-Hour National USPAP Update Course

Jul 16 - 17, 2012

15-Hour National USPAP Course

Jul 18 - 19, 2012

Real Estate Finance Statistics and Valuation Modeling (REVISED)

Aug 6 - 9, 2012

General Appraiser Sales Comparison Approach

REGISTER NOW

*Please visit our website www.ccai.org for a full listing of all our courses for 2012!

Job Opportunities

(Allstate Appraisal, cont'd.)

Education and Qualifications

- State Certification required
- Underwriting / Banking / Appraisal related experience a plus
- College level experience / degree a plus

Job includes a competitive base salary with Commission potential, health benefits, paid time off, paid time off for continuing education and more!

Contact: igenis@allstateappraisal.net

Chicago, IL Valuations Manager GE Capital

JOB DESCRIPTION: Role Summary/Purpose This role is responsible for leading and coaching a team of Valuation Team Leader(s) and/or Valuation Analysts and will provide commercial real estate valuations and industry expertise to the sales and risk communities. The role is also responsible for timely creation and updating of residual policies and management of the quarterly exposure and portfolio reports. Works closely with Finance Team on impairment process, policies and value.

Essential Responsibilities

Train, develop, coach and mentor (Senior) Valuation Analysts to accept greater responsibility within the team and organization and ensure their future success
Align the valuation team with the business verticals to achieve established growth targets
Own in-depth collateral/market analysis and make residual value recommendation on new or current programs and collaterals
Perform quarterly monitoring of portfolio exposure and performance
Provide residual positions on exception transactions as needed
Follow-up and resolve questions/issues in approval processes
Support collections, tax, pricing and credit with valuation as needed
Identify opportunities to improve the residual setting process and policies
Perform valuation due diligence on business development, mergers and acquisitions, and portfolio purchase activities
Provide residual positions on exception transactions as needed
Follow-up and resolve questions/issues in approval processes
Support collections, tax, pricing and credit with valuation as needed
Identify opportunities to improve the residual setting process and policies
Perform valuation due diligence on business development, mergers and acquisitions, and portfolio purchase activities
Lead and/or participate in special projects as required within the team
Experience valuing special purpose commercial real estate
Frequently utilize knowledge of FAS 144 and 157 on asset impairment processes
Lead a team responsible for driving multiple complex processes.
Responsible for driving business and production goals while maintaining strict adherence to process and valuation standards.

(Cont'd. on next page)

Upcoming Education in Chicago

- Aug 13 - 14, 2012**
Residential Market Analysis and Highest & Best Use
- Aug 15 - 16, 2012**
Residential Site Valuation and Cost Approach
- Aug 20 - 22, 2012**
Condemnation Appraising: Principles & Applications
- Aug 20 - 23, 2012**
General Appraiser Site Valuation & Cost Approach
- Aug 27 - 28, 2012**
Residential Report Writing and Case Studies
- Sep 10 - 13, 2012**
General Appraiser Income Approach/Part 1
- Sep 10 - 13, 2012**
Residential Sales Comparison and Income Approaches
- Sep 17 - 20, 2012**
General Appraiser Market Analysis and Highest & Best Use
- Sep 17 - 20, 2012**
Basic Appraisal Principles
- Sep 24 - 27, 2012**
General Appraiser Income Approach/Part 2
- Oct 8 - 11, 2012**
General Appraiser Report Writing and Case Studies
- Oct 8 - 11, 2012**
Basic Appraisal Procedures
- Oct 15 - 16, 2012**
Real Estate Finance Statistics and Valuation Modeling (REVISED)

REGISTER NOW

*Please visit our website www.ccai.org for a full listing of all our courses for 2012!

Job Opportunities

(GE Capital, cont'd.)

Qualifications/Requirements Basic Requirements:

Bachelor's degree in financial, managerial, accounting or related business area (or High School diploma/GED and 8 years' of financial services related experience).
4 years' of experience in the financial services or engineering industry performing commercial real estate valuations.
Previous experience managing a team.

Eligibility Requirements:

Must submit application for employment through COS (internal candidates) or www.gecareers.com (external candidates) to be considered for this position.
Must have unrestricted authorization to work in the United States.
Must be willing to comply with pre-employment screening, including but not limited to, drug testing, reference verification and background check.
Must be able to satisfy the requirements of Section 19 of the Federal Deposit Insurance Act
Ability to travel up to 10% of the time.
Must be willing to work out of an office in Chicago, IL.

For U.S. employment opportunities, GE hires U.S. citizens, permanent residents, asylees, refugees, and temporary residents. Temporary residence does not include those with non-immigrant work authorization (F, J, H or L visas), such as students in practical training status. Exceptions to these requirements will be determined based on shortage of qualified candidates with a particular skill. GE will require proof of work authorization. Contact: Sandi.Schroeder@ge.com

**South Elgin, IL
Commercial Appraiser
Ovington Appraisal Service**

We are currently seeking candidates for associate commercial appraiser positions. Applicant should have current Illinois Appraisal license. Income depends upon qualifications and experience with a fee % arrangement and opportunity for business development bonus. Excellent written communication skills and working knowledge of both Microsoft Word and Excel programs required. Ovington Appraisal Service is a commercial and residential appraisal and consultation firm in the Chicagoland market. Our expertise benefits a broad range of professionals including accountants, attorneys, developers, financial institutions, insurance companies, governmental authorities, institutional investors, and property owners. Assignments cover a broad spectrum of real estate ranging from residential and investment properties to complex assignment such as undivided partial interest valuations, ad valorem tax appeals, condemnation, eminent domain, special use properties, proposed residential developments and office/industrial development projects. Contact: lee@ovington.com

**Chicago, IL
Staff Appraiser
Renzi & Associates, Inc.**

Our commercial appraisal firm is seeking a new team member. We are hoping for a minimum of one year of commercial appraisal experience, but will provide "on-the-job" training for the right individual. Contact: toby@renziappraisal.com

Upcoming Education in Chicago

- Oct 17 - 18, 2012**
Adv. Residential Applications & Case Studies, Pt. I
- Oct 19 - 23, 2012**
Advanced Residential Report Writing, Pt. II
- Oct 29 - 30, 2012**
15-Hour National USPAP Course

REGISTER NOW

*Please visit our website www.ccai.org for a full listing of all our courses for 2012!

Guess the subject! If you think you know where it is, send an email to kbyrnes@bhwappraisal.com and we'll list the winners in the next newsletter.



Job Opportunities

Hickory Hills, IL **AVP - Appraisal Review** **Standard Bank and Trust Co**

Standard Bank and Trust is seeking an experienced, highly motivated appraiser to oversee and conduct appraisals and appraisal reviews on a complex commercial and residential portfolio. The individual will report to the Chief Credit Officer and will work with other experts within the commercial lending areas to ensure timely and accurate valuations are completed.

We are seeking a seasoned goal oriented professional with five to ten years experience as an appraiser with specific experience completing commercial real estate appraisals and appraisal reviews. The candidate will support risk management activities of the Bank and must be a self starter who is able to work with limited direction, must be state or MAI certified, possess strong time management skills, has knowledge of construction principles and practices, has excellent oral and written communication skills, strong collaborative partnering skills to work closely with a range of professionals and to manage others, strong problem solving skills, demonstrates flexibility and adaptability, and is able to work under tight deadlines.

Candidate must reside locally in the southwest and southwestern suburban Chicago metropolitan area.

Please apply online at www.standardbanks.com/careers.

We are an Equal Opportunity Employer.

Staff Appraiser **The William Fall Group**

The William Fall Group is an established residential real estate appraisal firm owned and managed by appraisers. We are currently seeking self-motivated, organized appraisers to join our team.

Our firm offers a competitive fee split, a bi-weekly pay schedule, and health insurance options along with other employee benefits. We have a strong support staff available to you. Our appraisers produce superior reports and are encouraged to achieve further certification, designation, and broaden specialized knowledge.

Immediate openings are available. If you are interested in joining our team, please submit an email titled: STAFF APPRAISER containing a copy of your resume, your coverage areas and one sample report to recruiting@williamfallgroup.com



Job Opportunities

Upcoming Chapter Events

April 24, 2012

Candidate for Designation / Affiliate
Member Informational Event
205 W. Wacker, 2nd floor
5:30—6:30 p.m., then to Monk's

May 8, 2012

Luncheon @ Wildfire, 159 W. Erie
11:30 cocktails, 12:00 lunch

June 26, 2012

Chapter golf outing
Silver Lake CC, Orland Park, IL

September 21, 2012

Walking Tour of Downtown Chicago
Hosted by Tom Rodgers, MAI

Additional details on these events will be sent to members by email or posted on the Chapter website and Facebook page. See the December 2011 newsletter for a recap of Tom's last Walking Tour, a popular success!

Anyone know where this is? (Hint: it's not in Chicago, but is within driving distance.)



Chicago, IL

Analyst Assistant - Valuation & Financial Opinions (Real Estate)

Stout Risius Ross

Description

General Purpose: To assist in the valuation of commercial real estate.

Major Duties and Responsibilities:

Assist with market research
Assist with preparation of reports
Data entry in comparable database
Perform comparable searches for team members
Perform real estate research at local municipal/county offices

Knowledge, Skills & Abilities:

Good written and oral communication skills
Strong analytical skills
Independent transportation necessary – significant amount of driving involved in this position
Highly motivated
Ability to handle multiple tasks
Scheduling flexibility
Knowledge of MS Word and Excel
Tenacious, but team-oriented
Creative
Positive

Education and/or Training:

Bachelor's degree preferably in Business, Finance, and Economics.

Must have a valid driver's license.

The specific statements shown in each section of this description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.

****An Equal Opportunity Employer****

We do not discriminate on the basis of race, color, religion, national origin, sex, age, sexual preference, or disability. It is our intention that all qualified applicants are given an equal opportunity and that selection decisions be based on job-related factors.

Please apply online at: <http://tbe.taleo.net/NA8/ats/careers/apply.jsp?org=SRR&cws=1&rid=1029&source=14>

Online Education: Learn at your own pace, anytime, anywhere.

Top-notch Appraisal Institute courses and seminars come straight to your desktop with online education! Learn from any computer anywhere, whenever you have time. It's easy, convenient and a great way to get the education you want. [Check out the current course listing now!](#)



Online Education:
Learn at your own pace anytime, anywhere.

Visit appraisalinstitute.org/online for a list of classes!



**Appraisal
Institute®**

Professionals Providing
Real Estate Solutions