
3rd Quarter 2022 Newsletter & Updates

President's Letter

**Jacinto Munoz MAI, SRA, AI-GRS, AI-RRS
2022 SCCAI President**



Greetings SCCAI family! As always, I hope that you and your families are staying safe, healthy, and happy as we seemingly continue to distance ourselves from the COVID nightmare (fingers crossed). This felt like one of the most normal summers we have had in a while, which I pray will continue into the fall and as we close out the year. We have continued to see a strong desire for a return to the classroom, and Chapter Leadership is hoping that our members are putting to good use those discount certificates that we approved earlier in the year, which was part of an initiative to encourage members to get out and join us for some fantastic educational offerings.

Our regional and chapter leaders are hot off their return from attending the AI National Conference, which was held in fabulous Las Vegas on August 2 – 4. Despite the reservations of some, the conference was seemingly well attended and one of the best in my recent memory. Most importantly, the selection of Paula Konikoff, JD, MAI, AI-GRS as **OUR** 2023 AI Vice President was solidified. We are very fortunate to have someone like Paula dedicating her time to a role that requires immense commitment and love for the organization. Paula has already contributed in so many ways as a thought leader, Body of Knowledge contributor, and Regional Director, and I am proud to have someone like Paula as a member of our chapter and organization! We all wish her the best as she helps steer this organization in the right direction.

The excitement does not stop there. I am so happy and thrilled to finally have the opportunity to honor Dave Zoraster, MAI at our chapter's annual Heritage Night, which will be held at the Omni Hotel in Los Angeles on October 20, 2022. Dave is someone who has mentored many appraisers throughout his career, and I truly look forward to finally be able to celebrate his contributions to our chapter and many of its members. As previously indicated, our members continue to express a strong desire for in-person education, which has been demonstrated by the great attendance that we continue to reflect in our live face-to-face courses and seminars. Again, there are not many remaining opportunities to put those discount coupons to use with only a few offerings left this year, which include the Complex Litigation Appraisal Case Studies, which will be taught by the always superb Stephen D. Roach, MAI, SRA, AI-GRS on September 27, 2022 and speaking of fantastic instructors, our very own Michael Mason, MAI, SRA will be teaching Business Practices and Ethics on October 27, 2022. Both events will be held at the Ayers Hotel in Costa Mesa, and I am definitely looking forward to being in attendance! Although not ready for registration (waiting for state approval), our incoming Chapter Secretary, Ryan Hargrove, MAI, SRA, AI-GRS, is putting together a star-studded line up for the upcoming Litigation Seminar, which will be held on November 3, 2022 at the Sheraton Cerritos. The

Litigation Seminar is our Chapter's longest running event and this always fantastic event marks the return of this event in live action, so I am eager to see everyone there. I truly appreciate how much work goes into putting on these chapter-developed seminars, and I owe a huge thanks to the collective committee members who continue to provide our members with these quality programs.

One of the things I love most is teaching for Cal Poly Pomona. We have many members who have matriculated from this university's real estate program, and I want to help continue this tradition. This position allows me the opportunity to engage with the next generation of students interested in real estate appraisal. As a profession, we are continually asking where the next generation of appraisers are going to come from, but the answer lies within the people of our profession engaging with local universities and students. I have never found any issues with finding and securing good talent, and I am always happy to share the wealth with any members. As many of you heard at my Installation Dinner, I want these connections to begin earlier, and I spoke of engaging at a deeper level. With COVID finally beginning to lighten up, I at last have an opportunity to do so. On October 19, I will be volunteering with other real estate professionals for an **in-person volunteering opportunity** at JA Finance Park to assist with a personal finance simulation (fun and interesting!) for the Office of Black Student Achievement with the Compton Unified School District. I am not sharing this for notoriety but rather, for additional volunteers (only a few openings remain). Please feel free to reach out to me with any questions.

As a reminder, our Chapter is designed on the success of our junior membership, and it is our responsibility to guide and mentor them. Thus, it is worth repeating, but I continue to make it a point to formally introduce myself to new members, which I think we should all try to do at meetings and events. Part of this development includes creating opportunities for their success and one of the best ways we can do this is through the Mason/Thornton scholarship fund and LDAC. Please encourage people on your teams to apply or inquire about these opportunities, as our success hinges on the success of the incoming generation of appraisal professionals. I wish you all the best and let's get out to some of these upcoming events!



NOW OPEN FOR REGISTRATION

Heritage Night Dinner and Program



The Southern California Chapter of the Appraisal Institute invites its members and their guests to the Annual Heritage Night Dinner and Program. Come and enjoy a special evening with friends and colleagues. This year we will be honoring David A. Zoraster, MAI

Date: Thursday, October 20th, 2022

Place: Omni Los Angeles Hotel at California Plaza
251 S. Olive St.
Los Angeles, CA 90012

Time: Reception 5:30pm
Dinner 6:30pm followed by Program

Attire: Hawaiian

Reservations: \$75.00 per person
Includes Dinner and free Valet Parking
No host bar

[CLICK HERE TO REGISTER](#)

UPCOMING EVENTS/CLASSES

Complex Litigation Appraisal Case Studies

September 27, 2022
Ayres Hotel
Costa Mesa, CA

PLEASE CLICK **[HERE](#)** TO REGISTER

Business Practices and Ethics

October 27, 2022
Ayres Hotel
Costa Mesa, CA

PLEASE CLICK **[HERE](#)** TO REGISTER

55th Annual Litigation Seminar

November 3, 2022
Sheraton Cerritos
Cerritos, CA

PLEASE CLICK **[HERE](#)** TO REGISTER

EDUCATION COMMITTEE

2022 Chair:

Ryan Hargrove, MAI, SRA, AI-GRS, R/W-AC

Greetings SCCAI members. I hope you are doing well and staying cool. In my last education update, I mentioned that I was looking forward to the warm summer weather. As I write this current update in the midst of a September heat wave, I am now looking forward to moving into the fall season!

On the education front, the Southern California Chapter continues to offer in-person classroom education and events in 2022. Class offerings for the remainder of this year include a 7-Hour USPAP session (on 9/22/22), Complex Litigation Appraisal Case Studies

(on 9/27/22), and Business Practices and Ethics (on 10/27/22).

Please save the date for the annual litigation seminar, which I have the pleasure of chairing this year. It will be held at the Cerritos Sheraton on November 3rd. Another date to mark on your calendars is for Heritage Night, which is scheduled for October 20th at the Omni Hotel. We will be honoring David Zoraster, MAI for his contributions to the appraisal profession and our chapter.

If you missed the market trends seminars from earlier this year, the chapter website (www.sccai.org) has speaker presentations posted. Please also refer to the chapter website for the latest information and a complete list of SCCAI's upcoming programs.

Finally, please keep in mind that the Southern California Chapter encourages members to take advantage of the Mason-Thornton Scholarship Program. The sole purpose of the program is to award financial scholarships to Designated members and Candidates in good standing for courses presented by the Chapter leading to a professional designation in the Appraisal Institute. The chapter website has links to applications for this scholarship program as well as additional national scholarship opportunities. Please make sure you visit the website to learn more about these opportunities.



Charles Baker, SRA, AI-RRS
Region VII National Govt Relations Committee
Representative
California State Government Relations Committee
Immediate Past-Chair
2018 SCCAI Chapter President



As Representative for Region VII on the National Government Relations Committee it has been a pleasure working with Representatives from the other Regions around the country, as well as Past Chair, Doug Potts, current Chair, Justin Slack, and A.I. National staff, Scott Dibiasio, Christina Mitakis and Brian Rodgers.

I had the pleasure of spending time with many of you in Las Vegas for our National Conference. Some of the materials cited below were part of my Regional GRC presentation.

Practical Applications of Real Estate Appraisal (PAREA) update

To recap, PAREA provides another pathway for aspiring appraisers to fulfill their experience requirements. Highlights of PAREA:

- It provides an alternative to the traditional supervisor/trainee model.
- Participants complete all Qualifying Education prior to beginning the program.
- Initially available for Licensed Residential and Certified Residential experience credits. Partial experience credit for the Certified General credential can also be awarded.
- When complete the participant is eligible for up to 100% of experience credit for Licensed and Certified Residential credentials.
- Providers and participants must complete training on all topics listed in the detailed content outline.
- Participants will receive periodic mentoring throughout, ensuring sufficient demonstration of experience and understanding prior to moving forward in the program.
- Participants will be required to produce USPAP-compliant appraisals within the program.
- Participants, successfully completing PAREA must also pass the national licensing and certification exam for the appropriate credential level.

As of July 19, 2022, eight states have fully adopted PAREA by statute. Another fifteen are in the rulemaking / legislative state for full adoption. Ten have adopted it by reference of the criteria. Sixteen are still in discussions. California adopted up to 50% experience hours for the LR, 50% for the CR and

On a related note, many of you may have noticed a new C.A.R. Form, the Fair Appraisal Act addendum. It became effective 7/1/2022 and is to be signed by buyer and seller stating no one should be discriminated against in the appraisal process of the real estate transaction. In boldfaced statements, there's an email and phone number to file a complaint to CA appraisal bureau on the alleged racist appraisers.

House Financial Services Committee hearing, July 20, 2022 summary

On July 20, 2022, the House Financial Services Committee held a hearing with FHFA Director Sandra Thompson. Key takeaways (courtesy Scott Dibiasio and Caroline Moore):

Director Thompson stated throughout the hearing that the decision to exit from GSE conservatorship ultimately lies with Congress but that FHFA is preparing the Enterprises by ensuring they are running in a "safe and sound manner," continuing to build capital, and obliging to credit risk transfer requirements in the interim.

Given her recent confirmation, it was clear Thompson and the FHFA still remain in a review process of most outstanding issues and rule proposals and as a result, she was unable to provide specific timelines in most areas (i.e., credit scoring model, various pilot programs, the Products and Activities Rule, among others).

Much of the hearing focused on high-level topics. Members on both sides asked questions relating to the supply and demand mismatch in the market, FHFA's plans to address affordable housing, and current market trends resulting from external factors like supply chain shortages, the pandemic, inflation, and interest rate hikes. Thompson frequently recognized the volatility in the market and pointed to interest rate hikes, lack of supply and historic home price increases.

Outside of GSE reform, many Republicans generally focused on the impacts of inflation on the housing market and called for greater transparency from the FHFA and financial regulators across the board. Meanwhile, many Democrats also focused on racial inequities in the housing market.

CA AB949 – "Fair Appraisal Act"

On January 1, 2022 the California Fair Appraisal Act became effective.

Among other things, this bill requires the Bureau to place on an existing complaint form a check box asking if the complainant believes that the opinion of the value of the real estate is below market value. The bill requires the Bureau to collect specified demographic information (voluntarily provided) regarding sellers, those seeking to refinance, buyers, or an authorized representative in real estate transactions making a complaint. The bill requires the Bureau to compile the collected demographic information and report that information to the Legislature on or before July 1, 2024.

This bill prohibits a licensee from basing their appraisal of the market value of a property on the basis of race, color, religion, gender, gender expression, age, national origin, disability, marital status, source of income, sexual orientation, familial status, employment status, or military status of either the present or prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property, or on any other basis prohibited by the federal Fair Housing Act.

This bill makes it unlawful for any person or other entity whose business includes performing appraisals of residential real property to discriminate against any person in making available those services, or in the performance of those services, because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, source of income, disability, genetic information, veteran or military status, or national origin.

This bill requires, beginning January 1, 2023, an applicant to complete at least one hour of instruction in cultural competency, as defined. As part of the continuing education requirement in order to renew a license or restore a license to active status, the bill would require for each licensee renewing on or after January 1, 2023, at least two hours of elimination of bias training. Beginning January 1, 2023, a licensee would be required to complete at least one hour of instruction in cultural competency every four years.

The California Government Relations Committee worked closely with our Lobbyist in Sacramento and bill sponsor, Assemblymember Chris Holden, to guide the continuing education requirements of the bill. Mr.

Holden has been a key ally for appraisers in the State Legislature. He listened to our committee in an unbiased, reasoned, and problem solving manner. He also made us listen to many things we did not want to hear.

AI National has developed a 4-hour cultural and bias seminar in accordance with the CE requirements of the bill. Course developers included Byron Miller and Craig Harrington, both residential appraisers.

AVM Quality Control Standards

In February 2022, the CFPB announced it was going to conduct a review of small business/bank impacts relating to the AVM Quality Control Standards project that the agencies have been working on. In May the National GRC responded to a questionnaire.

If anyone would like a copy of our responses, please contact me or Bill Garber in Washington, D.C.

This past month a notice of proposed rulemaking to take place in December was published. It reads as follows:

“Amendments to FIRREA Concerning Automated Valuation Models. The Bureau is participating in interagency rulemaking with the Federal Reserve, OCC, FDIC, NCUA and FHFA to develop regulations to implement the amendments made by the Dodd-Frank Act to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) concerning appraisals. The FIRREA amendments require implementing regulations for quality control standards for automated valuation models. The Bureau released a SBREFA outline in February 2022 and estimates in the agenda that the agencies will issue an NPRM in December 2022.”

Conservation Easements – Statute of Limitations for Appraisers

Under current law taxpayers are eligible to take a deduction on their income tax return for their charitable contributions. Section 170(h) explicitly permits deductions for qualified conservation contributions.

A recent Senate Finance Report noted, “inflated appraisal(s)” are the engine of abusive syndicated conservation easement transactions, yet the Act does not contain any revisions to the penalties and statutes of limitations applicable to appraisers. Instead, the Act increases the penalties applicable to the taxpayers who claim the deduction at issue and eliminate a taxpayer’s ability to assert reasonable cause as a defense to such penalties.

Presently, the statute of limitations against appraisers for substantial valuation misstatements is 3-years after the return or refund claim was filed. The proposal attempts to align the statute of limitations for appraisers with that of the taxpayer. This would both strengthen the IRS’s ability to penalize purveyors of inflated appraisals, while providing procedural protections to qualified appraisers performing qualified appraisals.

Closing comments

I would like to close with a big “thank you” to our Chapter Board of Directors, especially Jacinto Munoz, Chapter President and Region VII 3rd Director and soon to be Chair in 2023.

I would also like to congratulate our own member, Paula Konikoff, for her election to the position of 2023 National Vice-President. I encourage you to send her well-wishes and consider volunteering on a national committee especially during her tenure as an Officer.

She has worked tirelessly on behalf of appraisers for years, more recently on the CA Government Relations Committee and Region VII.



The 2022 Eastern Branch

Chair: Alex Liu, Candidate

Vice Chair: William"Bill" Jones, MAI

1st Advisor: Christie Santolucito, Candidate

2nd Advisor: Paul Norlen, MAI
3rd Advisor: Scott Thompson, MAI, AI-GRS

Greetings from the Eastern Branch. This second quarter has found committee members busy with work and taking a long-term approach for planning events for 2023. We are seeking to have one more in-person event before the end of the year to address our rapidly changing interest rate environment and the impact on real estate activity in Southern California.

The Eastern Branch covers the territory east of Downtown Los Angeles through Riverside County and San Bernardino Counties. The branch chairs and advisors aim to bring you home-grown meetings that feature local speakers and topics that are timely and relevant to your appraisal practice.

As always, if there is a topic of interest or a location where you would like to see an event occur, please let us know. Feel free to reach out to any of the branch members ([click for contact info](#)) of the branch leadership.

The 2022 Northwestern Branch

Chair: Jan Kelly, Candidate
Vice Chair: Jerardo Arciniega, MAI
1st Advisor: Marcus Espinoza, MAI, SRA
2nd Advisor: Norman Chung, MAI, AI-GRS
3rd Advisor: Jose Hernandez, Affiliate

This past month, the Northwestern Branch sent out a “Call for Leadership” to SCCAI members based on the Westside of Los Angeles. With a new year of leadership on the horizon, we asked for interest in serving this active branch as the new Third Advisor. The response was overwhelming, and the current board was faced with the positive problem of deciding between over half a dozen candidates.

After much deliberation, the current committee voted to induct Daniel Lee as the new Third Advisor for the Northwestern Branch. Daniel Lee, MAI, AI-GRS is currently the Senior Vice President and Chief Appraiser for Hanmi Bank, based in Los Angeles. Daniel is responsible for the oversight of the institution’s valuation program to ensure credibility, adequacy, accuracy and independence. Prior to joining Hanmi Bank, Daniel worked for several other lending institutions including First Republic, HomeStreet, and Community Bank (now Citizens Business Bank). As a valuation professional, Daniel seeks to establish three key pillars as part of the workplace culture: Service, Integrity, and Credibility. On the weekends, Daniel enjoys shuttling his kids to basketball games (“ball is life”) and simply hanging out at home with the family.

We are thrilled to have Daniel involved in serving the Northwestern Branch. Welcome, Daniel!

SAVE THE DATE ***91st Annual Installation Dinner***

January 14, 2023
Millennium Biltmore Hotel
Los Angeles, CA

Installing: 2023 SCCAI President
Linda Whittlesey, SRA

MEET OUR NEWLY DESIGNATED MEMBERS

Chris T. Kim, MAI, AI-GRS
Steven M. Botts, MAI, AI-GRS
Steven Charles Kerhart, MAI, AI-GRS
Paul T. Muscente, MAI, AI-GRS
Thomas J. Dwyer, Jr., MAI, AI-GRS
Kevin P. McAtee, MAI, AI-GRS
Daniel P. Brandlin, SRA
Robert Dunatov, MAI
Larry H. Johnson, MAI, AI-GRS
Christina H. Acevedo, MAI, AI-GRS
Cristina S. Tilson, AI-GRS
Chris T. Kim, MAI
Lynette Bartlomain, MAI, SRA, AI-GRS, AI-RRS

Scholarships Available

The Mason – Thornton Scholarship Committee would like to remind our Members that the Chapter offers valuable financial assistance for those pursuing their designations. Namely, the Mason – Thornton Scholarship Fund is available to SCCAI Members who have an active Candidate status and are members in good standing. Scholarships assistance is available for up to 75% of the total course fee. In-person, synchronous, and/or online courses are eligible insofar as the course is required for professional designation. Applications, which are available on the Chapter website, should be submitted to Lianna at least 30 days prior to the class start date. There is no better time to continue and/or resume the quest for your professional designation.

Bradford Thompson, MAI, AI-GRS

Chair, Mason – Thornton Scholarship Fund

Application and Information



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