VOICE of the APPRAISER

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ABOUT US

Valuation Review is a production of October Research, LLC specializing in business news and analysis for the appraisal industry and is published 24 times a year.

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NOTE FROM OUR SPONSOR

To All Appraisal Professionals,

The Herbert H. Landy Insurance Agency is pleased to again sponsor the 2012 edition of *Voice of the Appraiser* by October Research. The information here, provided by appraisers from all over the country, provides valuable insights into the ever changing dynamics effecting your profession. At the Landy Agency, we are aware of the pressures you face daily and we continue to strive to provide more than just an insurance policy. Our affiliations with appraisal organizations throughout the country, contributions to professional journals and websites, participation in workshops and conferences, risk management services and most importantly, our daily contact with many of our thousands of appraiser clients keeps us very much aware of the issues that matter to you the most. Our goal is to provide exceptional insurance coverage as well as be a resource for all appraisers to help successfully reduce the risk of operating an appraisal business.

Obtaining Errors and Omissions insurance coverage from the Herbert H. Landy Insurance Agency is quick and easy. We offer some of the most extensive coverage features available while at the same time, our policies remain extremely cost competitive. Our application for individual appraisers features only four qualification questions and the prices for the coverage options are right on the application. You can even apply on our website at www.landy.com and have your policy emailed to you in just a few hours!

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We trust that you find the information provided in the *2012 Voice of the Appraiser* report valuable. As appraisers attempt to negotiate the many changes taking place in their profession, this report from October Research will assist you in that purpose. When it comes time to evaluate your professional insurance needs, we look forward to the opportunity to serve you. It is our privilege to assist the many thousands of appraisers who trust us for their Errors and Omissions insurance coverage. For additional information or to obtain coverage for individual appraisers, appraisal firms or other real estate professionals, please call us at 800-336-5422, send an email to johnt@landy.com or visit us on the web at www.landy.com.

Thank you for your interest in the Herbert H. Landy Insurance Agency and the *2012 Voice of the Appraiser* report. We look forward to hearing from you!

John L. Torvi
Vice President
The Herbert H. Landy Insurance Agency, Inc.

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VOICE OF THE APPRAISER 2012

Welcome to the *Voice of the Appraiser 2012 — Valuation Review*'s annual industry survey. We opened the online survey up for two weeks and sounded the call on our website, in our e-news emails, through our social media channels and through our sponsor the Landy Insurance Agency. The response we received from the industry was definitive – more than 1,000 appraisal industry professionals took the survey. Not content with merely sharing the data, we have a dozen high-level sources providing their thoughts, as we compare and contrast this year's results to last year. Without further ado, *Valuation Review* is proud to present the results of *Voice of the Appraiser*!

THE SURVEY SAYS...

This year's results were provided far and away by appraisers — 88 percent of the respondents were an "independent appraisal company (one branch)," with the next largest group being "appraisal firms (+one branch)" at 7 percent of the respondents. The "real estate valuation provider" title made up 2 percent of the respondents and the rest of the survey takers were scattered between "lender," "vendor management company," "appraisal management company" and "multiple services provider."

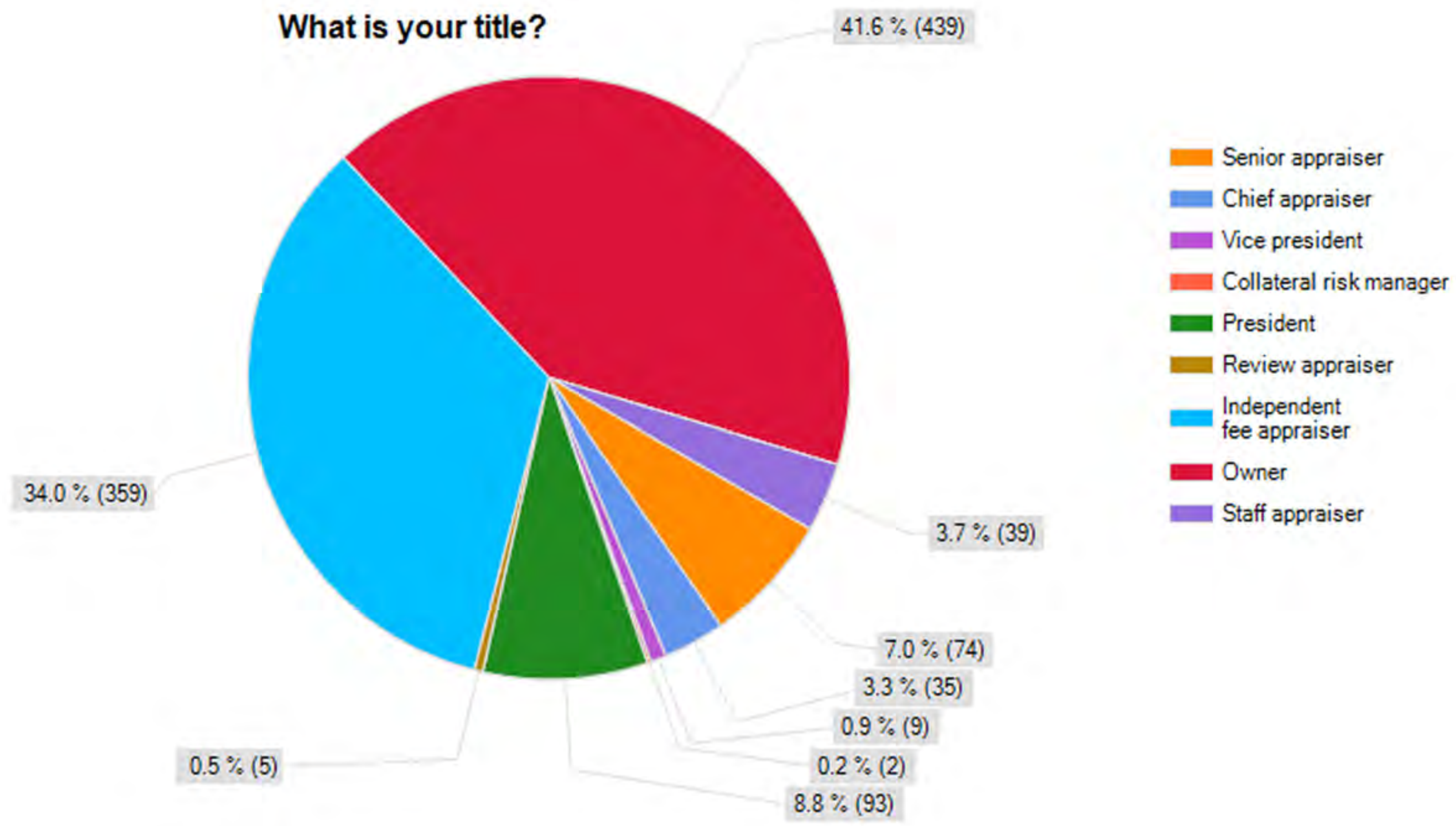
The majority of the responses were split by the title of "owner" (42 percent) and "independent fee appraiser" (34 percent). Other titles included "president" (9 percent), "senior appraiser" (7 percent), "staff appraiser" (4 percent) and "chief appraiser" (3 percent), with a sprinkling of vice presidents, collateral risk managers and review appraisers.

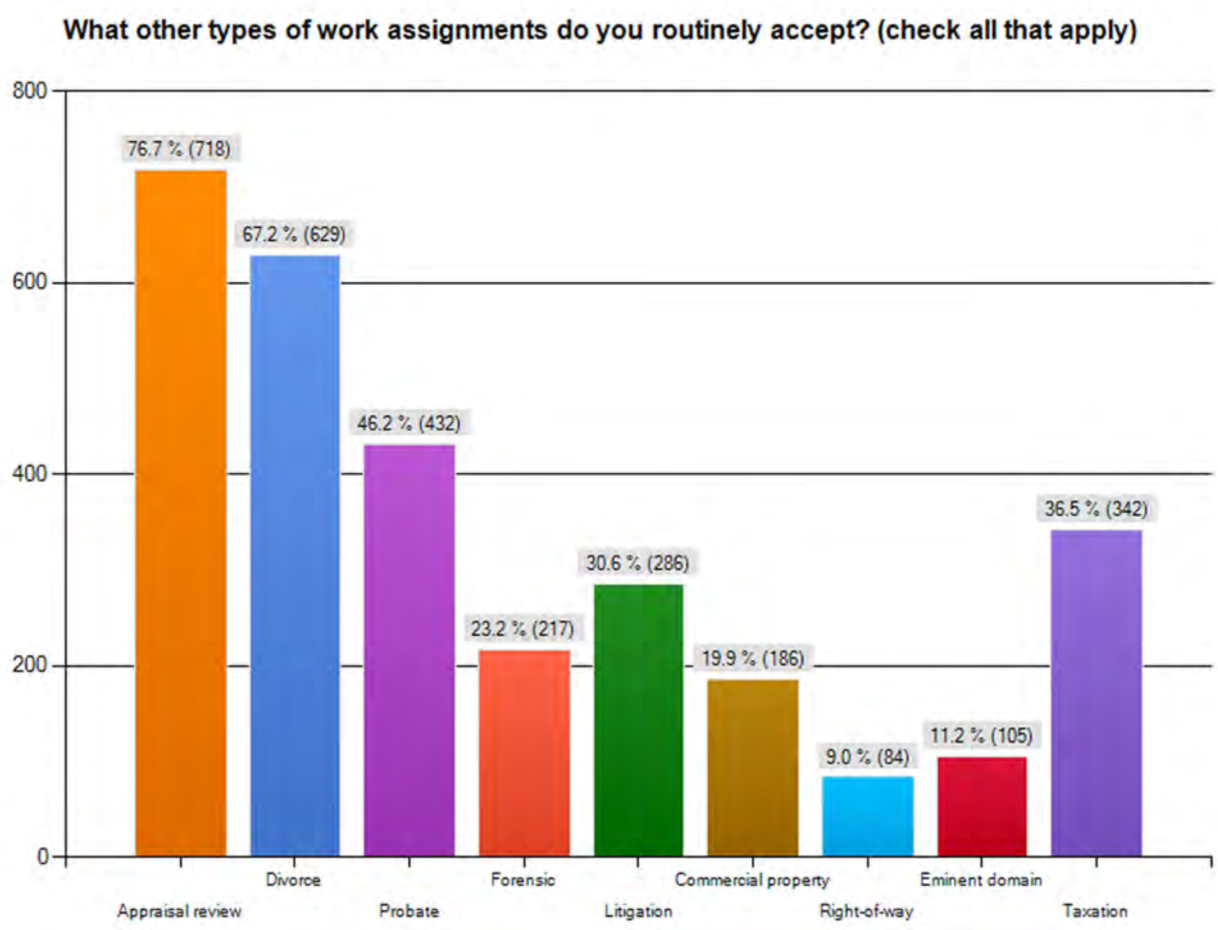
This demographic is largely comparable to the 2011 results, which saw 84 percent of independent appraisers, with an additional 7 percent defining themselves as appraisal firms. Appraisers were followed closely by 4 percent who defined themselves as a "real estate valuation provider." Lenders and AMCs made up a combined 4 percent of respondents and the last 1 percent was a mix of multiple service providers, vendor management companies and automated valuation providers. Likewise, the titles were also similar, ranging from owner and independent fee appraiser to senior, chief or staff appraiser. Several of the respondents also proudly stated that they were a one-man show — owner, president and appraiser.

The locations of this year's respondents largely mirrored last year — 31 percent said they were on the East coast, followed by 27 percent in the Midwest, 21 percent on the West coast and 21 percent in the South.

Full appraisals were the most popular offered valuation service with 99 percent of all respondents. Seventy-six percent of the respondents also offered drive-by appraisals, 34 percent offered property condition inspections and 4 percent offered broker price opinions (BPOs) — down from the 7 percent of last year's respondents who reportedly offered BPOs. Interestingly, 11 percent of the respondents said they offer alternative valuations such as CVRs, STATS, RERs or similar products.

Outside of residential appraising, 77 percent of those who responded reported accepting appraisal review work and 67 percent reported divorce appraisal work. Probate (46 percent), litigation (31 percent) and forensic (23 percent) were the popular legal appraisal work. Taxation appraisal work was also fairly popular with 37 percent of respondents accepting work. Commercial property appraising work is accepted by 20 percent of the respondents with eminent domain and right-of-way work trickling in at 9 and 11 percent, respectively.


What is your title?
41.6 % (439)
34.0 % (359)
3.7 % (39)
7.0 % (74)
3.3 % (35)
0.9 % (9)
0.2 % (2)
0.5 % (5)
8.8 % (93)
Senior appraiser
Chief appraiser
Vice president
Collateral risk manager
President
Review appraiser
Independent fee appraiser
Owner
Staff appraiser


What other types of work assignments do you routinely accept? (check all that apply)
800
600
400
200
0
76.7 % (718)
67.2 % (629)
46.2 % (432)
23.2 % (217)
30.6 % (286)
19.9 % (186)
9.0 % (84)
11.2 % (105)
36.5 % (342)
Appraisal review
Divorce
Probate
Forensic
Litigation
Commercial property
Right-of-way
Eminent domain
Taxation

HOME WORK The state of appraisal work load

It's been gloom and doom for the appraisal industry since HVCC. You hear stories of appraisers leaving the industry and the stubborn ones who are doing one appraisal a month and don't know they're out of business already. Certainly, the appraisal industry has been in transition, but this year's *Voice of the Appraiser* results show a step in a positive direction. Seventy-five percent of respondents reported that they complete 10 or more full appraisal assignments each month. Eight percent complete eight to nine full appraisals per month, 7 percent complete five to seven full appraisals, 6 percent complete four to five appraisals and only 4 percent of the respondents perform one to three full appraisals each month.

Additionally, 85 percent of respondents reported completing one to three alternative valuations such as BPOs, CVRs, STATS or RERs per month to supplement their appraisal work. Five percent said they complete four to five alternative valuations per month. The rest of the results are scattered between five to 15 alternative valuations per month. However, there was a spike in the respondents — 5 percent — who said they complete 16 or more alternative valuations per month.

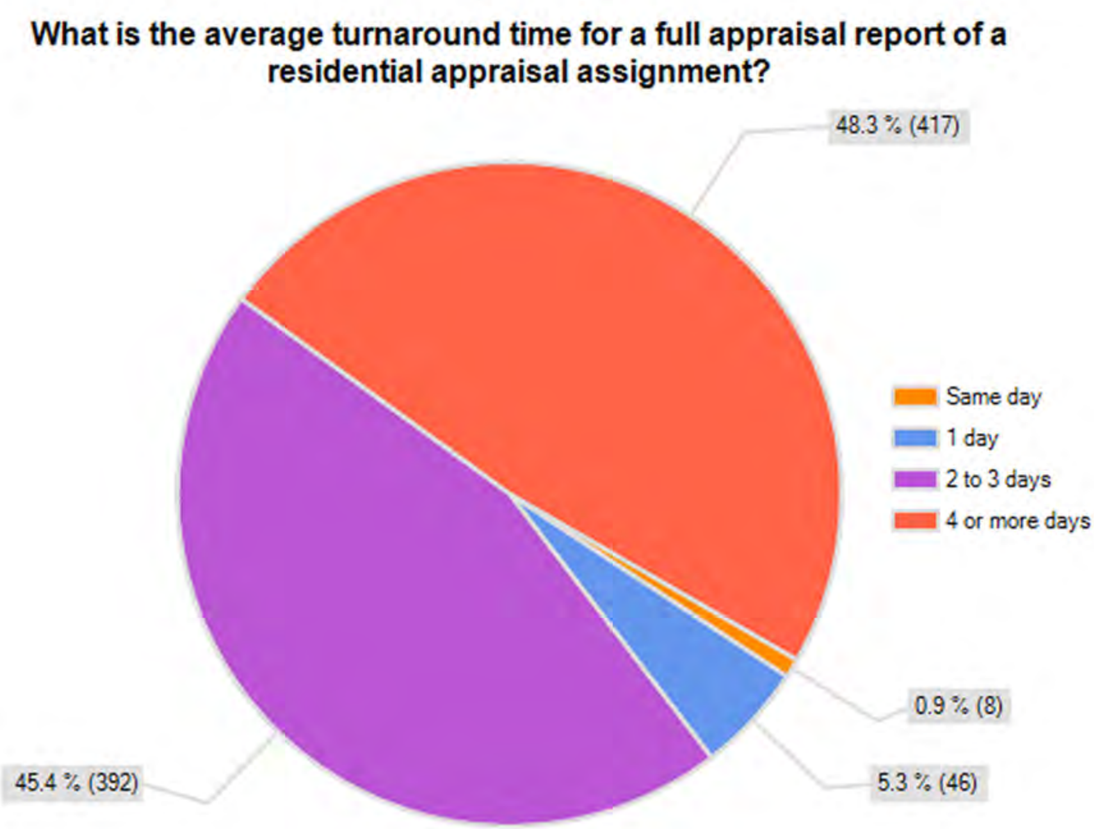
Clearly, appraisal work is strong for those who have remained in the industry. But why?

"It's a perfect storm: historically low interest rates that are driving the current refinance boom combined with ongoing conservative underwriting standards, limiting the use of non-traditional appraisal products," explained **Andrew Bough**, Solidifi chief valuation officer. "On top of that, you still have a glut of delinquent loans making their way through the process that require the full gamut of valuation services."

The Appraisal Institute President **Sara Stephens** agreed, citing refinancing assignments as a result of the low interest rates as one of the top reasons for work load increases. "Appraisers also could be experiencing the benefits of a nascent housing recovery as many indicators suggest the real estate market hit bottom last year," she said.

Nevertheless, the reduced number of appraisers cannot be ignored and may still be present in the findings.

"The perceived increase in appraisal business has a lot to do with the ever-decreasing number of appraisers nationally," said **Tom Kirchmeyer**, president of Kirchmeyer & Associates Inc. "The average age of an appraiser today is over 50 and many are retiring or switching professions because they are tired of dealing with all the new regulations, scope creep, AMC phone calls and decreasing fees. On top of all that, today's lender guidelines make it almost impossible for new appraisers to enter the business. Appraisers are leaving the industry and new ones are not replacing them at the same rate. That leaves a shortage of appraisers and we all learned the theory of supply and demand and how it affects pricing a long time ago."



Turn-around times for residential appraisal assignments are often a big talking point in the industry with some lenders and AMCs expecting shorter turn-around times. The respondents were split almost evenly between a turn-around time of two to three days (46 percent) or four or more days (48 percent). Five percent said they average one day, while less than 1 percent reported a same-day turn-around time.

These numbers

varied slightly from 2011's results, which saw 51 percent of respondents averaging four or more days and 44 percent averaging two to three days.

Sources

So where is all this work coming from? The Dodd-Frank Act gave lenders the ability to work directly with appraisers if appropriate independence rules were followed. Yet, the majority of respondents — 59 percent — reported that they have not seen an increase in appraisal work coming directly from lenders. Forty-one percent said they have seen an increase in work directly from lenders.

That brings us to the question of AMCs. Are appraisers working with AMCs to find work? According to the majority of respondents, they say they never work with the AMCs we asked about. The percentage of respondents who answered they never worked with a specific AMC ranged from a 63 percent majority to a 92 percent majority, depending on the specific AMC. The list was comprised of both national and regional AMCs.

The written comments for that question paint a different picture. While there was a sprinkling of "I DON'T WORK FOR AMCS!" comments, there were many more who pointed to AMCs they did work with. Among the most popular: StreetLinks, Solidifi, RELS, CoreLogic, LandSafe Appraisals, Lender Service Inc. (LSI), Nationwide Appraisal Service, InHouse Solutions and Valuation Partners. There was also an emergence of "small, local AMCs" that appraisers mentioned in the comments.

"AMC's have a stigma because many of the AMC's act as dictators," said **Frank Danna**, president and chief executive officer of Appraisal Logistics, an AMC based in Annapolis, Md. "They pay low fees, have unreasonable demands and threaten dismissal if the unreasonable demands are not met. No one wants to work in that type of an environment. It's only a matter of time until these dictator type companies are revealed. While there have been some revealed, these particular companies are just too big and have created a culture of dependency for many of their appraiser vendors with high volume/low fees."

Still, appraisers are obviously selective about which AMCs they will accept work from, if at all. Pressure may also start coming from the lender side as transparency hopefully increases.

"Risk and compliance professionals are focused on the quality that an appraiser delivers," explained **Tom Hurst**, president of StreetLinks Lender Solutions. "Production associates are focused on getting the appraisal done and making a 'go/no go' decision on the loan. Underwriters float in between. They are focused on quality, therefore, the relationship, but also have quotas to meet on getting files out of the pipeline. All that said, credible lenders are digging deeper into how AMCs treat appraisers, which I think is crucial for the industry's growth. More attention is being paid to how appraisers are treated, how files are assigned and what and how appraisers are paid."

"The majority of AMCs treat their panels respectfully. Those companies with poor business practices tend to get the headlines," said **Bill Fall**, chief executive officer of The William Fall Group.

Still, the AMC/appraiser relationship is tenuous at best.

> "[Appraisers] are answerable to more people than a private in the army. You make little money for the effort and responsibility involved. Everybody you work for presents you with lists of demands — 'You must do this, you must do that, or else!' Do you suppose any other professionals would put up this type of treatment? Furthermore, you can't expect to be compensated decently in this field because how can they possibly pay you and the innumerable fines, settlements, lawsuits, government fines and the army of lawyers it takes to handle all this. So the question is: How would you like to be poorly paid, much harassed and treated like a lackey by the very interests that torpedoed the economy and screwed your net worth? Can't say I would recommend it."
>
> ***- Voice of the Appraiser 2012 respondent***

"The majority of AMCs send over low-fee work and make me request the customary fee that they agree to over time," explained one respondent. "It's just a haggling game for AMCs to see who they can take advantage of. I think it should be a USPAP requirement to report, in the appraisal, all appraisal fees with fee splits so the client fully understands where their money is going in order to better evaluate the possible competency and caliber of both the AMC and appraiser. This would allow the client to see the direct correlation between the actual appraiser's fee and quality of appraisals they're receiving from the AMC. I'm confident that the client would frown upon the notion of their $450 only hiring a $200 appraiser. I believe this would restore some integrity to the appraisal industry by driving out the greedy AMCs and incompetent appraisers."

The importance of calling out the appraiser and AMC fees in the Loan Estimate form and the Closing Disclosure (formerly called the Good Faith Estimate (GFE) and HUD-1 Settlement Statement) has been a topic of discussion for the past year as the Consumer Financial Protection Bureau (CFPB) finalizes the forms.

When the forms were being tested in April, The ASA and NAIFA pointed to four major points about AMC fee separation that they stressed should be taken into consideration:

1. At its core, failing to separately disclose the appraisal fee

from the AMC fee runs counter to the CFPB's own "Know Before You Owe" initiative because it deprives consumers of key information related to one of the most critical components of the mortgage origination process and, as a result, is inconsistent with the agency's commitment to make costs "clear at all stages of the mortgage process."

2. By not separating the appraisal fee and the AMC fee, consumers are deprived of the knowledge that a significant portion of what they believe is payment for an appraisal goes to an unidentified third party who is providing backroom administrative services to the lender.

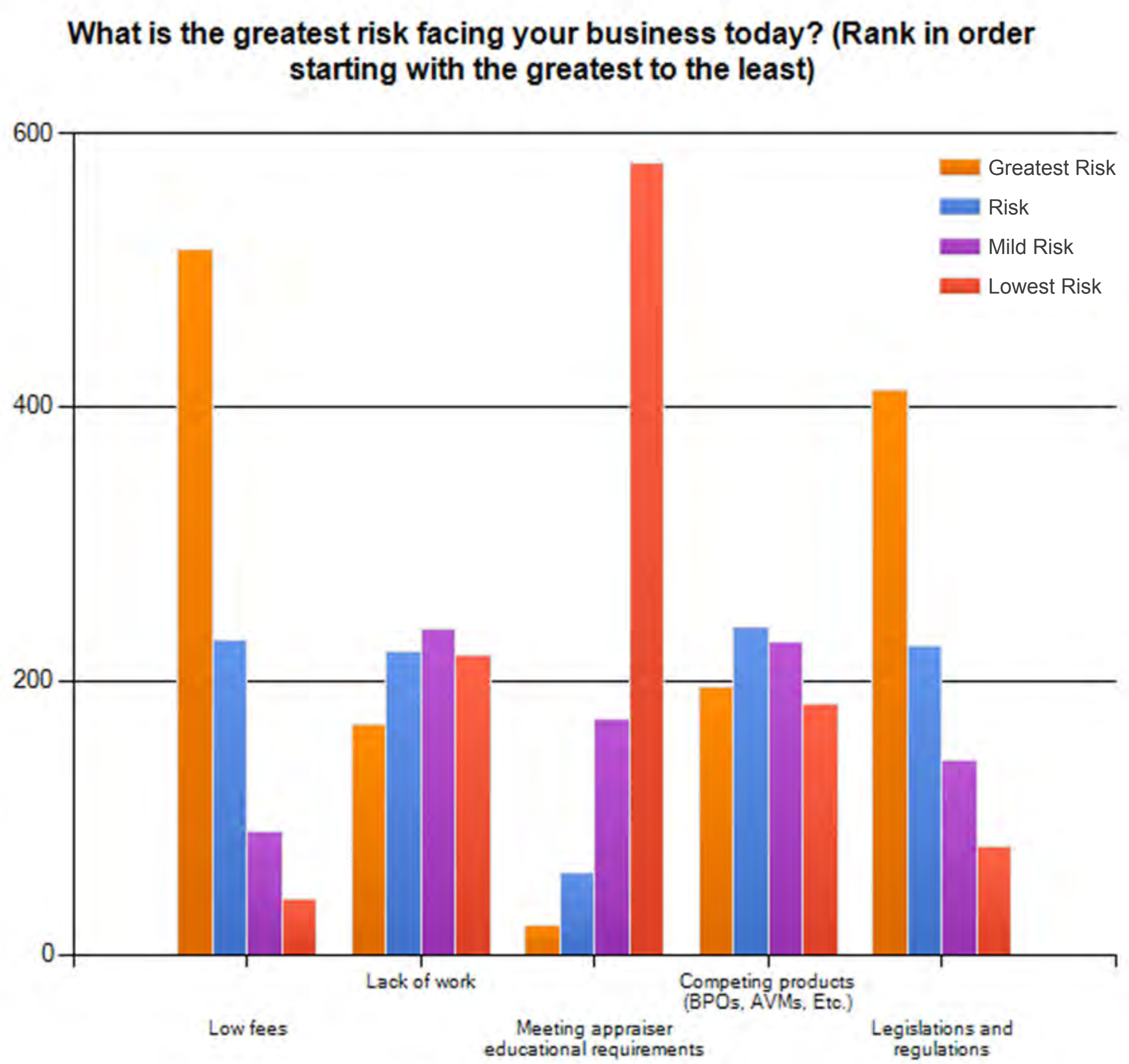
3. The absence of separate disclosures also deprives consumers of critical information they could use regarding the disparities which often exist in the cost of an appraisal and in the appraiser's likely qualifications and experience, depending on whether the appraisal is ordered through an AMC or ordered directly by the lender from appraisers or appraisal firms.

4. Failing to separately disclose appraiser fees and AMC fees is likely to have significant dollar and cents consequences for the consumer. In the case of directly ordered appraisals, the administrative costs for obtaining the appraisal are absorbed by the lender and folded into the "Origination Charges" line on the settlement document. However, where there is no separate disclosure of fees and the appraisal is ordered via an AMC, those same administrative costs are shifted onto the "Appraisal Fee" line of the GFE and settlement form and are paid up-front by the consumer.

At press time, the comment period for the Loan Estimate form and the Closing Disclosure had just closed. Now, the industry waits for the CFPB to release the final rule next year to see if separated AMC fees made the cut.

"The banking, mortgage and appraisal industries are in turmoil due to recent events and accusations. Ever-changing and increasing compliance rules, regulations and laws create a working environment of uncertainty and turmoil. This is the new business of mortgage banking as we know it. You must be willing to adapt to the new rules, regulations and laws as well as develop an understanding of your customer's new business needs and demands to develop a qualified system of policies and procedures surrounding compliance as it relates to your customers business needs. The changes to your business profile and plan will be very time consuming and expensive. If you are willing to adapt and invest the time and money, you can be successful moving forward."

- Frank Danna, president and chief executive officer of Appraisal Logistics

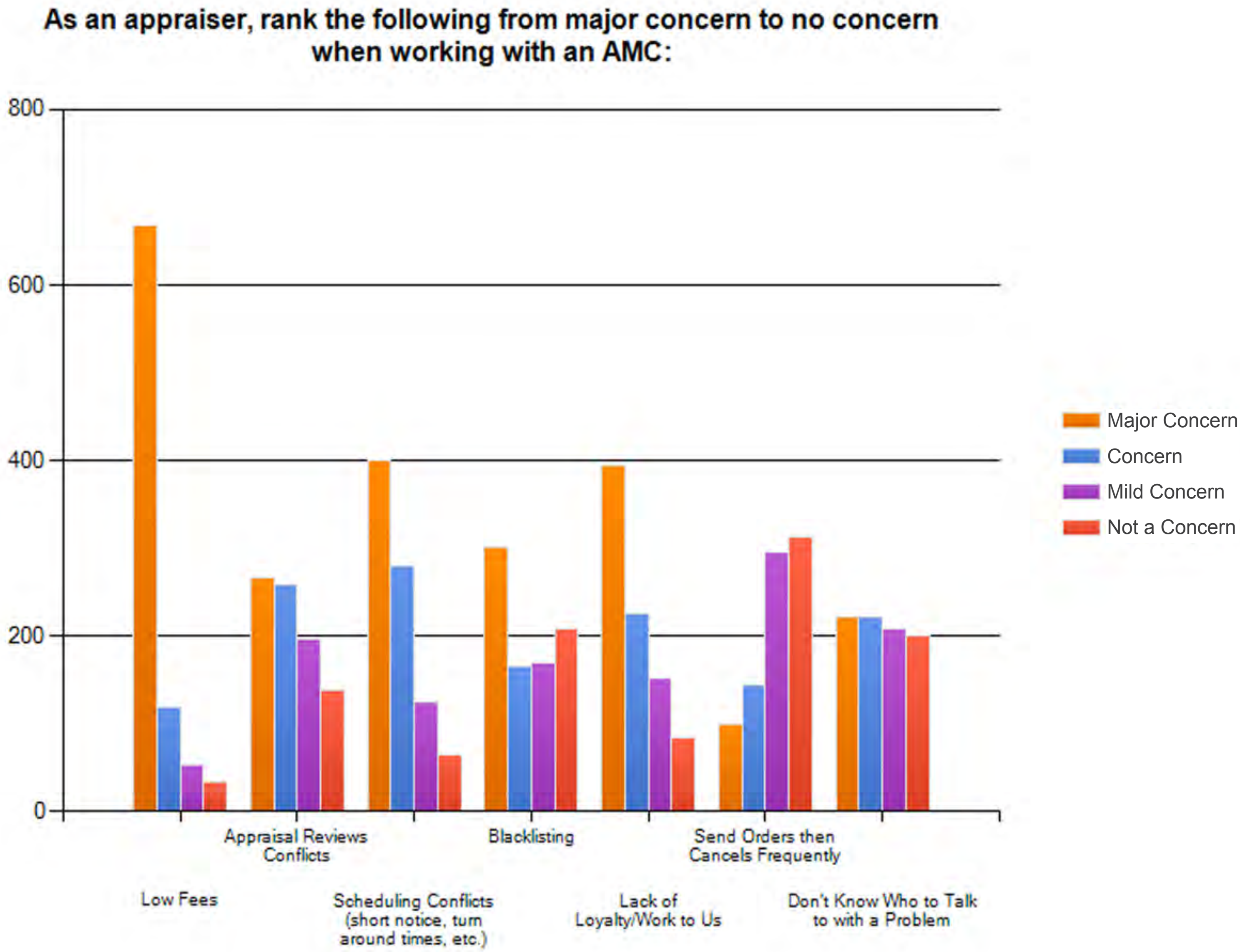


THE COST OF BEING AN APPRAISER

It's been about a year and a half since the Dodd-Frank Act made the infamous and ambiguous "customary and reasonable" fee mandate. Unfortunately, the industry didn't change overnight. The appraisal fee is still the hottest topic in the industry. According to our survey responses, the majority — 70 percent — have not seen an increase in appraisal fees since "customary and reasonable" fees.

"Generally, from my perspective, Dodd Frank has not had the impact on appraisal prices that many anticipated," said **Frank O'Neill Jr.**, DataQuick chief appraiser. "There are several changes over this period that have combined to influence appraisal fees. First, there is the assumption that this is a discussion about appraisals for residential lending. Second, the question is which 'price' are we discussing? Is it the price that the borrower pays? The price paid by the lender? Or the price paid to an appraiser?

"Fees in general have changed in response to the imbalance between the oversupply of appraisers that has existed over the past few years as compared with the reduced number of appraisals needed for the much lower volume in mortgage applications," O'Neill continued. "The current 'value' of an appraisal has not changed, which is measured as the cost of the appraiser's time plus expenses and risk. What changes over time is the price of the appraisal. As with any service, supply and demand controls the price. Quality is still a requirement and



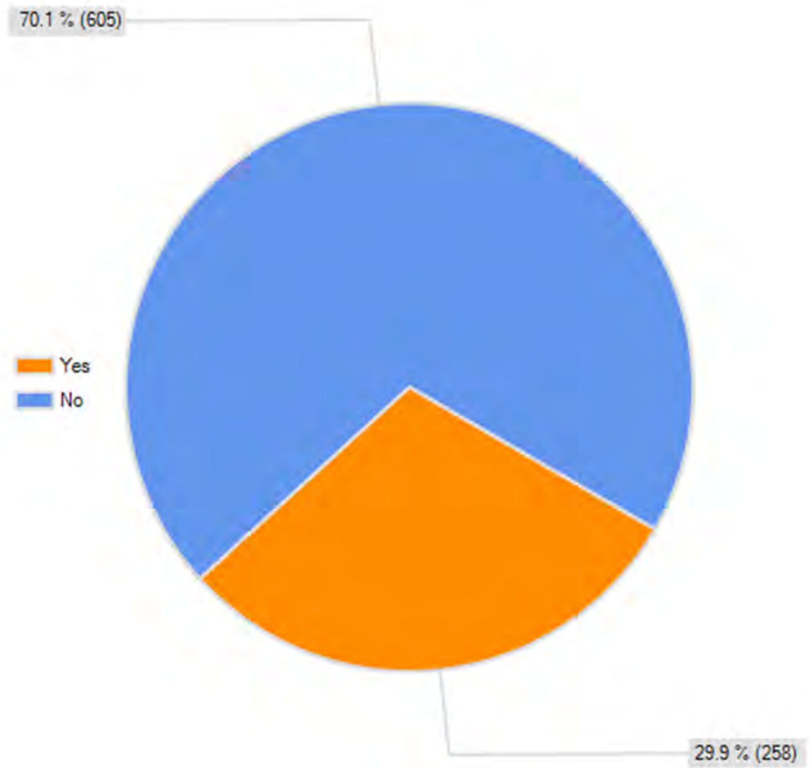
often serves to limit the number of suppliers, while the effects of supply and demand still steer the pricing."

Still, the majority of *Voice of the Appraiser* respondents marked "low fees" as the greatest risk facing their business. Fifty-eight percent listed it as the greatest risk, while 26 percent said it was a high risk. Compared to 2011 results, the "greatest risk" category fell by 7 percent in 2012. High risk was comparable at 25 percent of 2011 respondents.

"The biggest problem is that the fees need to be controlled by the appraisers and not by an AMC," said one respondent. "Appraisers are getting out of the industry due to fees and increased regulations are making it harder for new appraisers to get into the industry. What happens when the number of active appraisers drops below the demand? A storm is brewing in the industry."

So just how low is the typical appraisal fee? According to 52 percent of survey takers, the typical appraisal fee is $300 to $400. The second largest majority at 22 percent see a fee of $200 to $300. A fortunate 16 percent regularly see fees of $400 to $500, while 6 percent see a fee of more than $500. On the other end of the spectrum, 4 percent say $100 to $200 is a typical. Those who see a fee of $300 to $400 rose 6 percent from 2011. While the book ending $200 to $300 range and $400 to $500 range remained at comparable percentages.

Have you seen an increase in your appraisal fees since "customary and reasonable"?



Nevertheless, 52 percent of respondents also agree that the typical appraisal fee is low. Eleven percent called the typical fee above average, while 9 percent called the typical fee unlivable. Interestingly, 28 percent called the typical fee "customary and reasonable" — up from last year's 25 percent. Of course, "customary and reasonable" has not been defined by the government, so it's open to interpretation.

"This is a phrase the regulators came up with but never followed up on," said **Frank Danna**, president and chief executive officer of Appraisal Logistics. "When the phrase was originally introduced, I interpreted 'customary and reasonable' fees as 'a fee that a bank or mortgage lender paid for a typical appraisal report to appraisers or appraisal companies pre HVCC with no appraisal management company interference in a specific market area.' I have heard many variations of interpretation, including 'a fee that an appraiser is willing to accept for an appraisal assignment' or 'the lowest fee offered for an appraisal assignment.' Whatever the case, the regulators need to provide clearer language as it relates to reasonable and customary appraisal fees."

Cost-plus...

"Cost-plus" is a term that's circulating through the industry. It essentially refers to the lender/originator paying the full appraisal fee and then an additional fee for the AMC services. So if an appraiser's fee is $300, then the lender pays the $300 to the appraiser and $150 to the AMC, for example. Some appraisers have reported that US Bank is paying a cost-plus model, in addition to numerous AMCs. All of the AMCs *Valuation Review* spoke to for this report — DataQuick, Appraisal Logistics, Solidifi, StreetLinks, ISGN,

"AMCs are the worst thing to ever happen to the appraisal industry. They require short turn times and are unwilling to pay a reasonable fee. In the field, appraisers are underpaid and under appreciated by the lenders and AMC companies. The base appraisal fee paid to the appraiser — not the AMC — should be in the $500 range based on the increased amount of work to be performed by the appraiser. The amount of work has increased over the past few years, but fees have not increased!"

- Voice of the Appraiser 2012 respondent

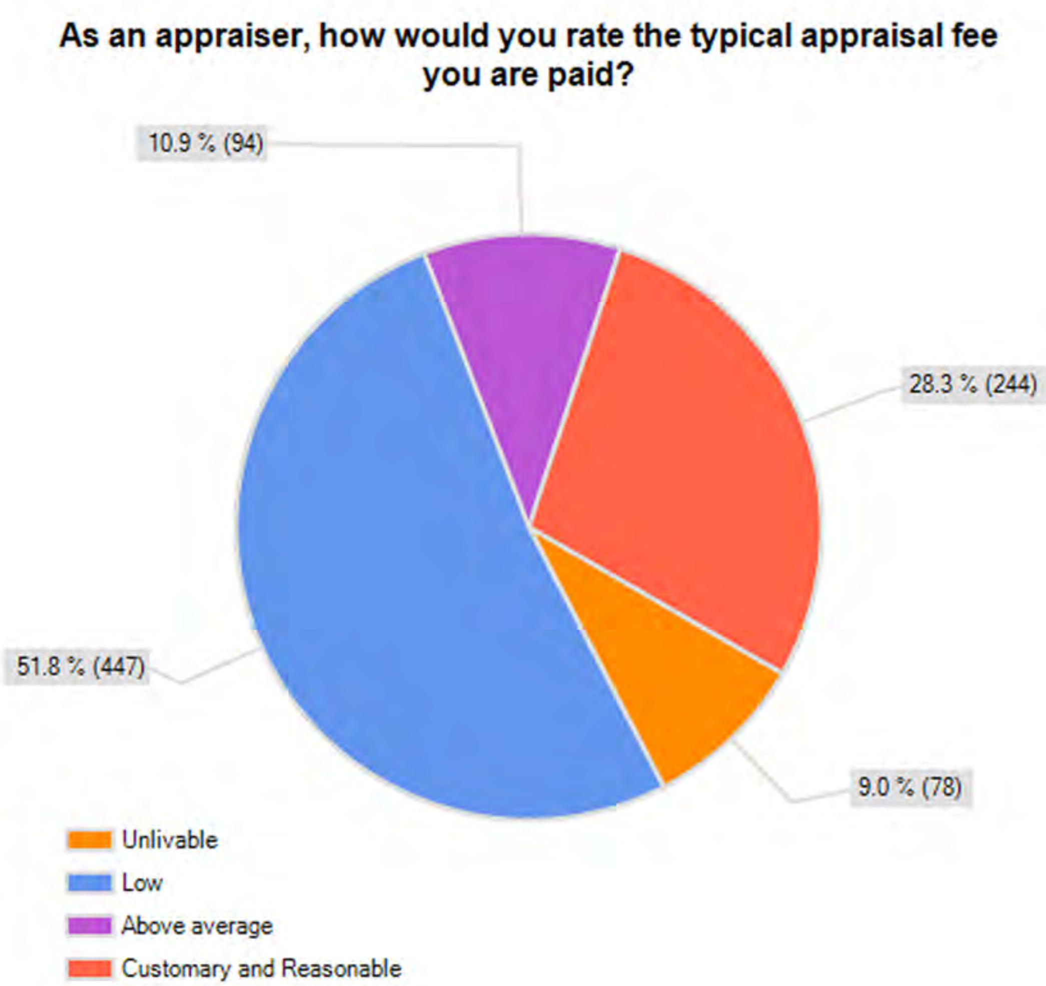
"I believe that market forces have been working in the favor of the appraiser: The poor work product supplied by the AMCs that pay for the quickest appraisals has not gone unnoticed by the users of the appraisals. Over the past four years, I have gone from doing less work than I had historically because I refuse to work for half of my typical fee. Today, I am doing work for clients (bank-ordered) who appreciate the quality of my work and are willing to pay for it. My fees are 25 percent higher than what was customary and reasonable before HVCC. Due to the increased time required to complete an appraisal now, I feel this fee is still a little low. I know that the fees AMC's charge lenders is at about 60 percent higher than what my fees are, and so am hoping that this fee schedule will be transferred to us appraisers when these lenders go back to having their own ordering-divisions so that they can have control over the quality of the work they are receiving."

- Voice of the Appraiser 2012 respondent

Kirchmeyer & Associates and Valuation Partners — all said they pay their appraisers full fees, either through a cost-plus model or a similar model that allows the appraiser to set his or her own fee.

"From a consumer protection standpoint, the cost-plus model is far superior to a bundled fee approach, which hides fees from consumers and inserts strange incentives — a reduced fee to the professional service equals more profit to the administrative and processing function — to the process," explained Appraisal Institute President **Sara Stephens**.

"The cost-plus model is by far the best method for paying the appraiser and billing the client," said **Tom Kirchmeyer**, president of Kirchmeyer & Associates Inc. "The average fee we pay appraisers has gone up each and every year since HVCC. It all gets back to my supply and demand issues already discussed. The appraisers are being asked to do more work and invest in technology that changes every year and should be compensated at a 'customary and reasonable' rate. Appraisers are one of the lowest paid professionals that are a part of the mortgage transaction, and yet they are probably the most scrutinized. AMCs need to educate their clients as to what the appraiser needs to be paid and what their management service is worth on top of that. I can still envision an industry where the lender, AMC and appraiser are all respected and professional and compensated fairly. It can all happen, but we're not there yet."



Additional threats

Appraisal legislation and regulations remained the second greatest risk facing appraisers — with 48 percent classifying that as a great risk and 26 percent calling it a high risk factor. Both numbers nearly mirror the results of 2011, indicating that legislation and regulation are continuing threats to the industry.

Competing valuation products such as BPOs and AVMs remained evenly distributed from greatest risk to lowest risk — all categories hovering in the neighborhood of 25 percent.

Interestingly, "lack of work" saw the most drastic change with the greatest risk category dropping to 20 percent, down from 2011's

33 percent. And “meeting appraiser education requirements” remained a near non-issue, with 70 percent rating it as “lowest risk” and 27 percent rating it as “low risk.”

When compared to the appraiser concerns when working with an AMC, “low fees” remains at the top of the list with 76 percent citing that as a major concern. Comparatively, only 4 percent of respondents said that low fees were not a concern when working with AMCs.

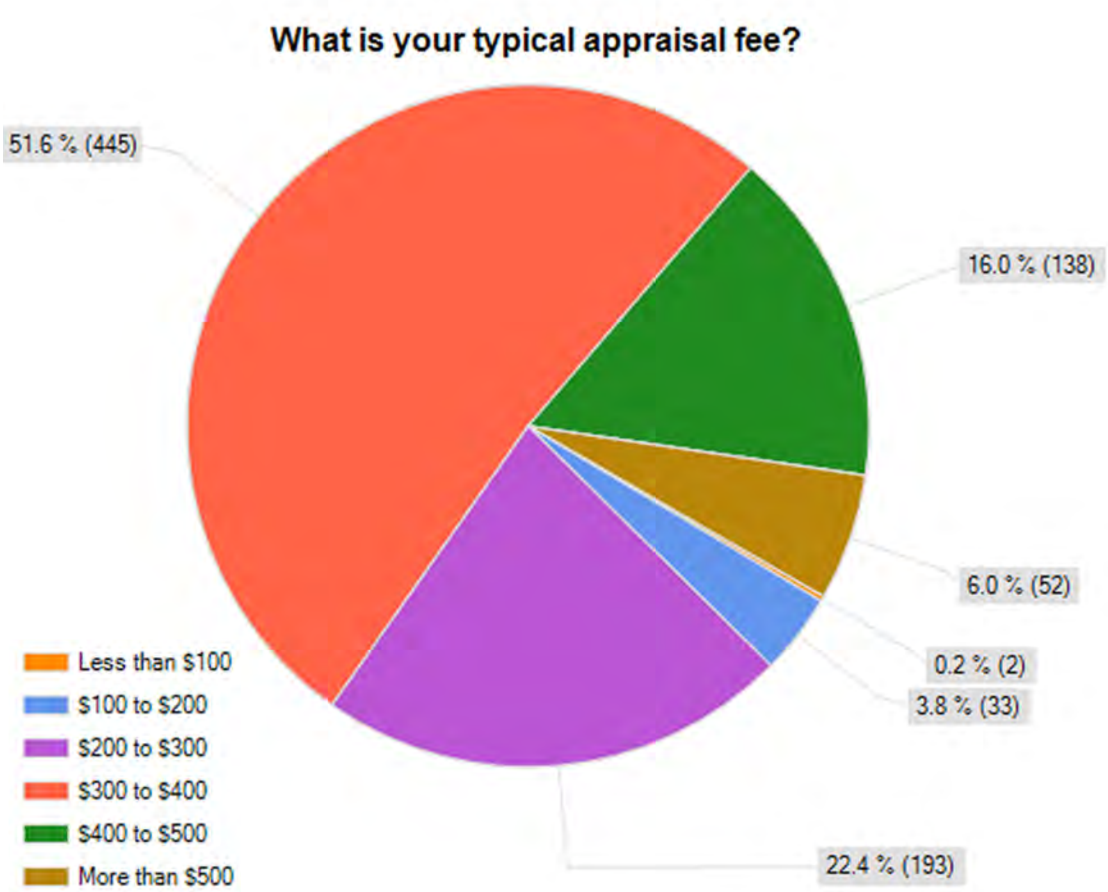
“Scheduling conflicts,” including short notice and turn-around times, and “lack of loyalty” both had 40 percent of respondents classify them as a major concern. “Blacklisting” ranked as a major concern with a 36 percent majority of respondents. Thirty-one percent of respondents ranked “appraisal review conflicts” as a major concern, while 30 percent said it was simply a concern. About half the respondents found it a concern that they didn’t know who to talk to at the AMC with a problem, while the other half classified that as not a problem. Sending orders and then frequently canceling was a non-issue for the majority (71 percent) of the respondents.

These findings were typical compared to 2011 results with no major change in the appraiser/AMC relationship.

“Clearly there is a stigma associated with working for AMCs for some within the appraisal industry,” said **Andrew Bough**, chief valuation officer of Solidifi. “There are, however, companies within the AMC space that have developed innovative solutions and do an excellent job of treating their appraisal panels in a professional manner and compensating them appropriately. You have to do your homework on which company you’re going to work with; it has to be a partnership.”

> “Writers in the news media talk of appraisers killing deals and greedy AMCs paying appraisers a fraction of the appraisal fee they used to get back in the day when there were no rules and mortgage brokers hired their friends to appraise property at what they needed to close the loan. Wow, what an exciting field to get into! We, as an industry, need to start acting like the professionals we claim to be and wish to be paid like, so the average consumer understands what we all do for them, the housing industry, and thus the economy as a whole. Professionals get paid customary and reasonable fees.”
>
> ***-Tom Kirchmeyer, president of Kirchmeyer & Associates Inc.***

“There are several AMCs that are doing business ‘the right way,’ but there are also many that are cutting corners,” said **Tom Hurst**, president of StreetLinks Lender Solutions. “These corners are often cut at the request of lenders, bending appraiser independence guidelines and giving the industry the continued black eye. We work to build a partnership with them rather than appear as an unknown entity that simply sends assignments. We offer benefits like appraiser independence compliance and discounted education to help grow their business, various payment options and the ability to set their own fees to ensure they’re receiving the support they need to complete each appraisal assignment to the highest of quality standards. Appraisers tend to come on board with us because of this commitment to quality and service.”



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APPRAISING TECHIES

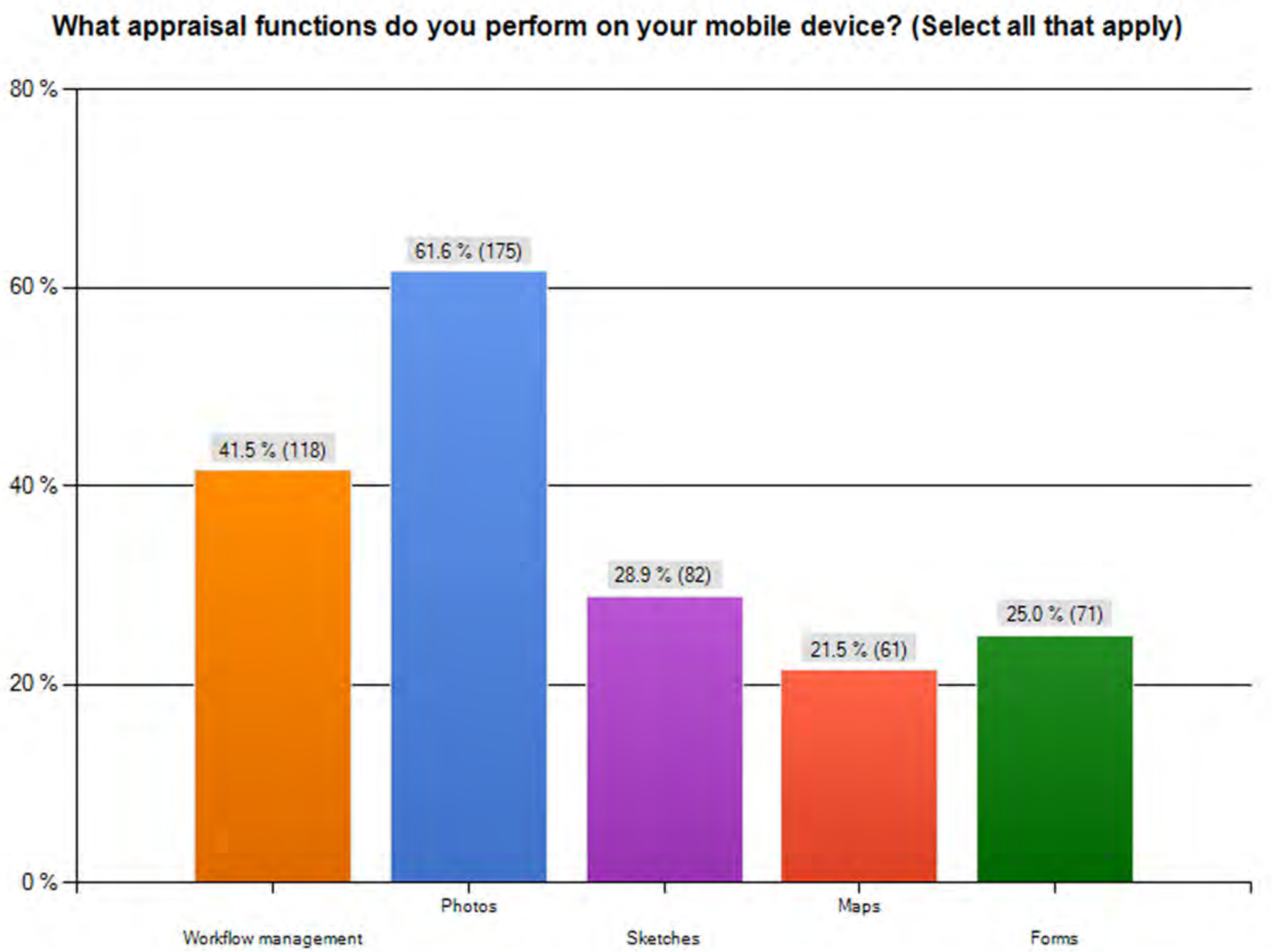
There's no escaping technology. From the uniform appraisal dataset (UAD) to up-and-coming mobile appraisal apps, technology has ingrained itself into the industry. While there is a technological renaissance happening now, technology has long been a part of the appraisal process since the introduction of PC-based appraisal software from the likes of ACI and a la mode.

In fact, when asked if they used PC-based appraisal software to complete reports, an astounding 97 percent said yes. The aforementioned ACI and a la mode were the leading providers of appraisal software according to respondents.

"It's amazing to me the lack of change in the independent appraiser. They are 'old school' and still carry around a clipboard, measuring wheel and digital camera," said **Tom Kirchmeyer**, president of Kirchmeyer & Associates Inc. "It also amazes me that 97 percent use PC-based, Windows-based I assume, appraisal software when millions of young college kids and professionals use Apple-based products like the iPad and iPhone. To attract the brightest young people into our profession we need to think like they do and make appraisal software for these devices more readily available … Appraisers don't have to be old, boring form fillers."

"The use of mobile technology is greatly encouraged to help drive efficiency and enhance communication. Those appraisers that utilize technology effectively are identified and will clearly have a distinct competitive advantage going forward."

- Andrew Bough, chief valuation officer of Solidifi



Mobile applications are just starting to gain traction in the industry, with providers like ACI and a la mode deploying their mobile solutions to Apple (iOS) and Android platforms. Even AMCs like ISGN and Coester Appraisal Group are throwing their mobile hat into the fray. ISGN released an app for its browser-based settlement services and vendor management system in June.

There's still plenty of room for mobile app usage growth — according to the survey takers, 84 percent said they do not use a mobile device to complete appraisal assignments. That number doesn't surprise **Jeryl Graham**, executive vice president of settlement services at ISGN.

"How many people used an ATM when it first came out?" Graham asked. "ATMs were slow to be adopted, but are the norm today. As tablets and smartphones become easier and less expensive to use, we will see improved mobile app penetration. Mobile app technology will drive appraisers to adapt their workflow to gain efficiency and error reduction, creating the momentum to drive adoption forward."

Interestingly, when we asked about specific functions that respondents use their mobile devices for in regard to appraisal work, 284 respondents answered that they use a mobile device for a specific appraisal task, while in the previous question, only 135 said they use their mobile device to complete appraisal assignments.

What could account for the discrepancy? Perhaps question interpretation is the most obvious answer. Appraisers may be using mobile devices for specific appraisal report tasks, but using the mobile app in concert with their desktop solution. Among the uses, 62 percent said they use a mobile device for photo taking during an appraisal; 42 percent said they use a mobile device for workflow management; 29 percent use mobile apps for sketches; 25 percent use mobile apps for forms; and 22 percent use mobile devices for maps. Other popular write-in answers were MLS searches and emailing clients.

"Honestly, I only use my mobile device to take photos, which I can then easily transfer to my computer, and I also use it for GPS," said **Bryan Knowlton**, a real estate appraiser and partner of the Appraisers Club. "I imagine at some point in the future I might use it for sketching purposes and for filling out a portion of the form, but I can't imagine it will make me any faster or make my reports more thorough."

"Evolution of the industry continues. I expect a greater reliance on technology in the future."

- William Fall, chief executive officer of The William Fall Group

"Old habits die hard! The investments made in PC's have already taken place and you will see an uptick in tablet and mobile investments as appraisers hit their next technology consumer cycle. There is also a significant time investment in learning new tools. The appraiser community is aging, experienced and busy; I think they are reluctant to make the switch for those reasons."

- Brandon Boudreau, chief operating officer of Metro-West Appraisal

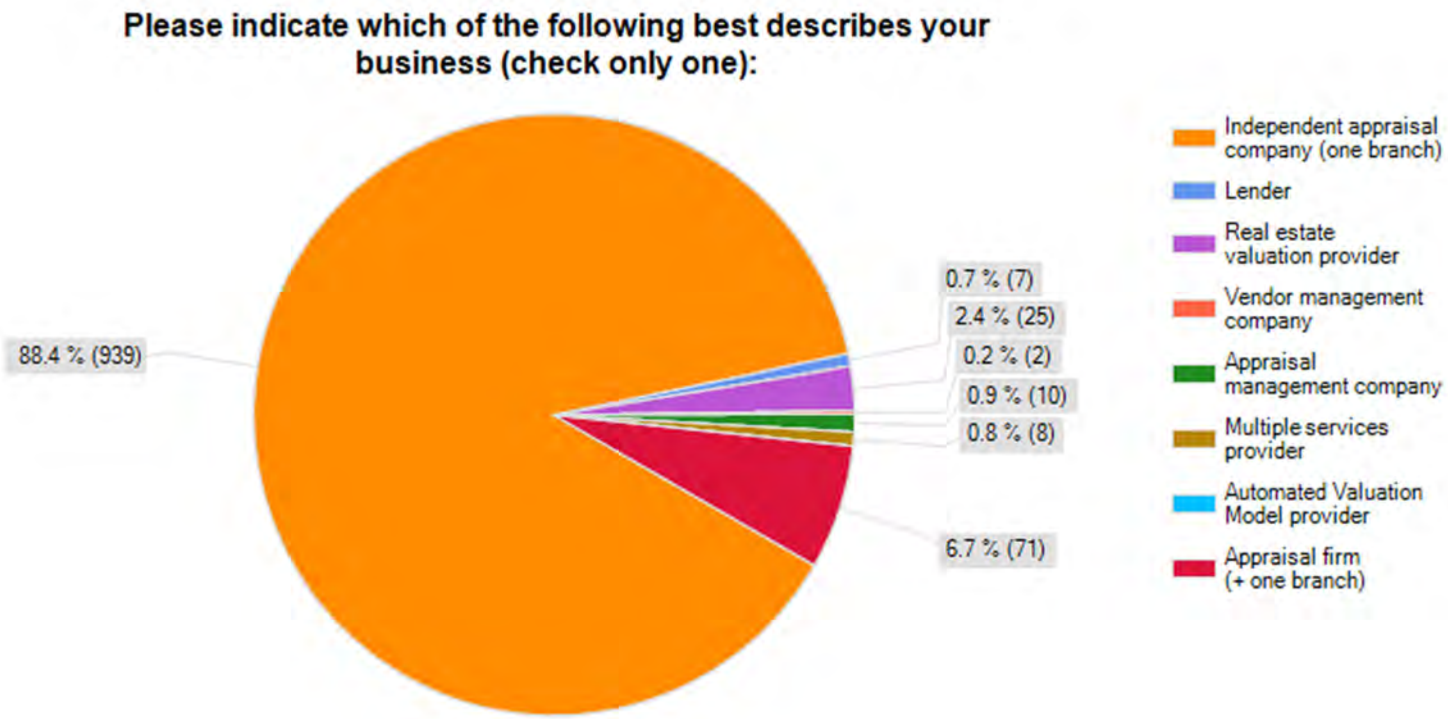
Though the survey information may seem contradictory, certainly it's clear that there are appraisers in the industry who are leveraging mobile technology. They might not be completing appraisal assignments in full, but they are using some technology on site to assist them in their appraisal tasks.

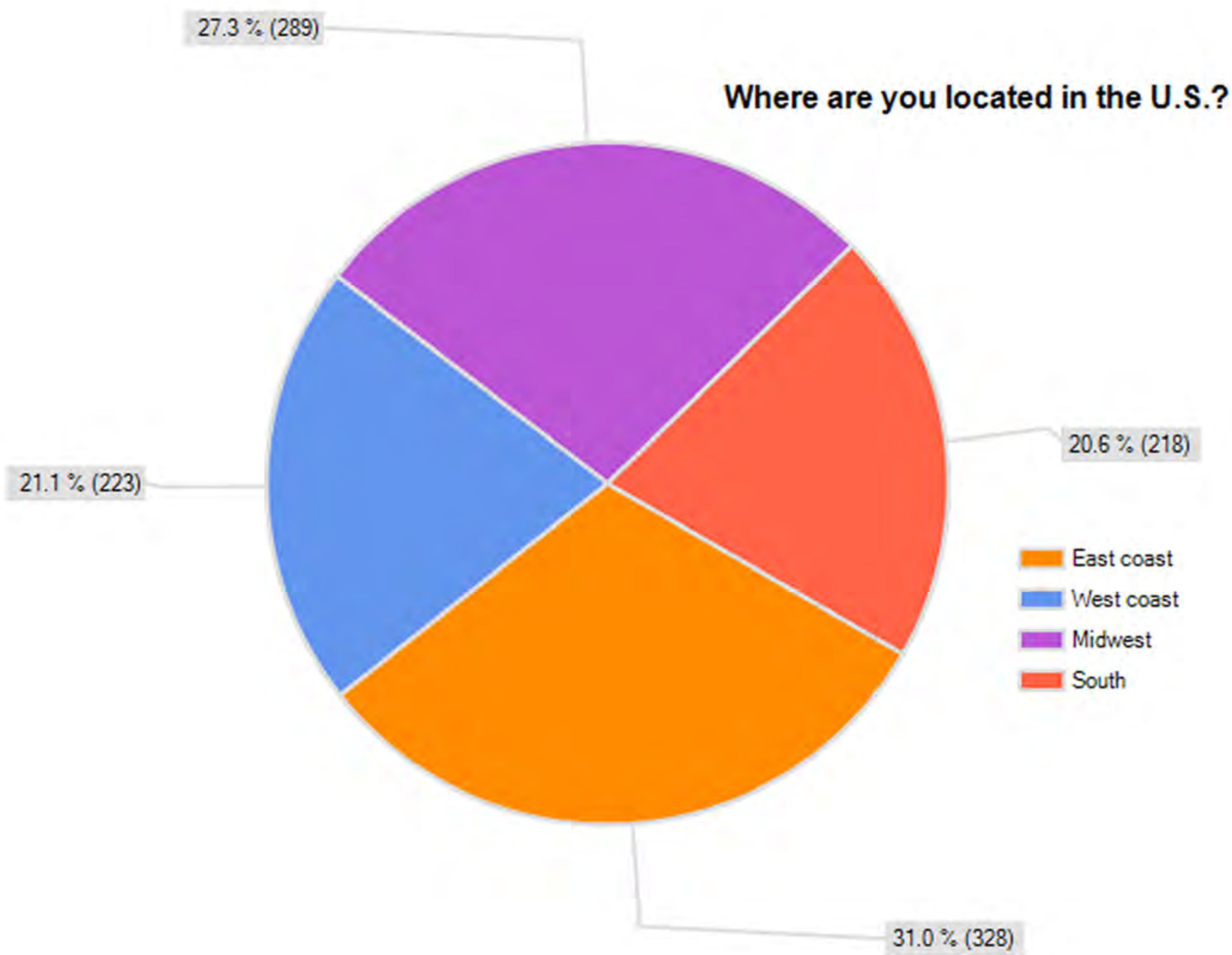
"Appraisers rely on various resources to complete their reports," said **Frank Danna**, president and chief executive officer of Appraisal Logistics. "The limitations of mobile devices would make the task of completing an appraisal report on a mobile device more than difficult. There are currently mobile applications that assist in the process, but the present limitations make it not worth the effort."

"It is difficult for many to change the way they do things. For those willing to try a new way, the challenge becomes whether the technology is efficient enough and the appraiser's patience great enough to overcome the try-out period," explained **Frank O'Neill Jr.**, chief appraiser of DataQuick. "If the new technology leaves out the ability to do certain parts of the appraiser's usual routine, and they have to rely on the old ways in addition to the new technology, the technology is going to lose. I have talked to many appraisers, some of whom have tried new technology, but most of them have gone back to their old ways."

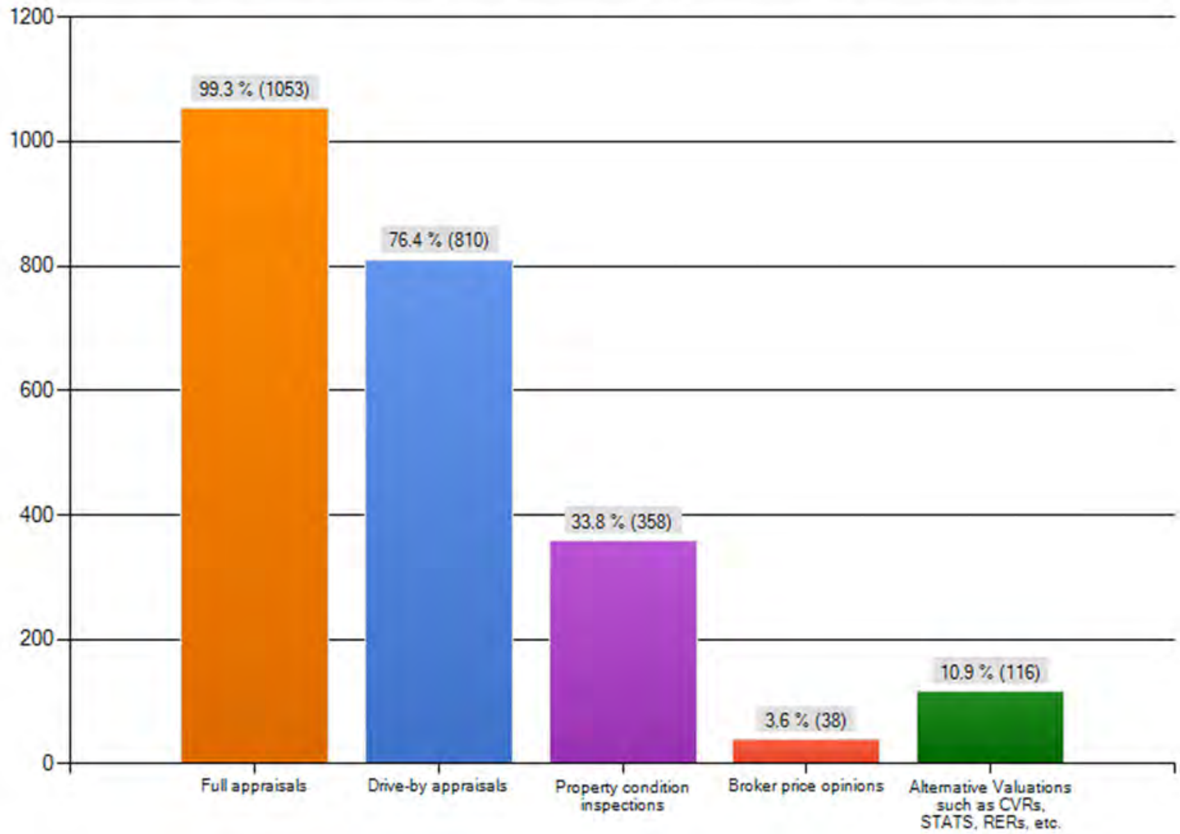
As for the next generation that Kirchmeyer hinted at, they've grown up with the technology that many "old school" appraisers may shy away from. It's important not to ignore that.

"Mobile technology is currently being used by some of our staff appraisers, and any trainees we bring on board are being taught the more efficient new way," Kirchmeyer said. "Younger trainees have been brought up in a technology world and they embrace it. It's easy for them."

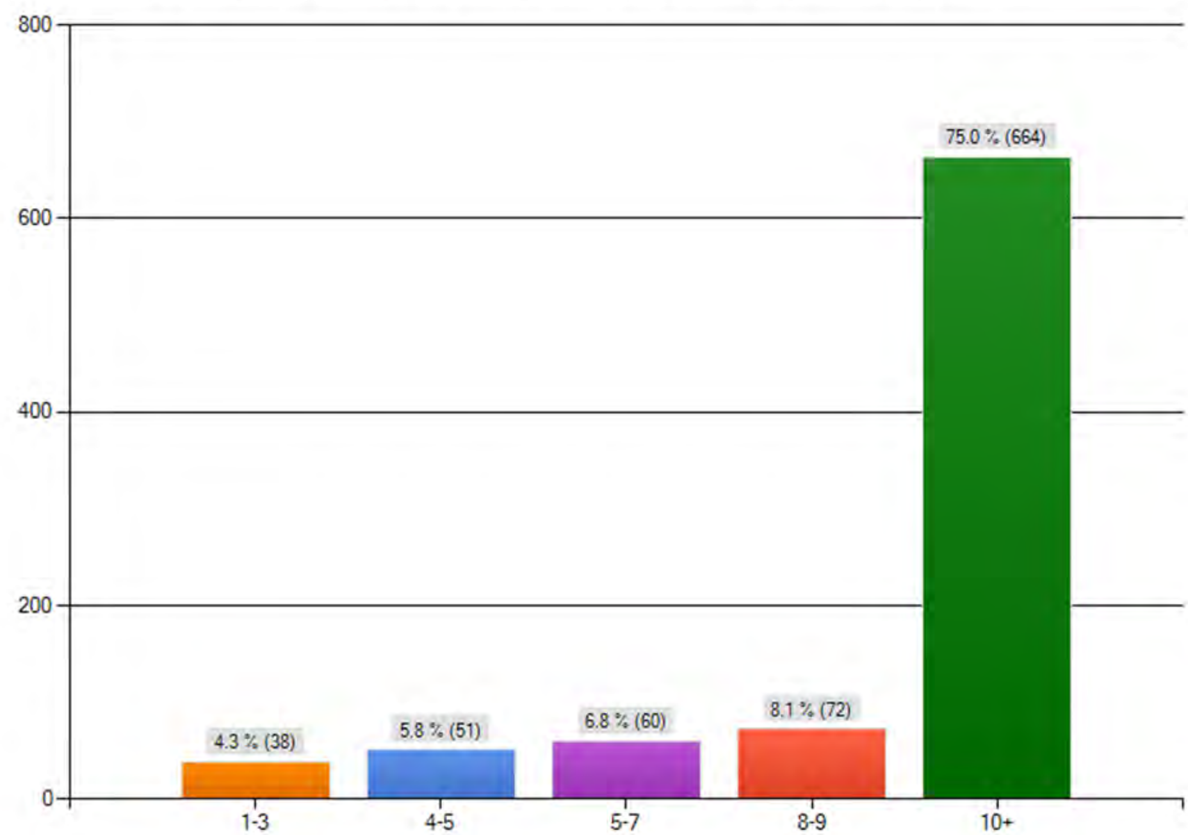

Please indicate which of the following best describes your business (check only one):
88.4 % (939)
0.7 % (7)
2.4 % (25)
0.2 % (2)
0.9 % (10)
0.8 % (8)
6.7 % (71)
Independent appraisal company (one branch)
Lender
Real estate valuation provider
Vendor management company
Appraisal management company
Multiple services provider
Automated Valuation Model provider
Appraisal firm (+ one branch)

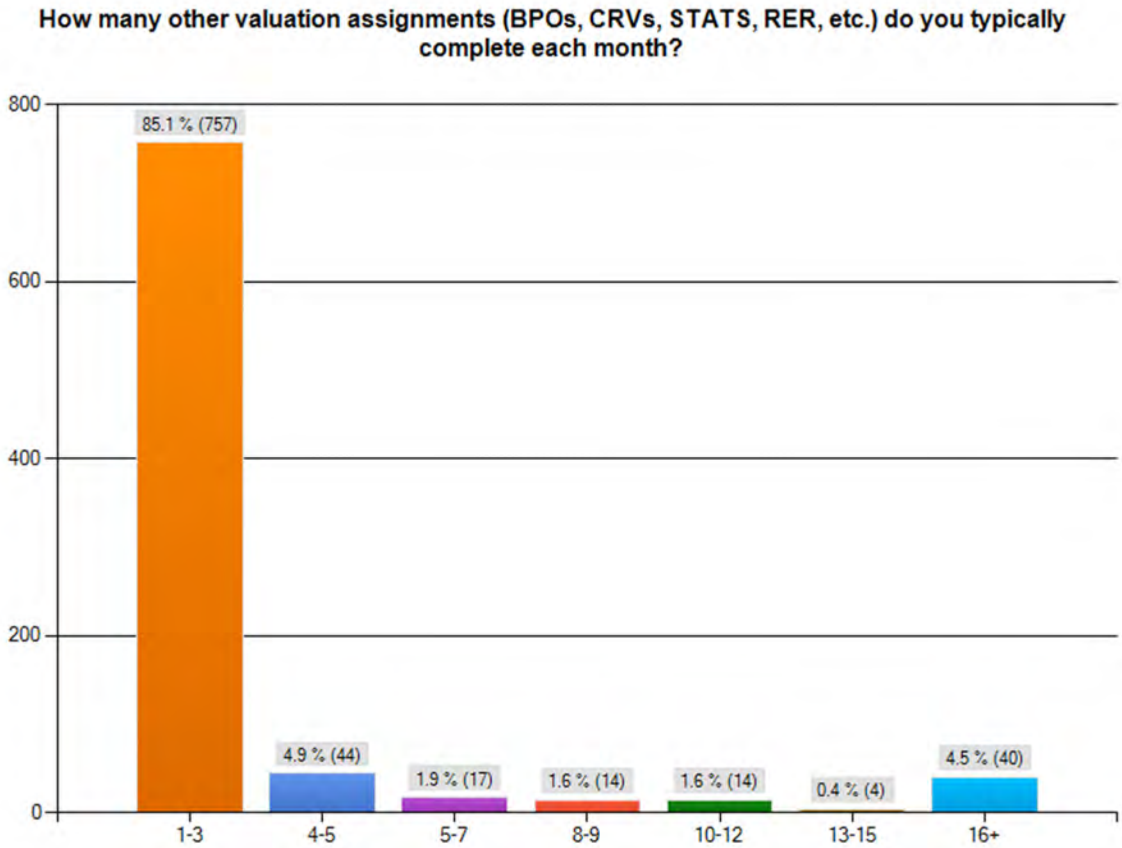

27.3 % (289)
Where are you located in the U.S.?
21.1 % (223)
20.6 % (218)
31.0 % (328)
East coast
West coast
Midwest
South

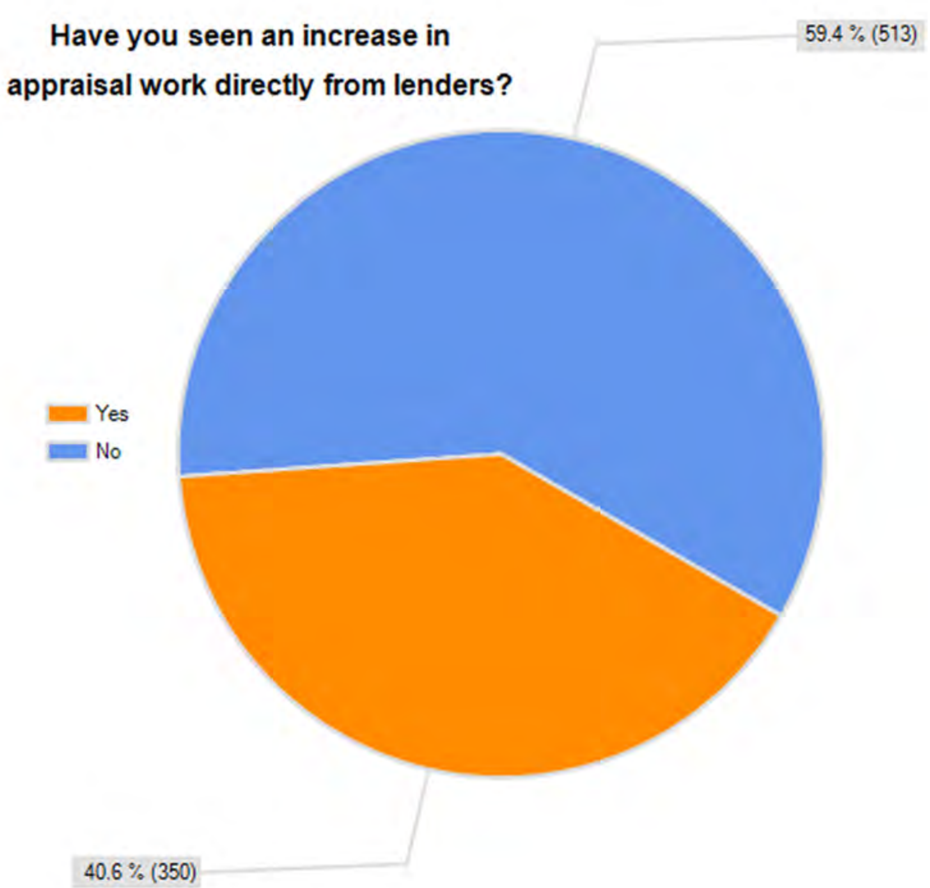
What real estate valuation services do you provide? (Check all that apply)



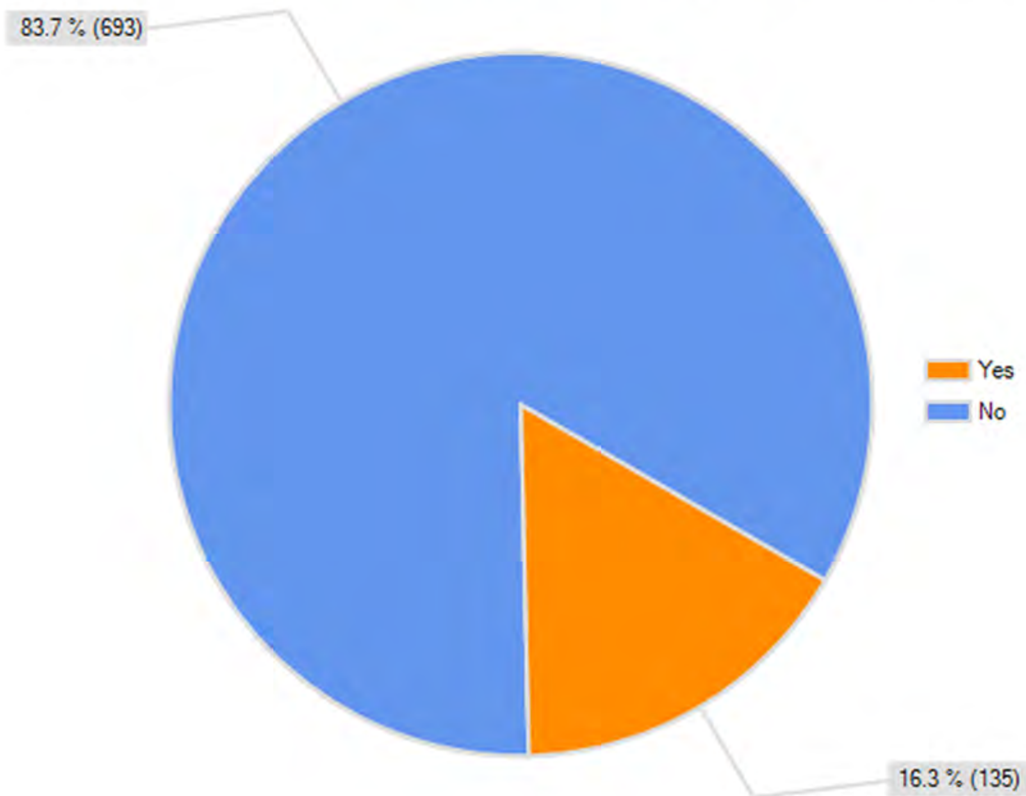
What is the typical number of full appraisal assignments you complete each month




How many other valuation assignments (BPOs, CRVs, STATS, RER, etc.) do you typically complete each month?
800
600
400
200
0
85.1 % (757)
4.9 % (44)
1.9 % (17)
1.6 % (14)
1.6 % (14)
0.4 % (4)
4.5 % (40)
1-3
4-5
5-7
8-9
10-12
13-15
16+


Have you seen an increase in appraisal work directly from lenders?
59.4 % (513)
Yes
No
40.6 % (350)

Do you use your mobile device to complete appraisal assignments?



Do you use PC-based appraisal software to complete your reports?

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