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Kirchmeyer & Associates Inc. • 40 Gardenville Pkwy • Suite 100 • Buffalo • NY • 14224
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Menu Of Services

- Appraisal Management Services
- Relocation Appraisals
- Construction Appraisals
- FHA Appraisals
- Desk and Field Reviews for Quality Control
- Desktop Analysis
- Estate Valuation
- Home Equity Valuations
- Matrimonial Appraisals
- REO and Loss Mitigation Appraisals
- Broker Price Opinions
- Automated Valuation Services

Complete and Limited appraisals (throughout the US) for all residential properties including 1-4 family homes, condos, PUD's, and co-ops.

Dates to remember...

12/3 - Wed...MBA/WNYAMB/WNYCA/APMW
Annual Holiday Party @ Salvatore's Restaurant



The main purpose of our website is for our existing clients to get 24/7 access to statuses on their open appraisals.

www.kirchmeyer.com

The Value Is In Our Service !

Kirchmeyer & Associates Inc. presents...



November 2003

www.kirchmeyer.com

Issue #63

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You Don't Really Need a "Recert of Value"

One of the more common requests for our services is for a "recertification of value" on an appraisal we completed within the past year. Our client wants to know if the value of the subject property today is the same (or greater) as it was when it was originally appraised.

A "recert of value", as it is commonly called in the mortgage and appraisal industry, is actually what we do for final inspections on repairs or new-builds. We recertify that the conditions set forth in the previous report, such as completion of a newly constructed home, has been done in accordance to what was said to be done when the original report was written. The effective date of valuation does not change.

What the client is actually requesting is an "Appraisal Update", whereas the client wants to know what the estimated market value is today for a property that was appraised in the past, thus they are requesting a new effective date. Per USPAP 2003, this is essentially a new appraisal assignment. Don't worry, it's not an assignment where we simply reprint the original appraisal and change dates and charge a full appraisal fee.

We can provide our client with an Appraisal Update, which will incorporate by reference specified information and analysis from the prior report. We will issue you a one-page document stating the estimated value as of the new effective date. Also included with this update will be an addendum, statement of limiting conditions, and if necessary, updated comparable sale information supporting a revised estimated value. USPAP considers this a new appraisal assignment and it will be properly disclosed within the update. Keep in mind that an Appraisal Update incorporates information and data from a prior appraisal by use of an "extraordinary assumption" - the appraiser is assuming that all characteristics regarding the

appraisal update

(continued on page 2.)

update

(continued from page 1.)

subject property remain unchanged, including the highest and best use, the lender's intended use of the appraisal, and the interest being appraised. Fees for an Appraisal Update will vary based on what the client is requesting. They may request one of the following:

- A) exterior only inspection of the subject property
- B) interior inspection of the subject property
- C) no inspection of the subject property*

* FannieMae requires at least an exterior inspection for all Appraisal Updates.

If the appraiser's research reveals a different market value, newer comps will be placed on a grid and explained, photographed, mapped, etc.

In summary, please re-think your request for a Recert of Value. Odds are, you do not want a Recert of Value but you require an Appraisal Update. Kirchmeyer & Associates is a leader in the appraisal industry and we often educate lenders on what they need as opposed to what they are asking for, and we also educate appraisers on how to properly complete appraisal assignments in conformance with USPAP and lender regulations. All of this will result in smoother, more efficient closings.

Recent Client "Quotes" Regarding Our Service

"Thank you for the great follow-up you're doing! It helps a lot knowing you're on the job! :)"

"You're incredible. Many, many thanks for sticking to this one. I think we'll be in time ("phew!"). And thanks for putting up with ME!"

"Ok, thanks for the help. I really want to stay with Kirchmeyer rather than seeking another vendor. When I asked the supervisors they said they would get another quote from our former vendor but I really don't want to go that way. It's much better to work with you guys."

"You're the best!"

"WOW you are good!!!!"

"Thanks for the extra effort on this loan."

"Thank you for all your help in the past and future."

"Thank you so much for your fast response on these. Have a great day..."

"Your response time is terrific - thanks so much."



Note: Ok, this image is not actually one of our staff appraisers. But we are extremely technologically advanced! You can have your appraisal within seconds of completion as all of our appraisals are saved in digital format for fast delivery to anyone in the world.

We're Fast!

Some of our appraisers actually write up the appraisal and e-mail it to us on-site. Here's a photo of one of our appraisers actually inspecting a property. We were a little upset with this appraiser, however, as he showed up for the inspection in a t-shirt and jeans. We are a bit more professional than that...

Employee of the Month



Gina Paianini

WORKS FROM: Buffalo, NY Headquarters

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716-558-2800 ext 149

E-MAIL: gpaianini@kirchmeyer.com

POSITION: Team Leader, Status Department

JOB DUTIES: Gina is responsible for all appraisal status updates on our secure website. She is in contact with clients, appraisers, and borrowers almost every minute of every day. Gina is the leader of our ever-growing status department and helps other staff within the department answer all client inquiries. Balancing how the client and the subcontractor appraiser prefer to get their status updates is a very difficult task but Gina makes it all look so easy. Some prefer phone calls, others prefer to be faxed, others e-mailed, etc. If you ever have a question about an open appraisal order, Gina will have your answer or she will know how to get it for you.

When Gina is not at work, she enjoys: Spending time with family and friends, reading a good book or watching a movie....or the ever popular pampering herself with a little R&R.

HOMEOWNER'S INSURANCE STILL ILLUSIVE INDUSTRY CUTS LOSSES, BUT HIGH PREMIUMS HURT HOME BUYERS

By Jeff Bertolucci

Inman News Features

A recovering economy and healthier profits for property/casualty insurers are easing the tight market for homeowner's insurance nationwide, but securing a policy is still a challenge for home buyers.

A recent report card on the first half of 2003 by the Insurance Information Institute, a non-profit group funded by insurers, shows a "remarkable turnaround" in the industry, with underwriting losses declining a whopping 95 percent from a record \$52 billion in 2001 to just \$4 billion to \$6 billion this year.

Combine that with a resurgent stock market that has climbed 13 percent from January through September, allowing insurers to amass \$4.5 billion in capital gains during the first half of this year, and the economic outlook for the insurance industry is promising.

“higher premiums might be throwing some buyers out of the housing market”

"The sun shone brightly on the property/casualty insurance industry during the first half of 2003," Robert Hartwig, chief economist of the insurers' institute, wrote in the report.

But will such rosy data spur insurers to loosen underwriting policies, reenter states they perceive to be high-risk areas, and halt requests for higher premiums?

(Part 2...continued in Dec 03)