

UAD: An educator's point of view

Real Stories: Q & A with John P. Smithmyer, Georgia Appraiser School, LLC

John P. Smithmyer is an AQB Certified USPAP Instructor and the owner/instructor for the Georgia Appraiser School, LLC, where he has authored 20 appraiser courses approved by the state for licensing and continuing education.

John has been in the valuation business for eight years, before that working in the software and engineering fields. He's currently

conducting a series of Uniform Appraisal Dataset courses in the Southeast.

We spoke with John about the changes coming with the UAD and what appraisers should expect. After reading the interview, if you'd like to learn more about the UAD, visit alamode.com/labs or give our UAD experts a call at 1-800-ALAMODE.

What advice would you give to appraisers getting ready for the UAD?

I would advise them to take a software-based course on the subject or be prepared to spend countless hours researching on the Fannie Mae website on how the form is to be filled out. Look at the UAD Frequently Asked Questions ([click here to read](#)), and have a lot of faith in the software provider that produces the appraisal software that they use.

What are some challenges for appraisers with this new compliance set?

I think the biggest struggle is unlearning what we've been used to doing for years. For example, the way that bathrooms will be reported is typically different from what people in Georgia have been doing. So one-and-a-half baths is 1.1 according to the UAD, but 1.5 for one-and-a-half is the convention that most appraisers here have been using. It's very difficult to break the habit of putting 1.5 down because it's just something that's in your brain. You're used to doing it that way. So I think unlearning some of the things is one of the challenges. One of the other challenges would be learning and memorizing all of the new classifications and abbreviations, and that sort of thing.

Also, I think it's going to be difficult for appraisers to actually obtain the information that they're not used to getting. For example, how many rec rooms, how many other rooms in a basement. Sources appraisers typically use do not report such things with that much granularity; it will be difficult getting that detailed information.

How soon do you think appraisers need to start preparing for the UAD?

Immediately. The reason I say that is the implementation is required on September 1st as you well know, but the Fannie Mae FAQ suggests that lenders start requiring this before it's mandated. When I think back on the 1004 MC, management companies were asking for it months before it was actually mandated. I think that the same pattern will happen this time. As a result, August is not the time to start thinking about it. Now is the time to start thinking about it.

What do you say to appraisers who think they can manually conform to the UAD without a software solution?

It's a unanimous decision from everybody who's attended the classes that I've done, and I agree fully, there is no way that an individual could complete a UAD-compliant appraisal without the software. I'm firmly convinced of it.

During my class for example, they see that when they type an amount in Price of Prior Sale — oops they didn't put the dollar sign so that's wrong. Or they'll put '1000 sf' in the Basement & Finished section. Oops, that's wrong — forgot there's no space between them. There are just so many variations and so many things that are required.

Let me put it this way, I have done over a dozen courses, plus I studied the UAD technical specs for over a month before I even began the classes. I could not comfortably and assuredly fill out a form on software that didn't assist me in doing so. I would not trust myself to do it without the a la mode software guiding me.

What is your impression of the UAD implementations by the various software companies?

Let me put a disclaimer out that I have thoroughly seen the a la mode software. I've only seen screenshots of some of the other ones with the exception of WCA. So, in other words, I don't want to make a statement that I've looked at them all because the other appraisal software vendors have yet to deliver their implementations. I've seen early editions of WCA and of ACI and I've also read the implementation by Bradford.

Let me tell you, before I retired and got into appraising, I spent almost 28 years in the software business. So I understand software very, very well. Bradford, from what I've read, is having three levels that you must classify yourself in. I don't think it's a good solution. To tell the software 'well I'm an idiot give me everything,' and then when you get better, 'well just give me some of it because now I'm OK,' and then 'now I'm a genius you don't need to give me much at all' is a clumsy implementation.

The WCA implementation is very intrusive from what I've seen because the left hand or right hand strip of the screen is a side panel. It's completely obtrusive when you don't need that level on every single question that you have.

I think the way a la mode has implemented it is absolutely ideal. When you click on the field, you can immediately see on the bottom of the screen, small and unobtrusive, what you need to do. And if you're still not sure what you need to do, just click on the help and you'll get detailed direct-from-the-GSEs' directions of what you need to do. The other thing that I think is brilliant in what a la mode has done is when you run your E&O analysis, it also includes all of the UAD components. That is extremely helpful.

When I was in the software business, I started off as an engineer — actually a geologist — and I was also a heavy computer person. So I knew how to develop geological software because I knew what

geologists did and I knew what programmers did. As I got further in the business, I discovered that most software companies' biggest weakness is that they have programmers who can do anything, but because they're not in the profession, or aren't guided by somebody in the profession, you end up with crap.

Well the beauty of what a la mode has done — because they are an appraiser-focused company — is develop the addendum that would be required by USPAP. Without that addendum, your report is not USPAP compliant. And how many people are going to think about that? It was brilliant that a la mode came up with the addendum so appraisers wouldn't have to create it on their own or take the chance of forgetting about it. So it's not only the interface that was well done, it was just the whole implementation that was well done.

What I tell people in the class is, 'if your vendor hasn't delivered this yet, you're taking a big chance.' Some of my students have indicated that July is when they need to start doing this. Well how are they going to do it if they don't have the software?

Is there anything else you'd like to tell appraisers?

I think one of the most important things that I tell people in the class is about the potential of violating USPAP without having the UAD addendum in the report. It's important to not only have the addendum in the report, but to customize the addendum with the abbreviations and things that they develop for the non-supplied views and locations and that sort of thing. That is really, really important.

And lastly, there were schools in Georgia who were offering courses on this based on the Fannie Mae Appendix D specification. Even though I had the course approved early by the Georgia Real Estate Appraisers Board, I chose not to offer the course until someone actually had live software that I could demonstrate on. That's because I firmly believed that trying to teach someone from the technical specs was absolutely crazy. So I was delighted when a la mode announced not a beta, but a working version of the software. It allowed me to then start my courses. And people in the classes have commented that they're so glad they were able to see how it would be done. Actually seeing the software, as opposed to just working from the tech specs, has alleviated a lot of fear the appraisers had.

And in case you're wondering, we haven't compensated John for this interview. Obviously, he'd appreciate it if you'd sign up for his courses, but our intention here was to share his unique and candid experience.

Learn more about John and the Georgia Appraisal School, LLC at www.georgiaappraiserschool.com.

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