

AMEA APPRAISER

Information and education dedicated to appraisal excellence

Winter 2007

Board of Directors

President

John S. Greene, CEA
FL Sales Inc.

First Vice President

Charles J. Winternitz, CEA
Winternitz, Inc.

Second Vice President

R. F. "Casey" Mulqueen, Jr., CEA
Appraisals for Industry, LLC

Treasurer

James Zvonar, CEA
Industrial Machinery Corp.

Immediate Past President

Randy R. Stevens, CEA
Lee Stevens Machinery, Inc.

Presidential Appointees

Nathan J. Arnold, CEA
Arnold Appraisal, LLC

Directors

Richard H. Bass, CEA
Rudolf Bass, Inc.

John Gabalis, CEA
Hallmark Co.

Jean A. Harris, CEA
Harris Machine Tools, Inc.

Joseph D. Herz, CEA
Hilco Appraisal Services, LLC

Joseph Hodkin, CEA
The Daley-Hodkin Group

Jack Mendenhall, CEA
Used Machinery Sales Inc.

Ken Regal, CEA
Regal Equipment Inc.

Marc A. Swirsky, CEA
Great American Group

Voluntary Board Members

Brian D. Block, CEA
Lexus Plant & Machinert Inc.

David W. Troutman, CEA
Integration Technologies Limited

Past Presidents

1983-84 **Norman Adler, CEA**

1984-86 **Daniel J. Lengyel**

1986-88 **Roland R. Grenier, AEA**

1988-91 **Fred S. Mervis, CEA**

1991-93 **Michael D. Rosen, CEA**

1993-95 **David N. Lang, CEA***

1995-97 **James L. Heppner, CEA***

1997-99 **Ronald J. Koster, Sr., CEA**

1999-01 **John Gabalis, CEA**

2001-03 **Richard H. Levy, CEA**

2003-2005 **Nathan J. Arnold, CEA**

2005-2007 **Randy R. Stevens, CEA**

**Deceased*

AMEA University

Providing important and relevant education

The Association of Machinery and Equipment Appraisers (AMEA) hosted a successful 7 Hour USPAP Course in conjunction with the Machinery Dealers National Association (MDNA) Weekend with the Pros. This program proved to be a great investment for all participants.

The AMEA's USPAP course had an exceptional learning environment that focused on the machinery and equipment industry. The USPAP course provided practical training concepts and tools for everyone. The featured instructor for the course was Michael Lohmeier, AQB Certified USPAP Instructor. The AMEA looks forward to planning another USPAP opportunity for members and industry colleagues in late 2008.



During the weekend attendees visited several plants. During two of the visits, AMEA supported the visits with an appraisal contest which allowed participants to submit an appraisal on specific equipment at the S&M Machinery Sales Inc. and Westbrook Engineering Co. Inc. plants. The participants who appraised the machinery most accurately won AMEA gifts and prizes.

Continued on page 2

Continued from page 1

AMEA Appraisers' Forum

March 7 – 8, 2008

St. Louis, MO

Prepare yourselves for the next exciting event from the AMEA University, the 2008 Appraisers' Forum. The AMEA proudly presents the AMEA *Appraisers' Forum*, March 7 – 8, 2008, to be held in St. Louis, MO. Join industry colleagues as they gather at the Sheraton Westport Lakeside/Chalet Hotel, to discuss industry trends, technological advancements in the industry, and a variety of topics specific to the machinery and equipment appraisal industry.

The Friday will start with four innovative intense workshops and wrapping up with a great open mic dinner, where members can discuss industry issues and ask those burning questions about machinery and equipment. The next day will be an event at a machinery plant observing and learning about new machinery in the industry. Participants of this two-day event will earn continuing education credits while taking advantage of a terrific networking opportunity.

Additional event information will be available on the AMEA web site, www.amea.org in the upcoming months.

USPAP Update

By Micheal R. Lohmeier

The 2008-2009 edition of the *Uniform Standards of Professional Appraisal Practice* ("USPAP") reflects significant movement by the ASB to continue to create a more user-friendly and fundamental paradigm for appraisers and users to reference and rely on. Changes reflected in this edition were a result of two exposure drafts and various written responses, public testimonies, public meetings and extensive research. Although numerous edits have been made throughout USPAP to increase its overall clarity, the following are the material changes you'll find in the 2008-2009 edition.

Deletion of "Supplemental Standard" and "Advocacy" Definitions

The 2006 addition of the SCOPE OF WORK RULE provides descriptions for adherence with *laws and regulations* based on Black's Law Dictionary, thus making

this term and definition obsolete. The definition of *advocacy* expresses the common English language meaning and its prohibition was already stressed through ETHICS RULE. Conduct Section of the ETHICS RULE was further edited to stress prohibition of advocating the cause or interest of any party.

Deletion of SUPPLEMENTAL STANDARDS RULE

The responsibility is shouldered by the appraiser to comply with relevant assignment conditions, which are founded in his/her obligations to be ethical and competent. The SCOPE OF WORK RULE requires appraisers to identify appraisal problems correctly and communicate results meaningfully. Therefore any laws and regulations applicable to a specific assignment must inherently be understood and complied with.

Mass Appraisal Standard Rules 6-3(b), and 6-8(n) Regarding Personal Property

Edits were made to the personal property mass appraisal requirements to identify and report highest and best use. Although the edits do not change the substance underlying the requirements, it now reads more clearly with terminology use that is universally accepted in the mass appraisal of personal property industry.

2006 edition SR 6-3(b) – Development Activity

[I]n appraising personal property: identify and analyze the effects on use and value of industry trends, value-in-use, and trade level of personal property. Where applicable, identify the effect of highest and best use by measuring and analyzing the current use and alternative uses to encompass what is profitable, legal, and physically possible, as relevant to the type and definition of value and intended use of the appraisal. Personal property has several measurable marketplaces; therefore, the appraiser must define and

2008-2009 edition SR 6-3(b) – Development Activity

[I]n appraising personal property: identify and analyze the effects on use and value of industry trends, value-in-use, and trade level of personal property. Where applicable, analyze the current use and alternative uses to encompass what is

From the President

When looking for professional opportunities, one of the things I look for is my return of investment. My membership with AMEA has proven to be an investment well worth its value and more. I have been a member of the AMEA since 1999 and have served on various AMEA Board, Committees, and MDNA Board. Both organizations have provided me with invaluable opportunities for professional development, education, and networking. I would like to take this opportunity to invite you to explore the opportunities AMEA and MDNA have to offer you professionally.



*John Greene, CEA
AMEA President*

As an AMEA member, I have observed that AMEA members demand the best – of themselves and of AMEA. They come from all over the world with one thing in common – a desire to maintain their high standards and grow in an atmosphere of appraisal excellence. The AMEA welcomes appraisers interested in taking an active role in the awareness and growth of the industry.

We strive to meet the needs of our membership by increasing educational programs, providing new resources such as online informational and educational resources; and broaden the significance of the industry. The AMEA strives to be the premier international association of appraisers who specialize in appraising used and new machinery and equipment by giving designations to the most qualified capital equipment appraisers in the industry.

Mark your calendar for the upcoming 2008 Appraisers' Forum, March 7 – 8, 2008. We anticipate an exceptional programming and speakers during this two-day program.

Learn more about our organization by visiting the AMEA web site, www.amea.org or contact the AMEA National Office at +1 800 537 8629. We look forward to hearing from you.

Thank you,

John Greene, CEA
AMEA President



LOCATOR



profitable, legal, and physically possible, as relevant to the type and definition of value and intended use of the appraisal. Personal property has several measurable marketplaces; therefore, the appraiser must define and analyze the appropriate market consistent with the type and definition of value.

2006 edition SR 6-8(n) – Communication Activity

[W]hen an opinion of highest and best use was developed, discuss how that opinion was determined;

versus

2008-2009 edition 6-8(n) – Communication Activity

[W]hen an opinion of highest and best use, or the appropriate market or market level was developed, discuss how that opinion was determined;

Personal Property Standard Rules 7-3(a), 8-2(a)(ix),

Edits were made to the personal property appraisal requirements to identify and report highest and best use. Although the edits do not change the substance underlying the requirements, it now reads much more clearly with terminology more universally used in personal property appraisal industry.

2006 edition 7-3(a) – Development Activity

[I]dentify the effect of highest and best use by measuring and analyzing the current use and alternative uses to encompass what is profitable, legal, and physically possible, as relevant to the type and definition of value and intended use of the appraisal;

versus

2008-2009 edition 7-3(a) – Development Activity

[A]nalyze the current use and alternative uses to encompass what is profitable, legal, and physically possible, as relevant to the type and definition of value and intended use of the appraisal;

2006 edition 8-2(a)(xi) – Communication Activity

[S]tate, as appropriate to the class of personal property involved, the use of the property existing as of the date of value and the use of the property reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, describe the support and rationale for that opinion;

versus

2008-2009 edition 8-2(a)(ix) – Communication Activity

[S]tate, as appropriate to the class of personal property involved, the use of the property existing as of the date of value and the use of the property reflected in the appraisal; and, when an opinion of the appropriate market or market level was developed by the appraiser, describe the support and rationale for that opinion;

AMEA APPRAISER

The *AMEA Appraiser* is published by the Association of Machinery and Equipment Appraisers
315 S. Patrick St.
Alexandria, VA 22314-3532 USA
Phone: +1 703 836 7900
or +1 800 537 8629
Fax: +1 703 836 9303
Email: amea@amea.org
Internet: www.amea.org

Pamela J. Reid
Director, Member Services
pamela.reid@amea.org



The mission of the AMEA is to certify and accredit the most qualified capital equipment appraisers in the appraisal industry through promotion of standards of professional practice, ethical conduct, and market-based experience.

**All of our members are listed on our web site:
www.amea.org**

No portion of the AMEA Appraiser may be reproduced without the express permission of the AMEA.

Retired - STATEMENT 10: *Assignments for Use by a Federally Insured Depository Institution in a Federally Related Transaction*

STATEMENT 10 was retired because it confused many appraisers and users of appraisal services by not clearly distinguishing between laws, regulations and guidelines. Significant portions were retained and moved into a new Advisory Opinion 30.

New – Advisory Opinion 30: *Appraisals for Use by a Federally Regulated Financial Institution*

Advisory Opinion 30 replaces STATEMENT 10 regarding adherence with applicable laws, regulations and guidelines of federal financial institution regulatory agencies. For Michigan assessing officers, this is great internal review material.

Retired – Advisory Opinion 5: *Assistance in the Preparation of an Appraisal*

Advisory Opinion 5 was retired because the ASB believed the content of what was covered needed to be expanded for additional guidance beyond what was offered. The result was a new Advisory Opinion 31 which expanded the concept of professional appraisal assistance.

New – Advisory Opinion 31: *Assignments Involving More than One Appraiser*

Advisory Opinion 31 was created to extend the ASB's thought process on those assignments involving more than one appraiser. The content includes topics on complying with record keeping, signature and certification requirements.

New - Advisory Opinion 32: *Ad Valorem Property Tax Appraisal and Mass Appraisal Assignments*

Advisory Opinion 32 addresses a long and overdue need for the ASB to provide advice on applying USPAP to assignments prepared by ad valorem tax appraisers.

Effective Date of 2008-2009 edition

The 2008 edition of USPAP is scheduled to become valid on January 1, 2008. The longevity of the 2008-2009 edition is different from prior years as it will have a longer life than what we use to expect. The ASB anticipates that the 2008-2009 edition will remain in effect until December 31, 2009, a full two years. The ASB is hopeful that future editions will also be issued on a two-year publication cycle basis.

Get Your Copy Today

I think you will be pleased with the 2008-2009 edition as it comprises of a single-bound compilation including the ASB's Advisory Opinions, Index and now for the first time the ASB's *Frequently Asked Questions*. You can purchase your own copy of USPAP's 2008-2009 edition by going to The Appraisal Foundation's website at www.appraisalfoundation.org, or by calling 202.347.7722. When you receive your copy of 2008-2009 edition, be sure to review the above changes. I suggest purchasing the downloadable PDF version which makes word searches easier, as well as for easier copying and pasting into reports. The 2008-2009 edition also makes a great Holiday gift.

**Author Biographical****Micheal R. Lohmeier, CMAE3, FASA, MAI, SRA**

is a Senior Manager with Virchow, Krause & Co., LLP (Southfield, MI) He is a former assessing officer and former Judge with the Michigan Tax Tribunal and his firm specializes in providing appraisal and consulting services. He may be reached for further comment directly at Office: 248.368.8873, Cellular: 248.895.5404 and by Email: MLohmeier@virchowkrause.com

2008 USPAP Now Available in New Format

Organization merges standards, guidance in one convenient document

by Paula Douglas

WASHINGTON, D.C. – The Appraisal Foundation, a congressionally-authorized nonprofit organization that fosters professionalism among appraisers by setting qualifications and standards, announced the availability of the latest edition of Uniform Standards of Professional Appraisal Practice (USPAP), which will be effective for 2008 and 2009.

The new edition will provide industry standards for the benefit of appraisers, the users of appraisal services and professionals who enforce the standards while enabling all parties to become even more familiar with USPAP. “The transition to a 24-month cycle for the publication was based on what we were hearing from our sponsor organizations based on feedback from their constituents,” said Gregory J. Accetta, chairman of the Appraisal Standards Board [ASB], the Foundation Board, which promulgates USPAP. “And because USPAP has become a more stable document during the last 20 years, we can make a change to the publication schedule, which we believe will be well-received by appraisers, users of appraisal services and appraiser regulators.”

In addition, the new edition of USPAP will include guidance from the ASB in the form of the USPAP Advisory Opinions and the USPAP Frequently Asked Questions (FAQs), previously published separately, featuring a compilation of more than 200 questions and answers. Also, a new monthly e-mail product containing frequently asked USPAP questions and answers is available online now for a yearly subscription of \$25. Combining USPAP and ASB guidance in one publication gives appraisers better access to information and answers all in one spiral-bound, easy-to-use volume, which will include a master index for the first time. The new publication will be offered at a cost of \$50.

“The Appraisal Standards Board continuously strives to improve USPAP and its related guidance to provide a useful publication that informs appraisers and the users of appraisal services of the requirements for ethical and competent appraisal practice,” Accetta said.

The USPAP is available for purchase now at www.appraisalfoundation.org/store.

The article above is reprinted with the permission of the The Appraisal Foundation’s Appraisal Standards Board.

Need to take the 15 Hour USPAP?

Visit the following web sites for dates and locations of upcoming Uniform Standards of Professional Appraisal Practice (USPAP) programs:

The Appraisal Foundation

www.appraisalfoundation.org

University of Columbia-Missouri On-line Courses

<http://MUDirect.missouri.edu/ASA/online.htm>

Lincoln Graduate Center

www.lincoln-grad.org

Middleton Real Estate Training, Inc.

www.middletontraining.com

MDNA Weekend With The Pros XVIII



MDNA's Weekend With The Pros (WWTP) saw over 170 members, the largest turnout in WWTP, history come together from as far away as Germany. What made this the blockbuster event that it turned out to be? Was it the great location? It was held in Detroit, a strong very active chapter, at a great hotel located at the airport.

Was it the fabulous banquet locations? On Friday night attendees were treated to an evening at The Henry Ford Museum. People who participated called this a real treat. It was an evening for networking and for viewing one of the most impressive museums in the country. On Saturday the Detroit Chapter meeting and dinner was held at the Grosse Pointe Yacht Club, a very special and unique venue.

Was it the unbelievable chapter support by the Detroit/ Toledo Chapter and its Chairperson Rene Warren, of Tramar Industries. Warehouse tours consisted of stops at: G.C.H. Machinery Division Inc., Presses for Industry, LLC, S & M Machinery Sales Inc., Westbrook Engineering Co. Inc. and Tramar Industries, Inc.

We think it was all of the above and the "Herculean" sponsorships! Without the support of these companies the weekend would have had a totally different feel. If you were there you know just how special they made it.



LOCATOR Means Business!

**Advertise Where Smart Dealers
Get the Most for Their Money!**

- ❖ Reach Prospective Buyers Through **LOCATOR®**
- ❖ Take Advantage of the Industry's Best Website
- ❖ Target Buyers with Strategically Placed Banners
- ❖ Receive Hundreds of End-User Requests

LocatorOnline.com

Contact LOCATOR Today!

Phone: +1 703 836 9700 or 800 537 1446

Email: Sales@LocatorOnline.com

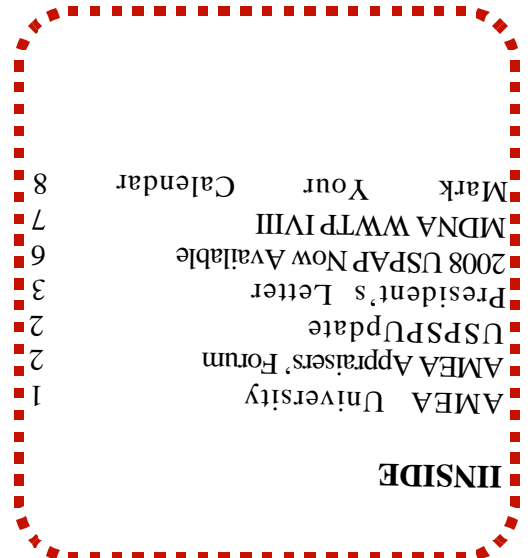


Mark Your Calendar!

AMEA Board & Committee Meeting
January 26, 2008, Tucson, AZ

AMEA University Presents
Appraisers' Forum
March 7-8, 2008, St. Louis, MO

www.amea.org



**Association of Machinery
and Equipment Appraisers**
315 South Patrick St.
Alexandria, VA 22314-3501 USA
Phone: +1 703 836 7900 or
+1 800 537 8629
Fax: +1 703 836 9303
amea@amea.org
www.amea.org