

February 2010

## IRR-Residential has 52 Offices in 21 States

Phoenix, AZ  
Sedona, AZ  
Los Angeles, CA (3)  
Palm Springs, CA  
San Diego, CA  
San Jose, CA  
Denver, CO  
Fort Myers, FL  
Lakeland, FL  
Naples, FL  
Orlando, FL (2)  
Sarasota, FL  
Tampa, FL (2)  
Atlanta, GA  
Augusta, GA  
Chicago, IL (2)  
Kansas City (2)  
Louisville, KY  
Baton Rouge, LA  
New Orleans, LA  
Detroit, MI (3)  
Muskegon, MI  
Traverse City, MI  
St. Paul, MN  
Minneapolis, MN (3)  
Lake Ozark, MO  
St. Louis, MO  
New Jersey  
Newark, NJ  
Charlotte, NC (2)  
Cincinnati, OH  
Dayton, OH  
Columbia, SC  
Greenville, SC  
Nashville, TN  
Austin, TX  
Dallas/Ft. Worth, TX  
Houston, TX  
San Antonio, TX  
Salt Lake City, UT  
Washington, DC  
Milwaukee, WI

## News Bites

### New RESPA guidelines creating a problem for your business?

IRR-Residential can offer [Guaranteed Fee Quotes](#) on complex, rural properties where standard appraisal fees may not apply! Reduce your risk on errors in GFE disclosure - become an IRR-Residential client today! Click [here](#) for more info.

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**Have questions regarding FHA appraisals issues or need clarification on HUD handbook topics?** IRR-Residential has compiled over 80 questions received from appraisers and underwriters following the most recent changes in FHA appraisal protocol. Click here to review our [FHA FAQs](#).

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## IRR-Residential Prepares for FHA Guideline Change

Following in the footsteps of Fannie Mae and Freddie Mac, the Federal Housing Authority launched new guidelines (Mortgagee Letter 09-28) for appraiser independence which are in effect as of February 15, 2010. These guidelines, like the HVCC, are intended to shield appraisers from undue influence from loan officers and mortgage brokers by restricting these individuals from selecting and communicating directly with the appraiser on valuations in connection with mortgage transactions to be insured via the FHA loan programs.

Originally set for implementation on January 1, 2010, a delay was announced late in 2009 and was intended to allow FHA to deal with concerns from the mortgage broker community regarding case number acquisition in the absence of knowing the appraiser's information. The resulting decision was to allow FHA-approved lenders to obtain a case number via the *FHA Connections* website without the appraiser information, which can be entered after the appraisal is completed.

In anticipation of FHA's mandated changes, IRR-Residential Chief Appraiser Tom Munizzo has participated in several webinars and conference calls designed to educate lenders and appraisers with regard to the necessary changes in the appraisal ordering process post-implementation. "Although similar to the HVCC rules implementation, FHA lending has its own process requirements. If a lender does not follow the proper processes, the borrower's loan could be in jeopardy," commented Munizzo.

IRR-Residential has experienced FHA appraisers across the country to handle lender's appraisal needs. If you are a lender looking for an FHA complaint solution, call our Business Development team at 913/ 261-1890 or email [busdev@irr-residential.com](mailto:busdev@irr-residential.com) or information on how to become an IRR-Residential FHA client.

## From an Affiliate's Perspective - Detroit

*By Anthony Reese, Managing Director*  
[IRR-Residential Reese Appraisals](#)

We began to recognize that our market was deteriorating back in 2005-2006. We were then in a situation similar to what we hear the rest of the country experiencing now. The purchase transactions and the refi markets had essentially dried up and our order volume was slowing down. We faced some choices – we could sit on the sidelines waiting for the origination market to rebound, or we could regroup and refocus our company.

We made some mistakes early on. Our first was continuing to try to grow from the decreasing mortgage origination segment. We also pursued what we thought was the then low hanging fruit, REO work. But we found those markets were saturated and the REO segment had grown a reliance on inferior products like BPO's with which we could not compete.

We had to find a niche where we could separate ourselves from our competitors.

We cast out nets in every direction. Though our revenue was declining, we increased our marketing budget and dedicated a staff member, Jenn Reese, to a full time business development position. We associated ourselves with the local mortgage lenders group (MMLA) which gave us an ear to the

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Serving all your residential appraisal needs: FHA, conventional mortgage, jumbo and complex properties, post origination reviews for due diligence and audit purposes.

ground on what was going on in the industry. We increased our marketing efforts with the Michigan Bar Association which generated opportunities for us to become less dependent on mortgage originated work. With mortgage applications predicted to drop 40% in 2010, the need to diversify continues.

Our Affiliation with IRR-Residential has helped in our diversification efforts, as we are seeing increased numbers of orders for non-mortgage origination assignments coming through corporate. One example has been short sale valuations where clients have needed property valuations across the country to help them determine if they should accept short sale offers.

A second example has been forensic review work. I cut my teeth early as a contract reviewer for HUD doing appraisal reviews to identify fraud and for compliance. I learned through that work how to write a supportable review that would be used for litigation or to sanction roster appraisers. I know my markets well and have been performing forensic work for clients for more than six-years and enjoy doing it.

This capability has fit well with IRR-Residential corporate clients that have the need for retrospective reviews for various reasons. We have benefited from training sessions led by the IRR-Residential Chief Appraiser Tom Munizzo. He led a training session at our national IRR-Residential meetings in November and has held a subsequent training session in Detroit for our office and the other affiliates offices in our market. Some of the best and brightest appraisers in the industry are a part of our organization and I am lucky to have their counsel just a phone call away.

As we enter 2010, our revenues are creeping back towards 2003-2004 levels. Our business has diversified away from being mortgage origination oriented. Hopefully we have weathered the storm!

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### IRR-Residential Expands its Business Development Team



Richard Shackelford has joined the IRR-Residential business development team as Director of Client Development. The Client Development Director is responsible for the national business development team efforts related to residential valuations assignments, retrospective property evaluations and desk reviews.

Rich brings an extensive background in the mortgage industry, holding positions in loan origination, operations management and sales management. Prior to joining IRR-Residential, Mr. Shackelford was most recently the Director of Sales and Marketing for MHQ Financial, overseeing the multiple lending branches, the national home loans call center, and the organization's insurance division. Rich is able to offer a unique perspective to the appraisal management business as well as having a strong understanding of the issues facing today's mortgage industry and lending professionals.

Rich is a graduate of Missouri State University, completing his Bachelor of Science in Finance. Rich will office out of the IRR-Residential corporate headquarters located in Kansas City. He can be contacted directly at 913-261-1890 and [rshackelford@irr-residential.com](mailto:rshackelford@irr-residential.com).

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### IRR-Residential Partners with *Valuation Review*

In January, IRR-Residential began new a partnership with the [Valuation Review](#) publication to provide their readers with a monthly snapshot on a metropolitan area in which IRR-Residential has an affiliate office. Valuation Review is a leading resource for news and analysis for the real estate appraisal industry.

The first featured market was Houston, Texas. Frank Lucco, SRA, managing director of [IRR-Residential Appraisers & Consultants](#) in Houston, authored a market commentary on the Houston market.

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### Congratulations to San Jose Affiliate Brian Cadieux on Achieving SRA Designation!

On January 25th, Brian T. Cadieux, Managing Director of the IRR-Residential Valuation Services office in San Jose, CA, received his SRA designation from the Appraisal Institute. Brian is an active member of the Northern California Chapter of the Appraisal Institute. Brian has been an appraising in the San Francisco Bay Area for over 15 years and his appraisal office has been affiliated with IRR-Residential since 2006.

Brian can be contacted at 408-423-9300 or [bcadieux@irr-residential.com](mailto:bcadieux@irr-residential.com). The office website is <http://irr-residential.com/valuationservices/>.