

The Calm Before the Storm?

Litigation Against Appraisers is Down.
Time to Relax?

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Been there...

- **“Dismal January home sales report revised, but still gloomy”**
 - *Crain's Chicago Business, March 4, 2019*
- **“Housing market now ‘reminds me of 2006,’ Robert Shiller says”**
 - *MarketWatch, October 31, 2018*
- **“Freddie Mac: February forecast hints at a mortgage market slowdown”**
 - *Housingwire, March 1, 2019*

Done that...

- ***Nationwide complaints/claims down***
 - Peak claim period was 2010-2012
 - Illinois license complaints "high water mark" 2010-2011
- ***Values appreciating***
 - Valuation experts appreciated...
- ***Residential assignments changing***
 - New 1004 form coming
 - Hybrid/Bifurcated assignments

The Bigger They Are

- **“President Signs Legislation Increasing Commercial Appraisal Threshold”**
 - *Appraisal Institute Q1 2019 Washington Report*
- **“Farm loan delinquencies reach highest point in 9 years as prices slump”**
 - *Associated Press, February 28, 2019*
- **“Retail Apocalypse Spurs JLL to Form Venture Aiding the Survivors”**
 - *Bloomberg, February 6, 2019*

The Harder They Fall



- **Commercial lending strong and holding**
- **Ag Values Holding?**
 - Outside drivers?
 - Low inventory?
- **Expansion of Restricted Reports**
 - 4th Exposure Draft
 - Multiple Clients/Intended Users

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Alternative Valuation

- **Evaluations**
 - More eligible assignments with raised de minimis
- **AVMs**
 - More products entering market
 - Can incorporate some AVMs into standard appraisal work
- **Opportunity?**

An Appraisal By Any Other Name

- **Hybrids...**
- **Who is doing the inspection?**
 - Clearly identified as Appraisal Services
 - Illinois Appraiser, February 2019
- **Appraiser must have reasonable belief that data is reliable**
- **Unintended consequences?**
 - Appraiser still taking responsibility for ALL content

Zillow

- ***Class action lawsuit dismissed by federal trial court***
 - Algorithm is not an appraisal
 - No private right of action under License Act
- ***7th Circuit Court of Appeals affirms***
 - Can be cited nationwide – persuasive or precedent
 - Can be used by appraisers...

Enhance Your Value

- ***Find new ways of looking at your market and provide that to the client/intended user***
 - Release quarterly analysis
 - Analyze trends and develop conclusions
- ***Grade/Score your conclusions***
 - Can you show how good you are?
- ***Be your own data aggregator***

Cover Your Assignment

- **Explain clearly and concisely your work**
 - What did you do?
 - Why did you do it?
- **Preserve your records**
 - If see something, say something
 - If you rely on it, save it
 - Would you peers come to similar conclusions?
- **Don't forget to develop the 4th Approach...**
 - Would I pay this for that?

Tools of the Trade

- **Data aggregators**
- **Analytics tools**
 - Regression analysis
 - Modeling, charts/graphs, visuals, etc.
- **File management software**
 - Build your contemporaneous file
 - Build your work history
- **Digital Storage**
 - External drives
 - Cloud Storage
 - Flash Drives



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Bio-Contact Information

Craig Capilla is a trial lawyer, concentrating his practice in a wide range of civil litigation, including professional liability and commercial claims. He has successfully defended residential and commercial appraisers and appraisal firms accused of negligence or improper activity in their valuation services. Craig has also represented numerous licensed professionals in Illinois state licensing matters including real estate brokers, real estate appraisers, and medical doctors, process servers, mortgage loan originators and brokers. He has represented clients in both state and federal lawsuits and has appeared in various judicial circuits across Illinois and in Wisconsin. He has also assisted professionals and registered entities with licensing proceedings in Wisconsin, Iowa, Minnesota, South Dakota, Nebraska, Colorado, Nevada, and Missouri.

Craig earned a B.A. from the University of Michigan in 2004, majoring in History and Political Science. He then earned a Juris Doctor from the DePaul University College of Law in 2007. Craig is authorized to practice law in Illinois, Wisconsin, and is a member of the trial bar of the United States District Court for the Northern District of Illinois.

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