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SPRING 2022 QUARTERLY NEWSLETTER

Upcoming Events



**May 12th – In Person Chapter Meeting
With Social Mixer**
3:00 – 4:00 Meeting
4:00 – 6:00 Social Mixer
2250 Kohn Road Harrisburg
Residence Inn Marriott
More Details Below

Keystone Chapter Volunteer Opportunity
Habitat for Humanity – July 16th
More Details Below

**Within the next few weeks expect an email
with upcoming Educational Classes. We've
got some good stuff in the works!**



GroupME - New Message App for Members

We have created a Chapter Group (AI Keystone Chapter) on the GroupMe App where members can send messages to Chapter Members for Appraisal-Related questions, assignments, employment, etc.

Hello all and Happy Spring! We are rolling out a Group Messaging system using GroupMe. This is a simple and free messaging app that allows members to communicate to other Chapter members (similar to WhatsApp).

This platform will allow messaging to to all members within the Chapter. The Group consists of the Keystone Chapter membership that choose to participate (I hope a lot!).

To join and use the app:

-Click on the link sent in this email from Tracy or [CLICK HERE](#)

-You will be prompted to create an account. **PLEASE** use your **actual name** as Tracy will be monitoring to ensure only Chapter members have joined.

-Our Group Name is: **AI Keystone Chapter**

-Once you've joined, feel free to message members with appraisal related information or just introduce yourself to other Chapter members.

Here are some reasons to use the app:

-If asked to do an assignment outside your geographic area or property type, message the Chapter to see if anyone is interested in the assignment.

-Someone is looking for a supervisor and gets in touch with a member – we could message the group to see if any members are looking for an apprentice. I have had several reach out to me within the past few months.

-Searching for comps or questions on a specific property type or area of expertise.

-To share appraisal news or information to Chapter members.

Now, what the app is NOT intended for is any political, religious or illegal use. It is not meant to vent grievances or criticize.

I am urging you all to join the App and share information and conversation with our Chapter members! Any questions, please call Tracy or myself.

Thank you,
Judy Striewig, MAI

Appraiser News and Notes

May 12th – In person Meeting and Mixer

**Where: Residence Inn by Marriott Harrisburg North
2250 Kohn Road, Harrisburg (Just off Exit 69 of Interstate 81)**

When: Thursday May 12th, 2022

Chapter Meeting 3:00 to 4:00

Followed by a Social Mixer from 4:00 to 6:00

**There will be light snacks provided and a cash bar available
for beverages during the social mixer**

Appraisal Institute Reinstated as a Sponsor of the Appraisal Foundation

The Appraisal Foundation announced on Wednesday March 30th,
that the Appraisal Institute was reinstated as a Sponsor of The
Appraisal Foundation.

[Click here](#) To Read More

Director Positions for 2023

We are soliciting members to become Directors for our Chapter

The position is a three (3) year term

If you have an interest please contact Bill by Friday 5/6/2022

Bill Stoerle at appraisals_keyrealty@verizon.net / 610-248-9819

Appraiser News and Notes

Keystone Chapter Gives Back!!

The Keystone Chapter of the Appraisal Institute will be holding a volunteer day On July 16th, 2022 with

Habitat for Humanity

No skills required! We will be working with the ReStore for a 4-hour shift located at 800 Paxton Street, Harrisburg. Work includes light painting, assembling furniture, loading vehicles, etc.

If interested please email me: Judy@JSRAppraisal.com

45-Day Notice

When the Appraisal Institute proposes changes or amendments to the Code of Professional Ethics, a 45-day notice is provided for members to comment.

At its May 12-13, 2022, meeting, the Appraisal Institute Board of Directors will consider proposed amendments to the Appraisal Institute Bylaws, Regulation Nos. 1, 2, 3, and 8 and the Code of Professional Ethics.

CLICK HERE to view the 45-Day Notice

If you have any comments on the proposed changes in the 45-Day Notice, please contact your elected Directors and/or send your comments via email to 45daynotice@appraisalinstitute.org

Value Considerations for Solar Panels

With rising energy costs, more and more property owners are moving towards the use of solar panels and other ‘green’ measures for both residential and commercial properties.

So, what do appraisers need to know about solar panels?

We’ve reached out to SRA and LEED green Assoc, Sandra K. Adomatis, to provide our chapter with some tips and leads on key points for consideration when appraising properties with solar panels.

A HUGE thank you to Sandra for your contribution!!!

Residential and Commercial Solar Photovoltaic Systems – A Valuation Puzzle?

By Sandra K. Adomatis, SRA, LEED Green Assoc., GREEN

Solar photovoltaic (PV) systems are a growing trend across the United States. While they currently may not be a large part of your market, it doesn’t mean you won’t be surprised on your next property inspection when you are faced with one. It is a common occurrence to receive a call from an appraiser asking for help on how to value a solar PV system. The answer is not a quick 15-minute response. For instance there are certain details needed to understand the benefit or value of the system. How many kilowatts is the system? How many arrays? What is the tilt and azimuth of each array? How old is the system? Is it owned, leased, or a power purchase agreement? Does it have a UCC filing? Now, you understand why this article can’t possibly address everything you need to know about solar valuation.

Solar PV systems may be owned, leased, or a power purchase agreement. These are important facts to know if appraising the property for lending purposes. Fannie Mae, Freddie Mac, FHA/HUD, and VA only allows an owned system to be included in the market value of the property. If the system is leased or a power purchase agreement, they are considered personal property and NOT part of the real estate. If the system is leased or a power purchase agreement it creates even more work to identify the terms of the contract and analysis on if and how much it might affect the marketability of the property.

Commercial properties have an advantage over the residential properties. Commercial systems receive a 5-year accelerated depreciation and the Investment Tax Credit (ITC). In December 2020, Congress passed an extension of the ITC, which provides a **26%** tax credit for systems installed in 2020-2022, and 22% for systems installed in 2023. (Systems installed before December 31, 2019, were eligible for a 30% tax credit.) The tax credit expires starting in 2024 unless Congress renews it. These facts are part of an investors’ decision to buy a system. So, don’t think because your kilowatt hour cost is low the system is a super-adequacy until you understand the true net cost of the system. (Gross cost per watt less the incentives, rebates, and depreciation factors that commercial properties are allowed.)

Value Considerations for Solar Panels

Homeowners can also take advantage of the Federal Solar Tax credit if they purchase the system. If the homeowner finances the solar system through a solar financing company, they typically file a Uniform Commercial Code (UCC) filing on the property to identify the property as personal property. If a UCC filing is placed on the property, it is considered personal property and that means it cannot be included in the real estate value because it is not part of the real estate. The solar financing company is protecting their interest and most property owners sign these financing contracts stating they will not mortgage over them until the loan is paid off. That is why a system with a UCC filing cannot be included in the real estate value for mortgage lending purposes. The title insurance company should search UCC filings, and the appraiser should be made aware of this prior to completing an appraisal.

The Appraisal Institute was well ahead of the market by providing solar PV valuation education and resources. They offer two good checklists for gathering solar information from property owners on the solar pages of the two Appraisal Institute documents, “[Residential Green and Energy Efficient Addendum](#) and [Commercial Green and Energy Efficient Addendum](#).” It is a good idea to provide the solar page from the Addendum to the property owner before the inspection and ask them to complete them for you to allow an appropriate valuation of the solar photovoltaic system. Without the information from the solar pages, it is difficult to develop a credible value opinion. Even if you are not developing an income approach of the energy produced, this information is necessary to compare to other properties with solar. A 10-kW system will produce much more energy than a property with a 2-kW system. A newer system will produce more energy than a 10-year-old system. It is hard to compare systems without knowing their size, age, and ownership status. These details are rarely made available in the MLS or commercial databases.

[PV Value®](#) is a free discounted cash flow and cost approach program that was designed specifically for appraisers’ use in valuing solar photovoltaic systems as well as other related professionals. The program requires specific inputs based on the solar system and inverter size in watts, age and of system, azimuth and tilt of panels, discount rate, warranty term of the system and inverter(s), current net and gross cost of the system, and verification of utility and utility escalation rate. PV Value® gives some defaults but allows the user to input actual numbers. It is important that the user understand the discounted cash flow and importance of accuracy to arrive at a credible value opinion.

PV Value® is used in the classroom setting through the Appraisal Institute’s [Residential and Commercial Valuation of Solar](#). This class provides appraisers, lenders, real estate agents, builders, and energy raters with a better understanding of solar photovoltaic systems and how they can be valued. Prior to taking this course, a 4-hour class, [Valuation Resources for Solar Photovoltaic Systems](#), is strongly advised. It provides a good overview on establishing the appropriate kilowatt hour cost and gives a variety of resources that are most helpful in valuing solar.

Consider visiting the [Valuation of Sustainable Buildings Professional Development Program](#) and registering for the courses to be the first in your market to be on the Green Appraiser Registry. There are only 9 appraisers in Pennsylvania on the residential registry and only 3 on the commercial registry. Don’t be surprised if solar PV isn’t your next challenge. Be ready and armed with education!

Sandra K. Adomatis, SRA, LEED Green Assoc., GREEN
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Value Considerations for Solar Panels

Fannie Mae has developed several publications that provide guidance on value in relation to solar panels for residential dwellings. Below is a snip-it of one of 'cheat sheets' provided by Fannie Mae related to solar panel value.



Fannie Mae

Appraising properties with solar panels

The ownership and debt financing structures commonly found with solar panels are key to determining whether the panels are third-party owned, personal property of the homeowner, or a fixture to the real estate. Common ownership or financing structures include:

- borrower-owned panels,
- separately financed solar panels (where the panels serve as collateral for debt distinct from any existing mortgage),
- leasing agreements, or
- power purchase agreements.

The following table summarizes some of the specific underwriting criteria for appraisals that include solar panels.

If the solar panels are...	Then the appraiser...
Owned (Cash purchase, consumer debt not collateralized by solar panels or debt paid-off)	<ul style="list-style-type: none">• May include the solar panel value based on standard appraisal requirements.
Financed (Panels as Fixture to Real Estate)	<ul style="list-style-type: none">• May consider the solar panels in the value of the property (based on standard appraisal requirements), provided that the panels may not be repossessed for default on the financing terms.
Financed (Panels as Personal Property)	<ul style="list-style-type: none">• May not provide contributory value of the solar panels towards the appraised value, because the panels are collateral for another debt.
Leased or Covered by a Power Purchase Agreement	<ul style="list-style-type: none">• May not include the value of the solar panels in the appraised value of the property.

Click on the following tab to see the full 'cheat sheet' published by Fannie Mae

[CLICK HERE](#)

Meet Your Peers – Appraiser Spotlight



Meet Raymond C. Geiger, Jr.

Ray is a Certified General Appraiser and works at Raymond C. Geiger Real Estate. He is a native of the Lehigh Valley and is a Practicing Affiliate in the Allentown area. Ray has been engaged in real-estate related activities since graduating from Penn State in 1973.

Can you tell us a little about yourself personally?

Ray is a self-taught computer geek since the days of the original DOS circa 1983. He feels compelled to keep up to date because of his two grown sons, and four grandchildren, ages between 14 and 21.

In his spare time he and his wife Colleen enjoy vacationing on Lake Erie in the summers, and watching old movies on the TCM channel in the winter.

Ray believes “the best appraisal services begin with an open and curious mind and a blank piece of paper to say what you did and didn’t do.”

I spoke with Ray for a while about his long tenure in the appraisal profession, but he told me I couldn’t divulge his secrets 😊

How did you get into the Appraisal Profession?

Ray comes from four generations of real estate professionals. He started his professional career in the banking world upon graduating from Penn State and ultimately ended up at his family’s appraisal business.

Ray has provided appraisal and consulting services to Counties, school districts, municipalities, lending institutions, and individuals throughout his career.

He has rendered testimony in several Counties and much of his career has focused on assessment and eminent domain.

New Members, New Candidates, New Designations

Welcome our Newest Members Who Have Joined us Since January 2022

Geoffrey Anderson – Candidate for Designation

Cameron Sprenkle – Candidate for Designation

Stefanie Weikert – Practicing Affiliate

Jie Li – Student Affiliate

Derek Molan – Candidate for Designation

J R Kem – Practicing Affiliate

Retiring Member

*Let’s all send a warm and thankful send-off to **Linda Heddleson**, MAI who is retiring this year!*



Search the National Appraisal Institute Educational Offerings

www.appraisalinstitute.org/education

Closing Thoughts

If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do you have to keep moving forward.

" Martin Luther King Jr.

Keystone Chapter Contact Information

Email: admin@aikeystone.com

Phone Number: **717 569-4625**

Website: www.aikeystone.com

Executive Director

Tracy Matroni

Chapter Leadership

President – Judy Striewig
Vice President – Mike Rohm
Secretary – Justin Reis
Treasurer – Jeff Leogrande
Past President – Bill Stoerle

Education Chair

Scott Hartman

Government Relations

Justin Reis

Board of Directors

Nathan White
Theodore Janney
Tyler Satterfield
Tyler Weiss
Joseph Elhadj
Kathleen Zogorski

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- *Let Me Introduce Myself*
- *Appraiser News and Notes*
- *Featured Article - Quick Facts About Our Chapter*
- *Meet Your Peers / Member Information*



JANUARY 2022 QUARTERLY NEWSLETTER

Upcoming Events



February 8th, 2022

**7-Hour National USPAP
Lancaster – 8:30 – 4:30**

Click to enroll [Registration Link](#)

March 8th, 2022

**7-Hour National USPAP
Bethlehem – 8:30 – 4:30**

Click to enroll [Registration Link](#)

March 9th, 2022

**Chapter Meeting 1:00
Join us on-line via Zoom
Link will be coming**

April 26th, 2022

**Cost Approach: Unecessary or Vital to a
Healthy Practice
Lancaster**

Click to enroll [Registration Link](#)

**Other Education Classes to Be Announced
in Coming Months**

Let Me Introduce Myself

I sincerely appreciate the opportunity to serve our Chapter and hope to bring 'value' to our organization. **Judy Striewig**

Before I introduce myself, I'd like to send a BIG thank you to Bill Stoerle who served as our Chapter President from 2020 through 2021. Bill resides in Bethlehem Pennsylvania, and has been appraising residential real estate for many years. He has been active with the Appraisal Institute since its merger with the Appraisal Society. Bill was just appointed to sit on the PA State Appraisal Board. He has contributed to our association in so many ways! Thank you Bill for your contribution to the Appraisal Institute!

Now, let me introduce myself. My name is Judy Striewig and I will be serving as the 2022-2023 Appraisal Institute Keystone Chapter President. I grew up and continue to reside in the Harrisburg area, where myself, my husband, and our team appraise commercial real estate.

I am truly honored to serve in this role, however I must admit I was very reluctant to get involved. Like most of you, between work, kids, and life, there is little time for much else.

I was approached on becoming active in our Chapter and I almost said no. However the more I thought about it, I do really enjoy this profession (most of the time), and the more I interact with peers and associates, I feel I walk away with some piece of knowledge that betters me. So, I got involved! I attended my first National Conference in August of 2021 and can honestly say I was pleasantly surprised by the content, knowledge and comradery that was present.

I enthusiastically start my term and will work hard for our Chapter. My goal and 'theme' as Chapter President is to *engage* our membership and to provide value to the membership. I would love to get more of you involved, even if in little ways, or by attending events, seminars and education, and I welcome any input, ideas or thoughts from you!

Thank you,
Judy Striewig, MAI

Appraiser News and Notes

USPAP Update

The current version of USPAP (2020-2021) is extended by one year and remains in effect until December 31, 2022. **However** the 7-hour USPAP educational requirement **remains in effect**.

The class has been revised and revamped by the Appraisal Foundation. Our chapter will be offering the 7-hour requirement course (see upcoming events above), so get your USPAP education with AI!

Act 93 of 2021 - New Bill Passed Changing PA Statute of Limitations for Appraisal Damages

The government relations committee worked hard to promote and get a bill passed that imposes a statute of limitations on claims against appraisal reports within five years. This timeframe now matches the Records Keeping Rule in USPAP. There was no previous limitation and an appraiser could be sued for appraisal reports completed at any time in the past.

Thank you to the Government Relations Committee!

Click here to read the actual bill:

[CLICK TO READ](#)

What is PAREA?

PAREA (Practical applications of real estate appraisal)- provides another pathway for aspiring appraisers to fulfill their experience requirements by taking advantage of innovative technology. PAREA is designed to offer practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of online and virtual reality technologies. For more info:

www.appraisalfoundation.org/TAF/TAF/PAREA.aspx

The Appraisal Qualifications Board created the program as an alternative to the traditional supervisor/trainee model for gaining appraisal experience. To meet the experience requirements for the Licensed Residential and the Certified Residential credential level, a participant can now choose between PAREA OR the supervisor/trainee model.

Appraiser News and Notes

45-Day Notice

When the Appraisal Institute proposes changes or amendments to the Code of Professional Ethics, a 45-day notice is provided for members to comment.

A change is being proposed to revise Ethical Rule 1-6

[Click here](#) to view the 45-Day Notice

If you have any comments on the proposed changes in the 45-Day Notice, please contact your elected Directors and/or send your comments via email to 45daynotice@appraisalinstitute.org

Residential Measurement Standards

Appraisers will be required to use the Square Footage-Method for Calculating ANSI® Z765-2021 (American National Standards Institute®) Measuring Standard for measuring, calculating, and reporting gross living area (GLA) and non-GLA areas of subject properties for appraisals requiring interior and exterior inspections with effective dates of April 1, 2022 or later on loans sold to Fannie Mae.

Click below to read more:

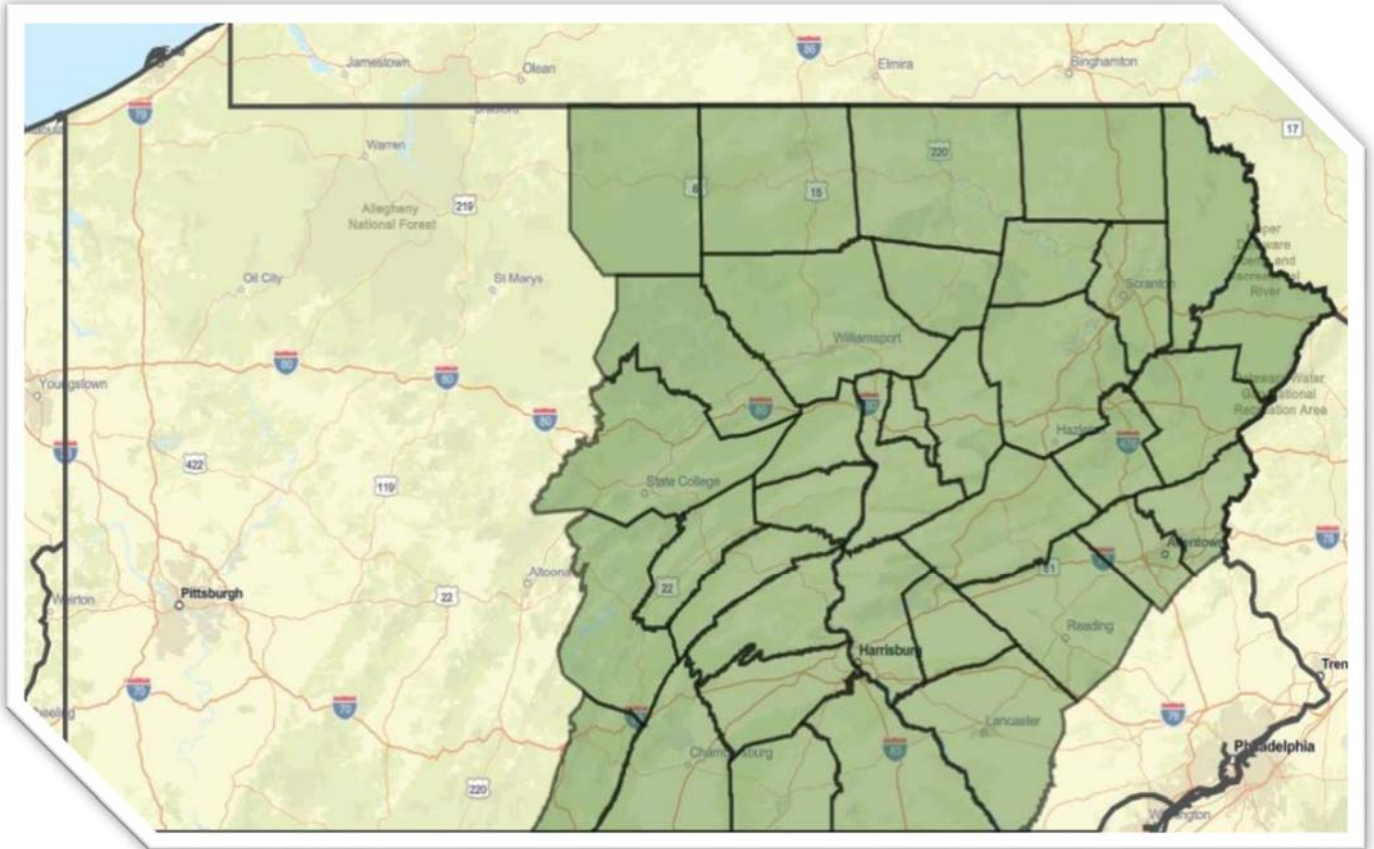
[CLICK](#)

<https://singlefamily.fanniemae.com/media/30266/display>

Picture from the Installation Luncheon – Swearing In



Quick Facts About Our Chapter



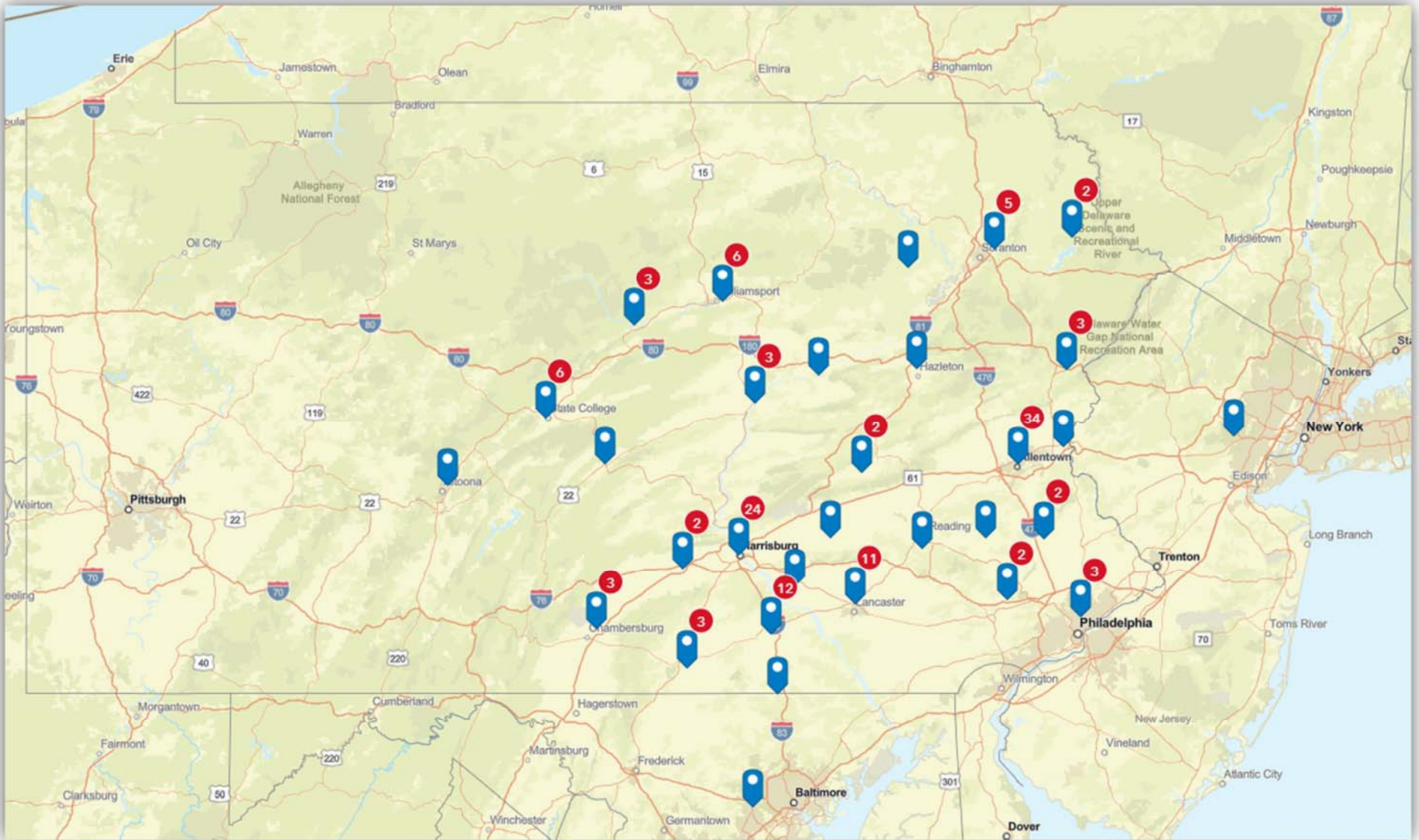
- **The Keystone Chapter and the Northeast Chapter merged in 2016**
- **Our Chapter comprises 34 Counties from New York State to Maryland**
 - **The Chapter has 143 total members**
 - **65 Designated Members**
 - **18 Candidates for Designation**
 - **26 Retired or Semi-Retired Designated Members**
 - **34 Affiliate and/or Practicing Affiliate Members**
- **Tracy Matroni, located in Lancaster is the Chapter Executive Administrator and provides excellent service to our Chapter**

The Keystone Chapter holds an installation luncheon and four meetings each year

In 2021 a new website was launched

<https://www.aikeystone.com>

Where are our members?



Legend

- **The blue markers represent clusters of members; the red circle is the number of members in this area.**
 - **Flag with no number indicates one (1) member at this location**
- **Not Shown on the Map is: 1 Member based out of Cleveland Ohio; 3 Members based out of Florida**

Meet Your Peers – Appraiser Spotlight



Meet Kathleen P. Zogorski

Katie, as she is known, is a Certified General Appraiser and works at RealPro Valuation in Lancaster Pennsylvania. Katie appraises commercial real estate. She started her ‘official’ appraisal career in 2015 after graduating from Franklin & Marshall College with a degree in Economics. She is a Candidate for Designation (MAI).

How did you get into the Appraisal Profession?

Katie has ‘appraising’ in her blood; both of her parents are appraisers. During high school and college she would help her parents with appraisal tasks. She wasn’t sure this is the field she would enter, however made the decision to become an appraiser after college. She is happy with her decision and is enjoying her career.

Can you tell us a little about yourself personally?

Katie played softball in college and continues to play recreational slow-pitch. She recently took up skiing and plans to continue this new-found hobby.

I asked Katie what she likes best about the appraisal profession and she said that each assignment offers a unique and new learning experience. She has an opportunity to learn a little about a wide range of property types and businesses. Her least favorite are the limitations that sometimes occur with keeping the hectic pace of delivering reports on-time.

New Members, New Candidates, New Designations

Here is a list of the Candidates for Designation in the Keystone Chapter

*Gabrielle N. Amodeo Ream
Hunter E. Brown
Jeffrey A. Gorman
Howard L. Mantle
Carl R. Nolan
Christopher J. Rell*

*Jonathon Ryan Barbose
Patrick William Cullen
Tory Nathan Keefer
Chandra Mast
Lawrence B. O’Brian
Colin Gary Schneck*

*Brian R. Blair
Katelyn J. Drosnock
James Matthew Laubner
Denise E. Michaels
Kerry H. Rabold
Kathleen P. Zogorski*

Welcome our Newest Members

*Derek Molan – Candidate for Designation
J R Kem – Practicing Affiliate*



Search the National Appraisal Institute Educational Offerings

www.appraisalinstitute.org/education

Closing Thoughts

If you really look closely, most overnight successes took a long time.

- Steve Jobs

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Tyler Satterfield
Tyler Weiss
Joseph Elhadj
Kathleen Zogorski