



**Appraisal
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**Metropolitan New York
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December 2, 2016

Dear Members of the Appraisal Institute Board of Directors:

This letter is being submitted on behalf of the Board of the Metropolitan New York Chapter of the Appraisal Institute as a response to the National Board's recent decision to implement a new Appraisal Institute Chapter Financial Management and Administration Policy. The Metro New York Board met this week and unanimously agreed to communicate our disapproval of the new policy and our astonishment that such a major change could be effectuated without any sort of prior notification or consultation with the Chapters and the Membership. Furthermore, to announce this decision as a fait accompli late on a Friday before a holiday week is alarming to our Chapter's Directors.

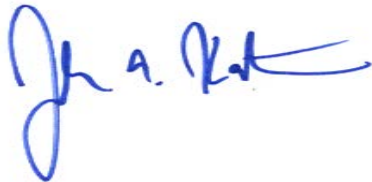
The Metro New York Board finds it surprising and unacceptable that such a significant policy change in the governance of Chapter finances could be constructed without any transparency, input or dialogue with the Chapters and Membership. Simply being informed that national will take over our Chapter funds, albeit with assurances of our continued control of our finances, is outrageous paired with the admission that "Adjustments may have to be made to the policy as implementation progresses." By creating this plan, effectively behind closed doors, you have not instilled any sort of confidence that the policy you are demanding we accept is acceptable to the Chapter. Given that the Appraisal Institute has a model for gaining feedback from the Membership – with the 45-day notice model provided for other significant actions impacting Members and Chapters – the Metro New York Board feels it is not at all appropriate for the national Board of Directors to unilaterally create this new policy in such an opaque manner. Given the potentially serious impacts of this new policy on the individual Chapters, we believe a more extended, perhaps 90-day notice would be minimally appropriate particularly given that this change was basically "sprung on" the Chapters on the advent of the holiday season that creates extra demands on all of us.

Beyond our uneasiness with the lack of transparency and how this new policy was implemented, the Metro New York Board finds the policy itself to be unacceptable. We believe that turning over our funds to national would limit and impact the autonomy of our Chapter and potentially diminish our stature in the local real estate community. The Metro New York Chapter is one of the most active Chapters and has been diligent in providing necessary education opportunities for our members and candidates, organizing enriching events for our members and the broader New York City real estate community, and fostering a supportive framework to help candidates work towards their designations. Importantly, this last goal contributes to the health of the organization nationally. Many of these programs are supported by our members through a historically successful Chapter sponsorship program. We believe our success in these endeavors illustrates that we are proficient in managing our own funds, maintaining reserves, and knowing how to do what needs to be done on a local basis. Certainly stripping the Chapter of its funds, particularly under terms that may be subject to change, will undermine the Chapter membership's confidence that our efforts to maintain the economic health of the Chapter constitute time well spent. Furthermore, several Chapter sponsors who have consistently supported Chapter endeavors have expressed concern about this change in policy and that it may impact their willingness to continue such

sponsorships in the future considering the substantial loss of Chapter autonomy as a result of the new policy changes.

While we look forward to hearing more details regarding the new policy from National on Tuesday's call, the Metropolitan New York Chapter Board strongly urges the National Board to reconsider implementing this new policy.

Appraisal Institute, New York Metro Chapter

A handwritten signature in blue ink, appearing to read "John A. Katinos". The signature is fluid and cursive, with the first name "John" being the most prominent part.

John A. Katinos, MAI, President
On behalf of the Metro New York Chapter Board of Directors