



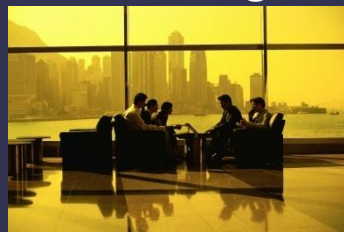
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IMPORTANT NEWS

The Arizona Relocation
Alliance presents:

September General Meeting



The ARA is planning this
meeting for a day during
the week of:
September 12th, 2010.

Please visit:

www.azrelocationalliance.com

for more information.

Please stay tuned for more
details on the date and
topics of the meeting.

Interested in Writing for ARA?

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Home Appraisals Come Under More Scrutiny

Homebuyers should be prepared for extra costs and delays as cautious mortgage lenders order stricter reviews.

Homebuyers and sellers who expect an appraisal to sail through to closing without a hitch may be surprised to discover that home appraisals today can be problematic. The reasons for the change are complex, but there's no question that mortgage lenders have started to demand more reviews and do-overs.

Rob Johnson, vice president of lending at San Diego Funding, a mortgage company in San Diego, attributes the increase in home appraisal reviews to lender-specific requirements imposed because of past problems with certain types of home loans.



Appraisals may lag home prices

Home prices are also a factor. When prices are on the rise, perhaps because buyers have bid more in a multiple-offer situation, appraised values might still be lower.

Inadequate "comps" can present problems as well. ("Comps" are recent sales of nearby homes that are similar, or comparable, to the home that's the subject of the appraisal.) The mortgage lender may deem the comps inadequate if the homes were too far away or were sold in such nontraditional circumstances as a short sale or foreclosure or if the sales occurred too long ago.

New guidelines distance lenders from appraisers

Leslie Sellers, president of the Appraisal Institute in Chicago, says a lender might order a new home appraisal if the first one was based on factual errors or the appraiser wasn't competent in the area.

Some second appraisals, he adds, result from a misunderstanding of the Home Valuation Code of Conduct, guidelines that were meant to prevent undue pressure being placed on appraisers to inflate home valuations, but that may have caused some lenders to cut off communication with appraisers. "The banks are thinking they can't even talk to the appraiser," he says.

Sellers can offer comps to appraiser

An appraisal review can cost several hundred dollars while a second appraisal generally involves a second full fee, says Sara Schwarzentraub, owner of Inter-State Appraisal Service in San Diego. These costs usually are paid by the buyer.

Neither the buyer nor seller can choose the appraiser, but Sellers says buyers can insist on a minimum competency, which he defines as having local market knowledge and being certified as well as licensed.

Buyers and sellers also can agree on longer time frames for the home appraisal contingency and closing date. Schwarzentraub says that asking for a 45- or 60-day closing, rather than 30 days, is not unreasonable.

Buyers are entitled by federal law to a copy of any appraisal for which they've paid a fee. Buyers should look over the appraisal and notify the lender of any errors that could have affected the appraiser's opinion of the home's value.

"Whatever is worth doing at all is worth doing well." ~Lord Chesterfield



TOP 10 HAPPIEST PLACES

The places listed below have some unique things that make them one of the happiest places on Earth.

Vanuatu, South Pacific

White sand beaches

Montreal, Canada

Comedy, Multicultural

Happy, Texas

Red Rock Canyon, Sunsets

Bhutan

Spirituality, argyle socks

Columbia

Coffee, Latin high spirits

Wuyi Shan, China

Secret valleys, waterfalls

Malawi, Africa

Wood carving, sandy shores

Andorra

Skiing, hiking, cycling

Hidakagwa, Wakayama, Japan

Merry sheep, goddesses

Denmark

Forests, wetlands



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Expatriate Compensation Questions

By: Chris Pardo, GMS, Vice President, Global Services - Plus Relocation Services, Inc.

Can your organization pinpoint how much it is spending on expatriate assignments? The 2009 Ernst & Young Global Mobility Effectiveness Survey states, "only 20% of companies know their true expat costs." Beyond the inability to calculate "full spend," many organizations lack the processes, tools and resources to identify, quantify, clarify, capture and report mobility spend timely and effectively – leaving them at risk of non-compliance with global tax authorities.

Why are 80% of companies unable to calculate their full spend?

Debbie Haynes, Manager of Global Mobility at JDSU, considered the question.

"I think that there are some common reasons why companies cannot put their finger on their total spend. In my experience, the three biggest roadblocks that prevent consistent expatriate compensation accumulation are:

1. *A decentralized mobility program*
2. *A variance between regional finance expense, reporting systems and technologies*
3. *A lack of understanding regarding compensation reporting processes and requirements by regional financial managers"*

These 7 key steps will help your organization develop processes to get you on your way to a compliant, clearly accountable program.

1. **Identify Resources and Stakeholders:** Identify global resources and key stakeholders including global mobility leaders, internal finance controllers, payroll departments, global tax providers and relocation management companies and incorporate their feedback and expertise into the program
2. **Define a Project Manager:** Define an individual that owns the program and process – assuring all stakeholders understand their role and responsibility
3. **Centralize Payments:** Centralizing payment of assignment costs – the more decentralized an organization is and the more stakeholders involved, the higher the risk of compliance, cost and control issues
4. **Evaluate and Document:** Review where and how assignment costs are currently being managed – evaluate responsibilities and processes to improve auditing and facilitate collection
5. **Create Quality Tools and Resources:** Create program guidelines, process maps, responsibility checklists, expat census, and reporting tools – assure that all the stakeholders have reviewed, approved and understand these processes
6. **Audit Carefully:** Build-in ample time for policy audits, clarification, and thorough review of all data collected by the tax provider – this will assure compliance and save you from adding excess cost to your program
7. **Collect Quarterly:** Request costs from stakeholders on a quarterly basis – doing this quarterly allows participants more frequent opportunities to go through the process and reinforces consistency

As tax authorities tighten their monitoring of global mobility programs, it is imperative for organizations to develop processes that allow them to produce consistent, compliant expatriate compensation reporting. Identifying key steps to the successful development of a compliant program makes the task less overwhelming and realistically attainable.

About the author: Chris Pardo, GMS, Vice President, Global Services for Plus Relocation Services, Inc. Chris leads a well-established approach to Global Services at PLUS. Beyond his background as a Global Mobility Specialist and active involvement on the Worldwide ERC® Global Advisory Council, Chris is a respected expert with over 20 years experience in global mobility, customer service and education. Founded in 1968, Plus Relocation Services, Inc. is recognized as a global leader in the design and implementation of employee relocation and assignment management programs. The company has earned rave reviews for "delivering delight" through their expertise, personalized services, innovative programs, and cutting-edge technology.