



USPAP Q&A

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The Appraisal Standards Board (ASB) of The Appraisal Foundation develops, interprets, and amends the Uniform Standards of Professional Appraisal Practice (USPAP) on behalf of appraisers and users of appraisal services. The USPAP Q&A is a form of guidance issued by the ASB to respond to questions raised by appraisers, enforcement officials, users of appraisal services and the public to illustrate the applicability of USPAP in specific situations and to offer advice from the ASB for the resolution of appraisal issues and problems. The USPAP Q&A may not represent the only possible solution to the issues discussed nor may the advice provided be applied equally to seemingly similar situations. USPAP Q&A does not establish new standards or interpret existing standards. USPAP Q&A is not part of USPAP and is approved by the ASB without public exposure and comment.

Access & Retrieval of Workfiles

Question:

I am an appraiser in a large firm and assist several of the senior appraisers in appraisal research, analysis and report preparation. In a recent USPAP class, the instructor said that associates must have either copies of their workfiles, or an agreement with their employer regarding access to the workfiles, for appraisals on which they provided significant assistance. Does that agreement have to be in writing?

Response:

No. USPAP does not specify whether the access and retrieval arrangements you make must be in writing. The Record Keeping section of the ETHICS RULE states:

An appraiser must have custody of his or her workfile, or make appropriate workfile retention, access, and retrieval arrangements with the party having custody of the workfile.

This agreement can be either written or oral. However, there is less chance for a misunderstanding about the agreement if it is in writing.

Significant Professional Assistance**Question Part 1:**

I am a research assistant with an appraisal firm that has three state certified or licensed real property appraisers. My responsibilities include preparing an appraisal file on each new assignment, researching past sales of the subject, obtaining zoning information, tax data, market information and sales research (including confirming the sales) for the three associates. The licensed or certified appraisers usually inspect the property and prepare the appraisal themselves. Currently, they do not recognize me in these reports, and I am not permitted to sign them.

I also sometimes go with them on inspections and write portions of the reports. In these cases they do recognize me, as required by USPAP. I am concerned about receiving experience credit for all my appraisal assistance from my state's appraiser licensing board or a professional association if I apply for a designation. Should my participation be referenced in all the reports when I provide assistance, or only when I inspect the property and write portions of the report?

Response:

USPAP does not address the specific experience requirements of state appraiser licensing agencies or professional appraisal organizations. You will have to contact those entities directly to obtain that information.

USPAP *does* specifically address what to do when an individual provides significant assistance in the development of appraisal, appraisal review and real property appraisal consulting assignments. Each of the Standards that address reporting requires that such significant assistance be addressed in any report. For example, in real property appraising, Standards Rule 2-2 (a) (vii) states:

(vii) describe the scope of work used to develop the appraisal;

Comment: Because the intended users' reliance on an appraisal may be affected by the scope of work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

When any portion of the work involves significant real property appraisal assistance, the appraiser must describe the extent of that assistance. The signing appraiser must also state the name(s) of those providing the significant real property appraisal assistance in the certification, in accordance with Standards Rule 2-3. (Bold added for emphasis)

USPAP does not define what significant assistance is in any particular appraisal, appraisal review or real property appraisal consulting assignment. You can, however, obtain more guidance on how to make a decision on whether your contributions to an

assignment should be considered significant within USPAP by reviewing Advisory Opinion 31 – *Assignments Involving More than One Appraiser*.

Clerical responsibilities such as file preparation, typing reports, and similar activities are not considered significant assistance. However, the participation you described goes well beyond clerical duties. The participation you describe *is* significant appraisal assistance and *must* be disclosed in the report. This should be accomplished by your identification in the certification as an individual who has provided significant appraisal assistance. The extent of your assistance must also be included in the report.

Question Part 2:

How must recognition of my significant appraisal assistance be included when there is no written report, but significant assistance was provided and documentation of my work is in the workfile?

Response:

The Record Keeping section of the ETHICS RULE states that the workfile must include:

- summaries of any oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification

Standards Rule 2-4 states:

To the extent that it is both possible and appropriate, an oral real property appraisal report must address the substantive matters set forth in Standards Rule 2-2(b).

Therefore, based on the requirements in USPAP, the workfile of an oral report must include a **signed certification stating the name of the person or persons providing significant appraisal assistance**. The oral report must also include a summary of the extent of that assistance because Standards Rule 2-4 requires that oral reports address the substantive matters set forth in Standards Rule 2-2(b), which are the requirements for a Summary Appraisal Report. (Bold added for emphasis)

NOTE: This Q&A focuses on significant real property appraisal assistance. The same type of disclosure is also required in Standards 3, 5, 6, 8, and 10 as they relate to the appraisal of other types of property, appraisal review, real property appraisal consulting and mass appraisal.

The USPAP Q&A is posted each month on The Appraisal Foundation website (www.appraisalfoundation.org). The ASB compiles the monthly USPAP Q&A into the USPAP Frequently Asked Questions (USPAP FAQ) for publication with each edition of USPAP. In addition to incorporating the most recent questions and responses issued by the ASB, the USPAP FAQ is reviewed and updated to ensure that it represents the most recent guidance from the ASB. The USPAP Frequently Asked Questions can be purchased (along with USPAP and USPAP Advisory Opinions) by visiting the “Foundation Store” page on The Appraisal Foundation website (<https://commerce.appraisalfoundation.org>).

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