

USPAP Q&A

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This communication by the Appraisal Standards Board (ASB) does not establish new standards or interpret existing standards. The ASB USPAP Q&A is issued to inform appraisers, regulators, and users of appraisal services of the ASB responses to questions raised by regulators and individuals; to illustrate the applicability of the Uniform Standards of Professional Appraisal Practice (USPAP) in specific situations; and to offer advice from the ASB for the resolution of appraisal issues and problems.

Engaged Directly by the Homeowner

Question:

I was contacted by homeowners who want me to perform an appraisal of their home to be used for a loan at a federally regulated financial institution. What are my responsibilities in this potential assignment?

Response:

It is an appraiser's responsibility to disclose to the homeowners that a lender or its agent is required by Title XI of FIRREA to directly engage the services of an appraiser in a federally related transaction. If the homeowners still want to engage you, your disclosure allows you to accept the assignment.

Additional information can be found in Advisory Opinion 25, *Clarification of the Client in a Federally Related Transaction*.

Readdress or Transfer

Question:

Is it acceptable to readdress or transfer a completed appraisal report?

Response:

No. Once a report has been prepared for a named client or clients, the appraiser cannot 'readdress' (transfer) the report to another party. Simply changing the client name on the report cannot change or replace the original appraiser-client relationship. Therefore, this action is misleading.

However, you can consider the request as a new assignment. In so doing, you may establish a new appraiser-client relationship and appraise the property for this new client.

Additional information can be found in Advisory Opinion 26, *Readdressing (Transferring) a Report to Another Party*. Important considerations, such as the handling of confidential information and other factors, are addressed in Advisory Opinion 27, *Appraising the Same Property for a New Client*.

Recertification of Value

Question:

I heard that recertifications of value are no longer permitted. Is this true?

Response:

No, that is not true. However, there is confusion surrounding this question because the term ‘Recertification of Value’ is often mistakenly used by some clients in place of the term ‘Update.’

Appraisers may perform a ‘Recertification of Value’ to confirm whether or not the conditions of a prior appraisal have been met. However, if a client wants to know whether the *value* of a property has changed (or remained the same) since a prior appraisal, this is an ‘Update.’

Regardless of the label used, an appraisal of a property that was the subject of a prior assignment is not an extension of the prior assignment – it is a new appraisal assignment. Information about an appraiser’s obligations in this situation can be found in Advisory Opinion 3, *Update of a Prior Assignment*.

**For further information regarding
USPAP Q&A, please contact:**

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