

Introduction to USPAP Enforcement Guide

By Barry Bates

An experiential table of common errors, omissions found in residential and commercial appraisal reports by state investigators that pertained to errors, omissions and deliberate misrepresentations that were prohibited by USPAP and may have resulted in significant financial or other damages to the appraisal client, consumer and other participants in transactions. In some cases, regulatory investigative practices are shown, and disciplinary guidelines are disclosed in most states; in California, for example, the 13-page set of grounds and levels for applying discipline can be found at this writing at http://brea.ca.gov/pdf/BREA_Disciplinary_Guidelines.pdf)

Those guidelines also cite the state laws and regulations governing licensees in general. Though only the opinion of a single former regulator, the handling of investigative reports, the outcome of investigations and recommendations to management (shown in the following table) are generally conforming across jurisdictions and are sometimes communicated between jurisdictions during required federal investigative reporting courses which investigators from all states are required to pass in order to advance to Senior Property Appraiser/Investigator and/or Director of Enforcement in their own agency, bureau or division. Purely as a general source of field references, the Table is based on the 2005 FNMA Uniform Residential Appraisal Report (1004); since it touches most components of the appraisal process, it can be considered to apply to commercial reports also.

The Bottom Line (Basic Enforcement Theory in plain English):

In creating the body of regulations in each state that establish how or whether USPAP governs local practice, the dominant approach has been to divide violations between those resulting from inadvertent INCOMPETENCE, and those resulting from intentional CONDUCT.

Violations based on errors and omissions that are related to INCOMPETENCE are penalized with fines and education, the idea being that competence can be improved, and that compliance, not punishment, is the proper goal of enforcement.

Violations based on errors and omissions that were the result of a DELIBERATE INTENT TO DECEIVE the appraisal client, parties to a financed transaction or a government regulator are considered to be FRAUDULENT, whether a misdemeanor or felony.

These usually result in an ACCUSATION and a formal hearing to determine whether the Respondent's license should be restricted, suspended or revoked, and/or referred to the state Attorney General for criminal prosecution; i.e., where CONDUCT has been deceptive, the question arises as to whether the Respondent should be allowed to practice real estate appraisal in federally-related transactions.

About the author

At 72, Barry Bates has had wide-ranging experience and a technological perspective in a fast-paced career that serves as a testament to the fact that he has never been able to hold down a steady job.

His last job was as an appraiser investigator at a state appraisal regulator. He is an "insider" on USPAP enforcement.

He is now "retired" and lives in Pittsburgh, Pennsylvania with his wife, Kathleen and their two dogs. He writes for real estate publications and, in his own words, tries to get into more trouble.

Barry Bates wants to hear from you! Send your comments and criticisms by email. He can be reached at barrettbates@gmail.com.

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Item No.	Appraisal Data Point (Field)	Proportion of Complaints Reflecting Incompetence vs. Conduct	Investigation Procedures and Types of Conduct from Cases on File
1	Address	Rare error or omission in a series of reports; when incorrect or missing, most often a Conduct issue (a deliberate effort to cloud title, enabling the property to be sold at a steep discount)	In the vast majority of cases, a wrong subject address is just that; a mistake; but but it means the appraiser did not bother to verify it with public records; you're looking for county assessment records that confirm the postal address used to send the annual tax bill, the legal address of record. If the tax bill has been mailed to a different address, the property is likely non-owner-occupied, which must be disclosed and considered. If you rely on secondhand data, read the data vendor's terms and conditions for a hold-harmless clause (usually the vendor offloads it on you). Example: Appraiser A was asked to appraise the subject property for a sale but not to include a second assessor's parcel which the seller intended to keep. Since the additional parcel was a legal lot per the recorder's website, the appraiser complied. However, an agreement that "ran with the land" was missed that required that the two parcels not be sold separately. To avoid an E&O claim, such an assignment should be refused after the appraiser's title research turned up the sale prohibition.

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2	City	Usually Error	<p>If the property is close to the city line, make sure by viewing plat that it's on the right side! An appraiser out to inflate or deflate value will sometimes try to make the subject property appear better located than it actually is. License suspension and education (appraiser claimed ignorance); appraiser characterized a Pittsburgh neighborhood as a detached, self-policing borough; it was geographically detached from the City of Pittsburgh but was city governed and policed; identifying the location by neighborhood name (Overbrook) was misleading and made the location seem "fancier" than it was.</p>
3	State	Usually Error	<p>If the property is close to the state line, make sure by viewing plat that it's on the right side! My former 2-acre home on Dog Valley Road in Verdi was located in California, but the next parcel up the road was in Nevada; the town is identified both as Verdi, NV and Verdi, CA, though the postal addresses are all CA. With a population of only 62 persons on both sides of the line, the appraiser's positive adjustment to a Nevada comp could not be justified on the basis of state location because there was no supportive data; moreover, Nevada has no income tax. The potential complainant (me) convinced the appraiser to revise and correct the report. The appraiser seemed refreshed with the request to lower the value conclusion.</p>

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4	County	Usually Error	<p>Error, sometimes used to conceal zoning issues. County government data is pivotal not only in determining zoning, but issues all building permits and approves or rejects all development proposals. Accusation, license restricted to residential work, 30 hours education prior to restoration of full general certification. Agency determined appraiser knew the subject property (a convenience store) had been constructed without certain required permits (using appraiser's email) but did not disclose; infill commercial was technically appropriate in the unusual C/R combination zone, but neighbors (who had moved years ago) had obtained a planning variance long before the current construction to prohibit any intense commercial use on the subject site adjoining the two SFRs. Appraiser deceived buyer by failing to apply proper scope of work. Appraiser also failed to disclose that the variances were known but decided not to investigate their nature. Case was kind of a blend between a failure of competence and conduct. (Moral: Examine and leverage the data on Planning's website; if none, visit the Planning plant. Neighbors gracefully had the variance removed)</p>
5	Legal Description	Usually Error - Susceptible to Misrep	<p>This field is a playground for appraisers too dumb to know why it's important. Those folk just take it from a secondhand data source like a title company data subsidiary without verification. This is the kind of field that makes an appraiser the object of a civil suit, claiming that the appraiser's negligence in relying on secondhand sources resulted in serious financial damage to a buyer who did not want a house on an oil pipeline, which the appraiser could have discovered by calling the city planning department when the appraiser saw the funny dashed lines running across the assessor's plat. Making sure of the subject's zoning and legal status is essential, and while you're on county websites, dig down to the subject and you'll also find out stuff like delinquent taxes, etc. State appraisal agency decided that damages paid to buyer by appraiser (who had to sell his/her own residence) were sufficient as fine, but issued a Citation with 30 hours of basic non-credit continuing education.</p>

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6	Borrower	Frequent Misrep	<p>This and the following field (Owner of Record) are the principal weapons in defrauding owners of property. If the Borrower is shown as the same as the Owner of Record, the transaction type had better be a refinance. Wrong information in the Borrower, Occupant and Owner of Record field are fraudulently used to disguise a refinance as a sale, and vice versa and to disguise a rental as fee-owned property. Investigators routinely examine public records to match names and prior transactions, and so should appraisers. Often, the appraiser, by failing to understand the special scope of work, get dragged into a civil suit. Citations and Accusations are most numerous in cases involving falsified or incorrect occupancy, tenancy or ownership, when many sellers and buyers just assume it's okay to fudge the issue. They have nothing to lose. You do.</p>
7	Occupant	Usually Error, but frequently used to obscure nature of loan transaction	<p>You may have proof of coercion, but you're not coerced if you gave in. Though an appraiser may be charged only with incompetence for misstating occupancy, the citation hurts, and it doesn't seem fair when it's very difficult sometimes to know the nature of occupancy for sure. If the property is vacant but looks lived in, check the name on any mail in the mailbox (unless your lawyer thinks that's mail tampering; I doubt it unless the mail was opened or damaged by the appraiser). If you can't tell by inspecting, ask the seller to send you an email stating occupancy. Talk to the occupant! The house that is claimed to be tenant-occupied may be producing no rent if the occupant is the owner's deadbeat brother-in-law (thus the loan underwriter has overestimated the owner's creditworthiness); other times, owner-occupancy is claimed in order to obtain a higher LTV when the seller is in financial trouble. Appraiser beware! If you can prove you couldn't have known about the fraud, citations can still be onerous when the potential financial damage is high. One way or the other, you made a serious error or omission</p>

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8	Property Type	Susceptible to Misrep	<p>Sometimes a conduct issue, when the appraiser agrees not to disclose condo ownership to avoid HOA dues or other complications. Often also a competency issue; too many appraisers still don't understand site condominiums.</p> <p>The appraiser, appraising a small proposed subdivision, neither understood, discovered nor considered the site condominium status, nor why such ownership types exist. Working from plans, the appraisal was inflated by assigning fee-owned lot values and failing to account for expensive common area amenities. The loan was approved, but the lender was forced into advancing additional funds for common area improvements.</p>
9	Assignment Type	Frequent Misrep	<p>Misrepresentations are rampant between refinance and purchase; underwriting is more lenient in refi's, but there are many other reasons to misrepresent</p>
10	Contract	Frequent Misrep	<p>Appraisers, please don't say you reviewed the sales contract if you did not, and don't call it a contract if it is not signed and dated by buyer and seller, and witnessed if the document calls for witnesses. Also, the appraiser may be reviewing a dummy contract written by a transaction participant; take care to note who gave you the copy and their role in the transaction.</p> <p>Usually ignoring the sales contract is just sheer laziness or a fear of antagonizing a seller, buyer or agent; be aggressive when transaction parties won't send you a copy ("I'm sorry, my E&O insurer / attorney won't allow me to appraise for sale without a valid contract"; it may be a white lie, but it's for a good purpose. You may never otherwise know about the race car included in the sale price. This is one of the fields where misinformation can cost you big in terms of civil penalties, which your E&O carrier may get out of paying if it can prove you never attempted to use and DISCLOSE your data sources, whether it be a contract or a data vendor.</p>
11	Occupant / Owner	Frequent Misrep	<p>NEVER fail to verify occupancy or ownership; it's the nexus around which frauds are perpetrated. NEVER fail to ask for a title report. You don't have to obtain one, but consider refusing the assignment when you smell something fishy or lean on your friend at a title company for help. Sometimes you can figure out from documentation what title company is handling the refinance or sale closing.</p>

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12	Occupant / Tenant	Frequent Misrep	Appraiser may accept the seller's claim of \$1,150 rent from the property, for example, yet the tenant has the same last name as seller. Is \$1,150 really the market rent? Look for family involvement in refinance and sale of rental property where there is pressure for a high or low conclusion. When any party to a transaction says things like, "you know my property's worth at least \$X, right?", or "This rec room addition cost me \$40,000", consider refusing the assignment. The time expended in confrontation when you come in with an accurate value is often not worth the headache. Many an appraiser citation has been written by the enforcement a buyer who can document that he paid too much.
13	Occupant / Vacant	Frequent Misrep	Do not mark the subject vacant if the only thing you have to go on is, say, the agent's word. If the place looks lived in, it probably is. A party to the transaction may say that it looks lived in only because it's been "professionally staged"; ask which staging company was used as you're looking to sell soon also. Subtle questions can bring out the truth.
14	Urban, Suburban, Rural?	Error/Misrep	98.6% of appraisers look to their descending colon for the answer to this question. Make sure you can support your determination. Why? It's been customary for many years to reduce allowable loan-to-value ratio by 500 basis points if the subject property is in a rural location. Some indicators are rural postal routes, distance from retail services

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15	Neighborhood Section	Error or a chronic conduct issue in by assuming property location	<p>Market condition is the one thing left that appraisal clients truly need, and some still assume that the appraiser's word is golden, when too many practitioners "make it up" or fail to disclose that some or all opinions may be from secondhand data sources. If you're not going to do it, disclose it. Consider this section to be a "mini-1004MC" that states current stability in terms of document recent trends, not forgetting that a market in which appreciation is strong may still be unstable. How vulnerable is the subject property? Have you accounted for the "Google Effect"? It is in this section that appraisers should defend their "geographic competence" if necessary if you're not based in the subject neighborhood ore office node, at least call an appraiser from the area to acquire the local lore; available data may have made such defense less important, but places like my home in Pittsburgh, PA, would increase in value if moved across the street because the city has 90 distinct neighborhoods and boroughs, each with its own brand of appeal and price range. Also, speaking of location, ALWAYS examine the tax assessor's plat map; if it has dashed lines running across the property, you may be missing an easement which could represent functional obsolescence or a negative externality. When in doubt, access the county recorder's information, even if you have to go to the recorder's plant. Agreements running with the land can throw your value WAY off. EXEMPLAR: An appraiser's "fluffing" of neighborhood data for a large subdivision development loan ended with LICENSE SUSPENSION, 1 YEAR MONITORING, SFR APPRAISAL ONLY.</p>
16	Site Section	Susceptible to Error	<p>In the site section, your attention to detail really shows; you are responsible for applying the correct zoning description and code, especially as it applies to approved land use and property type. Such detail ranges from foundation cracks over 1/4" to whether the local planning authority has approved the subject property's accessory unit. There are a bunch of checkboxes in this sections; make sure you do not "boilerplate" them. One recent citation involved an appraisal that stated that there was no sump pump, evidence of dampness or infestation, or settlement, when the property had all four. and a later cost to cure estimate over \$25,000, which should have been subtracted from the value conclusion. Buyer was complainant, of course, and collected the shortfall from the appraiser, who had let E&O coverage lapse. EXEMPLAR: Six months suspension, monitoring six months.</p>

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18	Neighborhood Characteristics	Incompetent when characteristics are "boilerplated" fraudulent when content indicates third-party sources	<p>The majority of cases involving deficiencies related to neighborhood characteristics most frequently reflect incompetence or simply laziness in failing to update data or in failing to offer SUPPORTED opinions on the neighborhood's future. Web searches by investigators frequently turn up local information critical to understanding dynamics, which demonstrates that the Respondent needs education on how to provide a brief analysis instead of general statements that offer no local insight. The investigator will often consult the Specific Plan for the local area; appraisers seem largely not to know that such a comprehensive neighborhood description is available online at the planning page of every planning department for every significant town and city in the US. It will be significantly dated, but it points to specific neighborhood issues that were being addressed at the time the document was written. How many hopes and dreams have been achieved since? The most abused components in this area are the estimates of property sold and on the market. Some appraisers assume that investigators have no MLS access; they can now use third party data to dump directly into the report. It may be that it's amusing to note that the description is self-contradictory, but the investigator looks deeper to see whether local influences point to a darker future or whether the appraiser is trying to hide economic problems in order to maintain a rosy picture. The Three-Mile Island nuclear meltdown was almost 40 years ago; residential home prices still show a stigma, yet the appraiser fails to mention it. During a hearing, it can look bad for an appraiser who couldn't answer the question.</p> <p>EXEMPLAR: Citation, \$5,000 fine, 15 hours education, 6 months monitoring.</p>
19	One-Unit Housing Trends	Incompetence, Insufficient Attention	<p>The state investigator, when evaluating a complaint, focuses heavily on primary data sources; such data, when obtained from third-party data sources and "dumped" into reports, can either lead to a false conclusion or an accusation that the appraiser was not verifying second-hand sources. Appraisers MUST verify market data in primary sources and cite them in the space provided. Investigators will inevitably include this deficiency in his/her report, and will dig deeper, seeking an intent to deceive. EXEMPLAR: Overvaluation by \$1.2M, damage to buyer, 6 months license suspension, education, fine, 6 months monitoring.</p>

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20	One-Unit Housing	Incompetence, Insufficient Attention	Failure to support an estimate of housing stock is a hallmark of the sloppy appraiser. Again, appraisers seem not to consult sources that have hard data on housing stock. The Specific Plan can give you a starting figure; an accurate contemporary estimate requires the application of a dying art: the appraiser's call to the planning department. Name and phone number (or email address) then must be included in the report. It's better to state that you called but didn't get a call back than to fail utterly to obtain information that is needed to establish adequate support. EXEMPLAR: Insufficient information in appraisal to assist in forming an opinion. \$3,500 fine, 30 hours non-creditable CE.
21	Present Land Use	Incompetence, Insufficient Attention	One-unit housing estimates are made in the context of a variety of land uses; again, consulting the Specific Plan can provide land use percentages; though dated, they're better than nothing. In one case, finding a land use percentage chart in the Specific Plan saved an appraiser from a large fine and non-CE education because the high percentage of industrial property steered her to look more closely at negative externalities. EXEMPLAR: In a similar case where a conservation bank was being assembled and an overvaluation of \$125,000,000 for sale to government resulted in "straight" revocation, appraiser could reapply in 5 years.
22	Neighborhood Boundaries	Frequent Misrepresentation, less often only incompetence; say, 80% misrep, balance incompetence.	In residential practice, many appraisers "modify" neighborhood boundaries in order to include or exclude listings or sales that don't support his/her "target". This field is one of the most abused since "boundaries" are too often supported subjectively; another field where examination of the municipality's Specific Plan is crucial. EXEMPLAR: Financial damage to buyer, appraiser drew boundaries to exclude low sales. Accusation, SUSPENSION reduced to Monitoring, revocation imposed if appraiser fails to pass monitoring.
23	Neighborhood Description	90% incompetence, 10% misrep among all complaints	Similar to #21; potential economic damage when appraisers wax poetic about a neighborhood's potential when there are high-risk mortgages being proffered to borrowers dependent on planned development: EXEMPLAR: Accusation; phase 8 of development is still on the market with no sales, 7 months after models complete. Construction appraisal was excessively sanguine about listing periods as local employment rate doubled up. Evidence showed that sales used to value models were neither recent, proximate nor sufficiently similar. Note that an accusation in miniature (only 4 homes involved) can result in the same serious discipline.

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24	Market Conditions	80% Incompetence vs. 20% Conduct	Investigators note that wrong conclusions delivered by using outdated or otherwise inadequate information cause the same damage whether motivated by conduct or incompetence. In too many cases, investigators find that the appraisal client did not receive the quality of appraisal service indicated by the fee charged.
25	Site: Dimensions	Usually error	Few cases turn on the appraiser's handling of site dimensions; typical errors include using wrong dimensions to estimate site area.
26	Site: Shape, View	Usually error, but "view" is abused in order to make unsupported adjustments.	The next technology to invade the residential valuation space will be topography overlays, which reviewers and investigators can use to verify or disprove available view. Generally, adjustments for view are poorly supported; when an appraisal is on the brink of accusation, investigators will search for "adjustment abuse" in order to add another count for prosecution.
27	Site: Zoning Classification	Misrep equal to incompetence with serious financial damage	Though it lies at the core of an appraiser's opinions, invalid statements of land use, zoning and permits create a disproportionate number of complaints because every subsequent opinion will be inadequately supported. Moreover, the amount of financial damage caused by using a wrong zoning assumption can aggravate disciplinary action. Several cases were noted where a buyer or lender obtained recovery because the appraiser relied on the opinion of a participant in the transaction. Subsequent to an administrative complaint, civil action often is made against the appraiser, who should have read the zoning ordinance or engaged a planner in discussion of permitted uses. Before even accepting an assignment, the appraiser should obtain comfort from a PRIMARY DATA SOURCE that the site is free of detriments.
28	Site: Legal	Misrep equal to incompetence with serious financial damage	See #26 above. Failing to consult the county recorder's office and/or the assessment records with respect to legal description is one of the most seriously abused pieces of information. EXEMPLAR: Several cases involved accusations wherein the appraiser appeared to simply "make up" the description, or just ignored those "funny lines" running across the recorder's map which turned out to be a historic coal mine incapable of supporting improvements.

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29	Site: Legal Non-Conforming (Grandfathered Use)	Misrep equal to incompetence with serious financial damage	The "grandfathered" property is too often accepted as verified when asserted to the appraiser by the loan applicant, seller, or buyer. Whether or not a property can still be used as it has historically has been must be evidenced by a planning document. EXEMPLAR: In one case, the appraiser opined that even though he could not verify the grandfathered use, he "felt"* that there would be no problem obtaining a variance or extension. (Appraisers should never <i>feel</i> .) Exemplar: This is one of those cases which could involve CONDUCT, INCOMPETENCE or BOTH. In one case, the individual's license was RESTRICTED to residential practice despite the appraiser's MBA and commercial designation from a major professional organization.
30	Flood, Other Hazard Zones	Incompetence vs. conduct complaints are similar in number	This field is often abused by using secondhand data, whether it comes from a prior appraisal or a one-line statement in an online property report. FEMA must be the source of the data, even when it's a struggle to dig it out of the FEMA database. EXEMPLAR: A liquor store in an "A" flood zone was appraised as if it were in a "C" zone and therefore not subject to the flood insurance requirement. No plans were in line for improvements to remove the property from the zone, and the premium was \$1,010 per month. Over a 30-year loan term running at 3.75%, and 10-year holding period, the trusty old HP12C shows a necessary deduction from value of \$97,454.20. In this case, the lender sued the bank to undo the appraiser's error, and the appraiser's E&O paid back the lender.
31	Site: No Zoning	Rare error or omission	Unzoned land presents a significant risk to speculators willing to purchase the property for immediate development. The scope of an appraisal reaches the size of the Stay-Puft Marshmallow Man, or at least a feasibility report. EXEMPLAR: Accusation, used unfounded assumptions resulting in overvaluation, REVOCATION.
32	Site: Negative Externalities:	Complaints mostly involve externalities unnoticed or ignored by appraisers; misrep (equal number) reflect intent to deceive	Serious complaints related to this field are too often underdescribed, leaving the full effect on the subject property unknown. Appraisers also frequently forget to understand that a negative externality may not exist currently but may develop when a planned rail line is built. EXEMPLAR: Appraiser stated that there was no effect on the subject of a nearby wastewater treatment plant because "all neighborhood properties suffered the same detriment." However, half the properties were in the prevailing wind, the balance was not, and the odor was markedly more pungent.

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33	Improvement: Foundation	Majority: Incompetence	Generally, appraisers do not receive adequate training in observing and evaluating foundation cracks and other structural problems. Citations result in specific coursework to eliminate the appraiser's insufficiency.
34	Improvement: Ext Descr	Majority: Incompetence	Mostly checkbox area where boilerplate rears its ugly head. Too many boxes are not changed from appraisal to appraisal. EXEMPLAR: Appraiser was cited for not changing boilerplate even when it was obviously wrong or inadequate. Citation, \$2,500, 7 hours education.
35	Improvement: HVAC	Majority: Incompetence	Most appraisers are hard put to gauge the efficiency and quality of heating, ventilation and air conditioning equipment. How does a heat pump work? If it pumps heat, how does it cool? How much energy in dollars is necessary to run a 2.5 ton compressor? How much does a solar array add to value? Appraisers who attract complaints rarely have the answer, and more education is needed in order to dependably value energy-efficient items. Though few complaints are received regarding the issue, potential financial damage can result from assuming that a solar array is worth \$17,000 nationwide.
36	Sales Comparison Approach	Misrepresentation tends to outrun incompetence in this section, and many fields are routinely misrepresented or are subject to use of secondhand data with questionable liability	A plethora of vendor platforms now serve the independent fee appraiser and range from simple data transfer to filling out the form with varying levels of user participation. Fields most subject to "tweaking" (i.e., making "maladjustments") include statements of price ranges, number of sale closings, etc. While at the platform end, the online services may offer superior accuracy and dating, but errors and misinformation at the secondhand source are passed directly to the form, in many instances with no more than a cursory review and further "tweaking". In comparison, the old "MLS book" and "comp books" have been supplanted by data which may give the originating loan underwriter a sense of security with respect to accuracy. However, as more fields are analyzed by new GSE procedures and tools (Fannie Mae's Collateral Underwriter, Freddie Mac's Loan Collateral Advisor), the less the appraiser may feel in control of output, since the evaluation of property characteristics may involve algorithms foreign to the appraiser's opinion. The bottom line has remained the same: use of primary data sources, and the most recent, proximate and similar comps should guide the appraiser to a supported opinion of market value. Watch for the rollout of a full-blown AI AVM that may further restrict the appraiser's options when evaluating property condition, quality and functionality.

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37	Market "Grid"	Concentration of Misrepresentations	To enumerate every potential abuse of the market grid is beyond the scope of this Guide, but just let it be said that the appraiser who uses a non-arm's-length sale as a comparable to an open-market subject will end up with a Citation or Accusation.
38	COST APPROACH	Usually Omitted Concentration of Misrepresentations	To enumerate every potential abuse of the Cost Approach is beyond the scope of this Guide, but just let it be said that the appraiser who cannot cite a verifiable source of the cost data used will end up with a Citation or Accusation.
39	INCOME APPROACH	Usually Omitted	Across jurisdictions, regulators are citing appraisers who, after doing their best on the Sales Comparison Approach (SCA), simply state that there were no better sales available, as if there were no guidance as to what to do next, in other words, that there is no cost or income approach available. A weak or useless SCA can sometimes be shored up to pass by applying an income and/or cost analysis. The same thinking applies to purely commercial appraisals; once the income approach is done, could cost and sales comparison approaches be used to support the income conclusion?
40	APPRAISER'S STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS	Failure to remain conscious of Limiting Conditions and Assumptions Results in Incompetence	The printed Scope of Work in the 1004 form provides a good basis for any appraisal, but appraisers forget, for example, that it requires the appraiser to "inspect each of the comparable sales from at least the street" (enforcement agencies tend to interpret this to mean that the photos that appear in the report, unless disclosed otherwise, are originals taken by the appraiser.)
41	Limiting Condition #3:	Failure to remain conscious of Limiting Conditions and Assumptions Results in Incompetence	Limiting Condition #3 requires that the appraiser "has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources)", but if the "other data sources" are wrong, the liability goes back to the appraiser.

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42	APPRAISER'S CERTIFICATION:	Failure to Read and Keep in Mind Results in Incompetence	<p>There are two types of certifications in the 1004 form; numbered and unnumbered. Many appraisers may not realize that, and too few of them take the time to reread the promises that the appraiser is making to the client. For example, the printed Scope of Work is considered to dictate that the appraiser photograph the subject property and all of the comparable sales from the street. Even though the phrase is "inspect from the street", it's not considered reasonable that an appraiser would inspect from the street, but then use MLS or Google photos. For many years, appraisal clients have assumed that they could rely on the appraiser's inspection of properties through photographic evidence, and there's no indication of a sea change in this direction as yet. The appraiser who reads the 1004 limiting conditions every 5 years like clockwork leaves himself or herself open to errors, omissions and questionable conduct. State investigators have the certifications on the wall of their cubicles. Appraisers who fail to live up to the printed promises can almost be guaranteed a Citation or Accusation.</p>