



## WHY ENGAGE A PROFESSIONAL APPRAISER?



**THE APPRAISAL FOUNDATION**

*Authorized by Congress as the Source of Appraisal  
Standards and Appraiser Qualifications*

*To protect your financial well being and your investments, it is important that you engage a valuation professional. Whether it is personal property, real estate or a business, consumers should engage a professional appraiser for an independent and impartial analysis of their property.*



## Elements of a Qualified Professional Appraiser

Regardless of the type of property being appraised or whether or not the appraiser is regulated by the government, a qualified appraiser should meet the following criteria:

**Education:** Over several decades the appraisal profession has developed generally recognized valuation methods and techniques, commonly known as a body of knowledge. Conformance to these generally recognized methods and techniques promotes consistency in the work product of appraisers. A qualified appraiser will usually have training from any combination of the following sources: appraisal proprietary school, professional appraisal societies, and/or college or university courses.

**Experience:** A professional appraiser will have significant experience in applying the generally recognized valuation methods and techniques learned in the classroom to the marketplace.

**Examination:** A professional appraiser has been tested to ensure a thorough understanding of the subject matter and competency.

**Continuing Education:** A professional appraiser continues to take educational offerings on a periodic basis to ensure awareness of changes in valuation methods and techniques, technology and the marketplace.

### **Adherence to a Written Set of Ethical and Performance**

**Standards:** Following an established code of conduct focusing on conduct and ethics, such as the Uniform Standards of Professional Appraisal Practice, is a cornerstone for a professional appraiser.

**Accountability for Conduct:** Either a government appraiser regulatory agency or a peer review panel of a professional appraisal society affords due process to the public regarding complaints about the conduct of appraisers.

*Members of The Appraisal Foundation Appraisal Sponsoring Organizations meet the criteria outlined in this brochure. Please see the back panel for a list of the Appraisal Sponsors of The Appraisal Foundation.*



## Elements of a Professional Appraisal

Professional appraisers adhere to a written set of performance standards, known as the Uniform Standards of Professional Appraisal Practice (USPAP). The U.S. Congress has recognized USPAP as the generally accepted set of standards for professional appraisal practice in the United States. USPAP contains standards for all types of appraisal services including real property, personal property, business valuation and mass appraisal. USPAP compliance is also required by professional appraisal associations, client groups and by dozens of federal, state and local agencies.

By following USPAP, a professional appraiser helps foster public trust in valuation through:

**Impartiality and Objectivity:** A professional appraiser must be independent, impartial, and objective. A professional appraiser's opinion of value must not be biased.

**Ethical Conduct:** A professional appraiser will adhere to a generally recognized code of ethical conduct, which is contained in USPAP. In addition, many professional appraisal societies have their own codes of conduct.

**Full Disclosure:** A professional appraiser will disclose all relevant information to ensure that the appraisal is understandable to the user, and not misleading.

**Confidentiality:** A professional appraiser will treat confidential information as such. When in doubt, the appraiser should always check with the client to determine what is or is not confidential information.

**Competency:** A professional appraiser should have knowledge and experience in performing similar assignments.

**Independence:** A professional appraiser cannot be compensated based upon the results of the appraisal.



## Types of Professional Appraisers

While some professional appraisers specialize in more than one property type, most specialize in valuing one particular type of property. Examples of areas of specialization include:

» **Real Property Appraisers:** specialize in residential, commercial and agricultural properties.

Real property appraisers also hold the distinction of being licensed or certified by state appraiser regulatory agencies for transactions involving federally regulated financial institutions. These state-licensed and state-certified appraisers have met the education, experience, and examination requirements established by the Appraiser Qualifications Board of The Appraisal Foundation. The state appraiser regulatory agencies also monitor their activities to ensure they comply with the Uniform Standards Professional Appraiser Practice (USPAP) in their appraisal assignments.

» **Mass Appraisers:** specialize in either real property or personal property. They value large portfolios of properties, such as assessing for taxation purposes.

» **Personal Property Appraisers:** can specialize in various types of personal property such as fine art, jewelry, antiques, general household contents and machinery and equipment.

» **Business Valuers:** specialize in the valuation of business enterprises and their intangible assets including intellectual property (patents, trademarks, domain names), customer lists, goodwill and going concern.



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*The Appraisal Foundation, a Congressionally authorized non-profit organization established in 1987, is dedicated to the advancement of professional valuation. The Foundation accomplishes its mission through the work of its three independent Boards: the Appraisal Practices Board (APB), the Appraiser Qualifications Board (AQB), and the Appraisal Standards Board (ASB). More information on The Appraisal Foundation is available at [www.appraisalfoundation.org](http://www.appraisalfoundation.org).*

## **Sponsoring Organizations of The Appraisal Foundation**

### *Appraisal Sponsors:*

American Society of Appraisers  
American Society of Farm Managers & Rural Appraisers  
Appraisers Association of America  
Instituto de Evaluadores de Puerto Rico  
International Association of Assessing Officers  
International Right of Way Association  
Massachusetts Board of Real Estate Appraisers  
National Association of Independent Fee Appraisers  
North Carolina Professional Appraisers Coalition

### *Affiliate Sponsors:*

American Bankers Association  
Farm Credit Council  
Mortgage Insurance Companies of America  
National Association of Realtors

### *International Sponsor:*

Royal Institution of Chartered Surveyors



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