

**EAANA APPRAISAL REVIEW INSTRUCTIONS AND CHECK-LIST,
Effective January 1, 2014**

Memorandum:

To: Candidates and Certified Senior Appraisers

From: EAANA Appraisal Review Committee

Subject: EAANA Appraisal Review Instructions and Check-List for Submitting Appraisal Report for Accreditation and Re-Accreditation

Background: Membership in EAANA requires all applicants and members to agree to conform to the EAANA's Code of Ethics and to the Uniform Standards of Professional Appraisal Practice (USPAP), as promulgated by The Appraisal Standards Board of The Appraisal Foundation.

EAANA Appraisal Review Committee provides peer review of demonstration/sample appraisal reports submitted to EAANA by members applying for accreditation or re-accreditation who have met or exceeded the minimum qualification criteria for education and experience as adopted for Personal Property Appraisers by the Appraisers Qualification Board of The Appraisal Foundation and by the EAANA Board of Directors.

Purpose: This memorandum of instructions and check-list are to provide guide-lines to EAANA members for submitting a USPAP and EAANA compliant appraisal report for peer review as required by EAANA for accreditation and re-accreditation as a Certified Senior Appraiser (CSA).

Instructions: Please follow the below-listed instructions or your demonstration/sample appraisal report will be returned without approval. Appraisal reports submitted for EAANA Appraisal Review must comply with the following to be approved.

1. A complete actual/real Appraisal Report in the same final format just as you would give to your Client, except the Client's name and address(s) must be removed (obliterated) to make the Client unidentifiable/anonymous. (Replace Client's identity throughout the report with "Client", "Bank", "Lender", "Operator" or "Owner", etc.).
2. A current report with report date within the last 12 months.
3. A report bound (with staple or better) or a single complete electronic secured but printable PDF document. Either (a) mail four (4) printed copies of the report to EAANA Administrative Office, Attn: Mrs. Valerie Rakowski, or (b) email a PDF report to mail@eaana.org.
4. A cover letter is required in the appraisal report by EAANA and must be signed by the individual most responsible for the preparation/content of the report. A cover letter is considered a professional way to address and transmit reports to the Client and may summarize scope of work, findings, and conclusions of the appraisal. Per FAQ #261, USPAP 2014-2015 Edition, "Although a letter of transmittal is not required by USPAP,

there is nothing in USPAP that prohibits making a letter of transmittal part of the appraisal report. It should be noted that USPAP does require an appraiser signing any part of an appraisal report, including the letter of transmittal, to also sign the certification.” EAANA recommends that all minimum reporting requirements be included in the body of the report although the requirements may be summarized or restated in the cover letter.

5. EAANA requires the “inspection date(s)” of the property to be stated in the appraisal report in addition to the minimum reporting requirements of USPAP concerning inspections.

6. EAANA requires a statement of the qualifications or Curriculum Vitae of the appraiser to be part of the appraisal report.

7. Comply with minimum reporting requirements per USPAP, 2014-2015 Edition. According to FAQ #8, of USPAP, a personal property appraiser would comply with USPAP by complying with:

- Standard 7
- Standard 8
- Ethics Rule
- Competence Rule
- Scope of Work Rule
- Record Keeping Rule

Check-List: The check-list, effective January 1, 2014, provides guide-lines for meeting minimum standards of an EAANA and USPAP compliant appraisal report. Failing or omitting any item is cause for the review committee to disapprove a submitted report unless a detailed and reasonable explanation for the omission accompanies the report.

Additionally, simply meeting the "Checklist" criteria doesn't necessarily mean a report is acceptable. For example, the overall report must be professionally presentable, coherent, absent of significant typos and bad math. The report should logically present a pattern/process of valuation so that a peer appraiser can follow and understand how the conclusions of value were arrived at by the reporting appraiser, but NOT HAVE TO AGREE TO STATED VALUE. However, it is important that the appraisal report contain sufficient information and detail that a Client/User/Peer can follow or replicate the analysis by the appraiser in concluding the value(s), again, not to agree but trace the process. (Refer to Standard 8-1). This peer review is for your benefit and for the benefit of the EAANA in meeting its' responsibilities and keeping its' market credibility and credentials as a Professional Appraisal Organization. Please turn to pages 3 and 4 for the check-list.

EAANA APPRAISAL REVIEW CHECK-LIST EFFECTIVE JANUARY 1, 2014

1. A cover letter is required with the appraisal report and be SIGNED by the appraiser who is the person most responsible for the preparation/content of the report submitted. (Required by EAANA): _____
(Appraisal Review will check for signature of appraiser on Cover Letter and Certification.)

2. Inspection Date(s). (Required by EAANA): _____

3. Statement of Qualifications of Appraiser(s) (Required by EAANA): _____

Does appraisal report satisfy USPAP? Referring to Standard 8, USPAP, an appraisal report must be consistent with the intended use of the appraisal and, at a minimum:

4. Each personal property report must clearly and accurately set forth the appraisal in a manner that will not be misleading; contain sufficient information to enable the intended users understand the report; and disclose all assumptions, limiting conditions, extraordinary assumptions and hypothetical conditions (8-1)._____

4. State Type of Report (8-2): Appraisal Report or Restricted Appraisal Report: _____

5. State **the Identity** of Client and Intended User(s) by **name or** type (8-2 (a) (i): Client's Identity is to be **Unidentifiable and Anonymous** for appraisal review) _____

7. State the Intended Use(s) of Appraisal (8-2(a) (ii): _____

8. Summarize information sufficient to identify the property involved, including physical and economic property characteristics (8-2 (a) (iii):_____

9. State the Property Interest Appraised (8-2 (a) (iv): (e.g., Fee Simple, Leasehold, Fractional/Partial, etc.)_____

10. State the Type and Definition of Value (8-2 (a) (v): (When exposure time is a component of the definition for the value opinion being developed, the appraiser must develop an opinion of reasonable exposure time linked to that value opinion and state the opinion in the report)._____

11. Cite the Source of Value Definition (8-2 (a) (v): _____

12. State Effective Date of the Appraisal (8-2 (a) (vi):_____

13. State Date of Report (8-2 (a) (vi): For EAANA review for accreditation or re-accreditation, the appraisal report date must be current within the past year: _____

14. Summarize Scope of Work (8-2 (a) (vii): Describe scope of work used to develop the appraisal, including the type and extent of research and analyses performed and not performed, etc._____

15. Summarize the three approaches to value (1) the sales comparison or the market approach, (2) the cost approach and (3) the income approach; consider all three approaches; identify those approaches used, and explain the exclusion of any approach (for example: "The Income Approach was excluded as it was not appropriate for the intended use of this appraisal." (8-2 (a) (viii): _____

16. State the use of the personal property at the time of value and the use as reflected in the appraisal (8-2 (a) (ix): _____

17. When an opinion of the appropriate market or market level was developed by the appraiser, summarize the support and rationale for that opinion. (8-2 (a) (x): _____
18. State all Assumptions and Limiting Conditions (including extraordinary assumptions and hypothetical conditions and that their use might have affected the assignment results) (8-2 (a) (xi): _____
19. Include a Signed Certification in accordance with Standards Rule 8-3: _____
20. The Ethics Rule requires statement in Certification, "I have/have not performed appraisal or other services (if performed, specify) for property within last three years." (Ethics Rule) _____