

8/07 ADVERTISING OR CHARGING APPRAISAL FEES ACCORDING TO APPRAISED VALUE VIOLATES USPAP.

It has been brought to the Board's attention that some appraisers are advertising and charging appraisal fees based on tiered appraisal fees schedules. Advertising or charging appraisal fees according to appraised value, e.g., to list the fee for assignments with appraised values between \$100,000 and \$299,000, \$300,000 to \$499,000, etc. **IS A VIOLATION OF USPAP.** A compensation arrangement for assignments that is contingent on the amount of the value opinion is prohibited by the Management section of the ETHICS RULE, which states, in part: "It is unethical for an appraiser to accept an assignment, or to have a compensation arrangement for an assignment, that is contingent on any of the following: . . . 3. the amount of a value opinion;" However, please note that USPAP does not prohibit an appraiser's fee from being based on an owner's estimate, a pending sale price of the subject property, loan amount, or any other factor outside the appraiser's control.