



ARIZONA BOARD OF APPRAISAL

1400 West Washington, Suite 360
Phoenix, Arizona 85007
(602) 542-1539 Fax (602) 542-1598
Email: appraisal@appraisal.state.az.us
Website: www.appraisal.state.az.us

Newsletter RE: Email Solicitations/Board Minutes

January 4, 2011

EMAIL SOLICITATION FOR RECONCILIATIONS:

There is currently an email solicitation circulating asking appraisers to complete *Desktop Reconciliations* that states:

The tasks include:

1. Review BPO's and/or Appraisals against market data
2. Verify if the value is supported based on your research
3. Confirm your conclusions with comments and supporting data
4. Provide a final reconciliation value

The solicitation goes on to state *Please note these are not USPAP compliant reviews.*

It is not clear from the solicitation whether they are trying to state that these tasks do not need to comply with USPAP or simply stating that they don't comply with USPAP.

The solicitation goes on to explain that they will provide online training but that you will need a minimum of three years of appraisal review and/or reconciliation experience.

This email has been referred to the Board offices by many appraisers who question if the appraiser needs to comply with USPAP and are concerned about accepting these assignments. As a result it was presented to the full Board for consideration, discussion and possible action. The Board then directed the Executive Director to issue this newsletter reminding all appraisers to review and be familiar with Standard 3, Advisory Opinions and FAQs prior to accepting new product assignments.

The intent of the Board's directive is to remind appraisers that they should review and re-familiarize themselves with the applicable portions of USPAP prior to moving forward with any new product assignments. Times are changing and new valuation products are emerging on a constant basis. Most appraisers recognize that the face of the profession does not look the same as it did two years ago and it probably won't look the same two years from now. Some new products may be USPAP compliant and some may not. Some products that may not appear to be USPAP compliant might easily be compliant with minimal changes but some not so. It is imperative that today's appraiser be able to recognize the difference.

Some portions of USPAP and Standard 3 that may pertain to this specific product are:

1. Advisory Opinion AO20
2. Advisory Opinion AO21
3. Standard Rule 3-2 (h)
4. Standard Rule 3-3 (c)
5. Standard Rule 3-5 (i)
6. Standard Rule 3-6
7. Record Keeping Section of the Ethics Rule
8. FAQ's pages F-129 through F-139

This may look like a lot of information but depending on how fast you read this should only take 10 to 20 minutes and it might save you hours of time later. Okay, it's not "Gone With The Wind" but it is still interesting reading in it's own nerdy sort of way. I know all of your USPAP instructors remind you to read the Advisory Opinions and FAQs. I take those classes too and I know it is hard to do in your busy schedules. However, sometimes reading them makes an impact and even more sense when you are facing a specific issue or a new valuation product. Both the Advisory Opinions and the FAQ's have an index in the front making it very easy to find the ones that are pertinent to your situation. So, settle back in your favorite chair, fix yourself a hot chocolate and a crumpet, and take a 10-20 minute break with your USPAP book. You might not be able to put it down.

Board Minutes:

The November and December Board minutes have now been posted on the website in *DRAFT* versions. Please remember that these are in *DRAFT* version and are subject to change after review and approval by the Board. You will note that the December minutes are not as lengthy as the November minutes. Due to lack of time and human resources we had to write a more condensed version.

Hope you had a Happy New Year!

Sincerely,

A handwritten signature in blue ink that reads "Dan Pietropaulo". The signature is written in a cursive, flowing style.

Dan Pietropaulo #30412
Executive Director
Arizona Board of Appraisal
www.appraisal.state.az.us