



Learning Objectives, Outline, Abstract

Title: Appraisal Standards & Assignment Conditions

Instructor: Shawn Wilson, MAI — Compass Real Estate Consulting, Inc.

Purpose: To equip legal professionals and assessment professionals with a working understanding of USPAP requirements, scope of work development, and review methodologies in a legal context.

Duration: 60 minutes

Learning Objectives:

Upon completion of this course, participants will be able to:

1. Identify the structure, purpose, and authority of USPAP.
2. Describe the credentialing, training, and standard practices of appraisers.
3. Differentiate between typical financing appraisals and those prepared for legal use.
4. Define the scope of work and documentation requirements for USPAP-compliant appraisals for tax appeal contexts.
5. Recognize jurisdictional and statutory factors that affect appraisal assignments in legal tax appeal contexts.
6. Apply a structured review process to assess appraisal reports and determine compliance with USPAP Standards 1 and 2.
7. Evaluate the sufficiency of supporting documentation in appraisal workfiles.
8. Identify the key elements required in an appraisal report under USPAP Standard 2-2(a).

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I. Introduction

A. Welcome and Participant Roles

1. Attorney
2. Assessor's Office
3. Fee Appraiser
4. Other

B. USPAP Applicability

1. Is compliance mandatory in your jurisdiction?
2. Understanding regional variations

C. Learning Objectives

1. Identify and navigate the Uniform Standards of Professional Appraisal Practice (USPAP)
2. Discuss legal and practical conditions of appraisal assignments
3. Define effective date of value and jurisdictional implications
4. Specify appropriate scope of work and documentation
5. Utilize checklists to assess USPAP compliance

II. Overview of USPAP

A. Historical and Regulatory Background

1. Origin following the 1987 S&L Crisis
2. Promulgated by the Appraisal Standards Board (ASB)

B. USPAP Format and Editions

1. “Little Book” – Official rules and standards
2. “Big Book” – Advisory Opinions and FAQs

C. Revisions and Updates

1. No set update schedule
2. 2024 Edition has no expiration date

D. Applicability and Enforcement

1. Not universally required across states
2. Compliance triggered by law, regulation, or agreement

III. Appraisers and Assignment Context

A. Appraiser Credentials

1. Administered and enforced by states
2. Certification types
 - a. Certified vs. Licensed
 - b. General vs. Residential

B. Education Requirements

1. 15-hour certification course
2. 7-hour recertification update

C. Typical Appraisal Assignment Scenarios

1. Standard "vanilla" appraisals (e.g., for financing)
 - a. Intended use: obtain a loan

- b. Intended user: bank or lender
- c. Minimal scope and workfile
- 2. Legal assignments (e.g., tax appeals, litigation)
 - a. Broader intended use
 - b. Workfile is discoverable
 - c. Scope of work more variable and jurisdiction-dependent

IV. USPAP Rules and Compliance Standards

A. Ethics Rule

- 1. Nondiscrimination
- 2. Integrity and conduct
- 3. Record keeping compliance
- 4. Confidentiality

B. Record Keeping Rule

- 1. Workfile must precede report delivery
- 2. Must include:
 - a. Copy of all written reports
 - b. All data supporting conclusions

C. Scope of Work Rule

- 1. Identify the problem to be solved
- 2. Determine the necessary scope
- 3. Disclose the scope in the report
- 4. Communicate with the client

D. Development Standards

- 1. General Requirements
- 2. Problem Identification

3. Market Analysis and Highest & Best Use (H&B Use)
4. Approaches to Value
5. Subject Property History and Listing Analysis
6. Reconciliation of Value Indicators

E. Reporting Standards

1. General Reporting Principles
2. Required Report Content
 - a. Appraisal Report
 - b. Restricted Appraisal Report
3. Certification Requirements
4. Oral Appraisal Reporting Guidelines

V. Jurisdictional and Legal Assignment Considerations

A. Assignment-Specific Factors

1. Number and type of valuation approaches required
2. Need for formal market or H&B Use analysis
3. Consideration of special studies

B. Jurisdictional Framework

1. Statutes and regulatory definitions (e.g., "Market Value")
2. Role of case law and legal precedent
3. Admissibility of appraisal in legal proceedings

C. Practical and Cost Considerations

1. Case complexity vs. budget
2. When to expand or limit scope of work

VI. Reviewing for USPAP Compliance

A. Internal Review Process

1. Full report review
2. Use of a standardized checklist
3. Comparison with underlying workfile

B. Key Inventory Points

1. Which valuation approaches were applied or excluded?
2. Comparable data used:
 - a. Land Sales
 - b. Improved Property Sales
 - c. Rental Data
3. Adjustment methodology
 - a. Dollar or percentage-based
4. Additional supporting data:
 - a. Replacement Cost New
 - b. Operating Expenses
 - c. Capitalization Rate Sources

C. USPAP Standard 2-2(a) Checklist

1. USPAP 2-2(a) Items i–ix
 - a. Client identity
 - b. Intended use and users
 - c. Real estate identification and interest
 - d. Definition and source of value
 - e. Effective and report dates

- f. Scope of work summary
- g. Disclosure of significant assistance
- 2. USPAP 2-2(a) Item x
 - a. Summary of methods
 - b. Excluded approaches
 - c. Subject property sales history
 - d. Final opinion of value
 - e. Summary of analysis and reconciliation
- 3. USPAP 2-2(a) Items xi–xiv
 - a. Use of property (current and appraised)
 - b. Highest and best use (H&B) opinion
 - c. Supporting rationale for H&B use
 - d. Assumptions and hypothetical conditions
 - e. Signed certification

VII. Questions and Answers

Abstract

Appraisal Standards & Assignment Conditions

Shawn Wilson

195 words

Have you ever watched a testifying appraiser struggle to prove that his report meets published professional standards? Ever had trouble pinning down the opposing expert's report deficiencies? Every case needs a USPAP expert. If you are the de facto appraisal reviewer for your litigation team, the best candidate for the post might be you.

This presentation will demystify USPAP and give you solid tools for communicating with your expert. You will learn the thirteen most important pages in USPAP, and the two essential words that apply to every written appraisal report.

USPAP contemplates input from the client, so I'll suggest some important jurisdictional and legal questions that your expert needs to discuss with you before they start work. We'll also cover USPAP scope of work and record-keeping rules, so that you can convey your assignment expectations with greater clarity. To wrap up, I will point you to a USPAP review checklist to help you and your expert make sure that the bases have been covered.

If you teach your expert these litigation-specific USPAP concepts, you will be more likely to get a USPAP-compliant appraisal report, and experience better outcomes during discovery, deposition, and cross examination.