

APPRAISER ETIQUETTE 101

By Ray Boss and TJ McCarthy

All appraisers should conduct themselves in a professional manner when completing an appraisal assignment. Consider the following practical advice:

PRE-INSPECTION

- 1. Call the contact/borrower within the first 24 hours of receiving the assignment. When contacting, make sure you are in a place where there are no distractions. Filter out background noise during the conversation.**
- 2. When calling, identify yourself and the lender/client you are representing to the contact/borrower immediately.**
- 3. If you have any difficulty with the initial contact, (i.e. the borrower is not cooperative, bad phone number), contact the Lender/Client immediately for assistance.**
- 4. Ask the contact/borrower all the necessary questions to assist you in selecting sales and listing data to bring with you into the field. Also remember to ask if they have a copy of a survey, recent tax bill, any documentation that would have a full legal description and any other information that would assist you; plans, specs, permits, variances, special assessment data, etc.**
- 5. This would also be a good time to notify the contact/borrower that you will be taking interior photos of the property if they are required as part of the scope of work...no people in the pictures please.**

THE INSPECTION

- 1. Always arrive on time. If you are running late, call the contact/ borrower.**
- 2. Dress professionally. This means no jeans, t-shirts, shorts, or gym shoes. Remember your appearance reflects either positively or negatively toward you and your client. In many instances, the appraiser may be the only person during the entire lending transaction the borrower meets. The contact/borrower will make mental notes of things like inappropriate attire, which could come back to haunt you, especially if they don't like your value conclusion.**
- 3. Cell Phones: If you have any safety concerns when you make your inspection, take your cell phone with you. Leave the phone on, but silence the ringer. Avoid accepting personal phone calls or texting during the inspection.**
- 4. Do not bring friends and family members along for the ride and never allow them to accompany you through the property...this isn't "show and tell" week. Not only is this unprofessional but it will also present an obvious distraction. The contact/borrower needs to know they have your complete attention. If you are supervising a trainee appraiser, make sure you introduce the appraiser to the homeowner.**

5. When meeting the contact/borrower state who you are and who you represent. Have an ID ready to present to the contact/borrower.
6. Do your inspection in a professional manner, being courteous and cheerful, but never discuss value.
7. Remember to always ask if there have been any improvements made to the property recently.
8. Perform a thorough inspection...measure the improvements, (don't rely solely on surveys and assessors records for measurements or GLA), open every door, test mechanicals, and take plenty of photos – especially if there are repair issues. The most common complaint we have all heard at least one time in our career is “the appraiser flew through my house in five minutes”. Take your time. I like to even politely apologize at the end of the inspection for taking too much time so they will remember that the time complaint is now off the table.
9. When done, thank the contact/borrower for their cooperation. You may want to ask them if they have any further questions before you leave. This would also be a good time to ask them if you can contact them after the inspection if you need any additional information.
10. Never perform an inspection unescorted when the property is vacant and personal property is present.
11. Never inspect a property when only minors and no adults are present.

POST INSPECTION

- 1.) Complete the assignment in a timely fashion. You will always remember more about an assignment right after you performed the inspection as opposed to a week later.
- 2.) Notify the Lender Client if the assignment will be delayed and the reason; waiting for zoning information, the management agent is not returning your calls, the contact/borrower forgot to mention there was a second house on the property and you will need additional time to gather and drive revised sales data, etc.
- 3.) Run Spell Check.
- 4.) Run automated reviewer if your software has this feature.
- 5.) Have policies in place in your office that assists in reviewing the report for technical errors.
- 6.) Make sure all appropriate addenda are attached to the report prior to delivery/transmission.
- 7.) If the underwriter found an error, omission or requires extra data, complete the request in a timely manner, as long as the request would not cause you to violate USPAP or any other provision of your state licensing law and rules.
- 8.) Disclose in the Certification the name(s) of anyone providing significant real property appraisal assistance, unless they are also signing the certification. Remember, detailed disclosure of their assistance is required in the report in accordance with Standards Rule 2-2 (a), (b) or (c)(vii) as applicable.

9.) Should anyone other than the lender/client contact you with questions about the appraisal assignment, kindly direct them back to the lender/client as the contact point for any appraisal related issues.

We have all had situations where an underwriter asks us for something that isn't normally part of the scope of work for a particular assignment. As professional appraisers it is our job to help educate the users of appraisals whenever possible. Many appraisers get upset and angry when asked to do extra work, especially when they know it is not a requirement or a guideline of the assignment. It takes a lot less energy to simply email the underwriter, Realtor, processor, AMC, etc. the requirement or guidelines so in the future they STOP ASKING for unnecessary information. The ICAP website is a great source for this type of information, especially their Links page.

Remember that neither the report nor the client drive the process. Be careful not to insert verbiage provided by a lender or an AMC that could cause the report to become potentially misleading. Be careful when a lender or AMC tries to provide you with different comparables (which always seem to have higher sales prices than those you included in the original appraisal). The appraiser makes the determination when a sale is a comparable, not the lender/client.

Finally, don't be afraid to file a complaint with the appropriate state agency state if you believe a lender/client or AMC is pressuring you for a value or is asking you to do something that would be a violation of State law