

December 7, 2011

Dear State Appraiser Regulator:

As I'm sure you are aware, the Appraisal Practices Board of The Appraisal Foundation recently released its first Exposure Drafts on "*Adjusting Comparable Sales for Seller Concessions*" and "*Residential Appraising in Declining Markets.*" The Appraisal Institute's comments on the two Exposure Drafts are attached for your review.

Our comment letters raise concerns with the **voluntary** guidance being interpreted by state regulators, who are charged with enforcing USPAP, as being the only acceptable methods and techniques that may be used to solve specific appraisal problems. On these concerns, we would like to assist state regulatory officials to improve the investigation and enforcement processes. In our comments on the first two Exposure Drafts, we affirmed that a credible appraisal assignment result does not lend itself to a step-by-step, by-the-numbers, how-to guidebook. Instead, what is required is that the practitioner is sufficiently trained and understands the process that is appropriate to the specific appraisal assignment. For many appraisal problems, there is more than one solution. Credibility requires rigorous research and analysis, as for every rule there is an exception.

We send this letter to invite state appraiser regulators to access the Appraisal Institute's Y.T. and Louise Lee Lum Library to assist them with research and information gathering. The Lum Library is an electronic collection of more than 70 years worth of books, articles, papers, proceedings, newsletters, etc., on real estate valuation-related topics. Included are Appraisal Institute publications, course materials, articles in real estate academic journals and trade publications (including the *Appraisal Journal*), and an extensive amount of additional reference material. In addition, staff of the Lum Library are available to answer reference requests from state regulators on real estate appraisal topics. Whether you need information on the valuation process, appraising special-purpose properties, questions on methodology or additional resources, the Lum Library staff can meet your need for specialized information and research. In addition to the Lum Library, we encourage state regulators to consult with a local Appraisal Institute designated appraiser when you have questions or when you need research regarding local market issues.

Access to the Lum Library is available to all government employees at no charge. We encourage state regulators to utilize the Appraisal Institute's body of knowledge that is contained in the Lum Library as you conduct your investigations and perform your enforcement-related responsibilities.

JCM Memo to State Regulators

December 7, 2011

Page - 2 -

For a free demonstration of the wealth of knowledge contained in the Lum Library, or to obtain a user name and password to access the Lum Library, please contact Eric Goodman at (312) 335-4490 or egoodman@appraisalinstitute.org.

Sincerely,

A handwritten signature in black ink that reads "Joseph C. Magdziarz". The signature is written in a cursive style with a long, sweeping horizontal line extending from the end of the name.

Joseph C. Magdziarz, MAI, SRA
2011 President

Attachments (2)