

Table of Contents

Overview	v
Course Schedule	ix

SECTION 1

Part 1. Professional Practice Overview

Preview Part 1	1
Ethics	3
Professional Practice Requirements for Designated Members, Candidates for Designation, Practicing Affiliates, and Affiliates	5
Common Business Practice Issues	10
Review of Part 1	19

Part 2. Use of the Appraisal Institute Logo, Membership Designations, and Emblems: Regulation No. 5

Preview Part 2	21
Overview	23
Affiliates	25
Practicing Affiliates	26
Candidates for Designation	27
Designated Members	30
Use of Emblems and Logo	34
Review Part 2	39

Part 3. Code of Professional Ethics of the Appraisal Institute

Preview Part 3	41
Overview	43
Canons	46
Discussion Questions	50
Review of Part 3	71

SECTION 2

Part 4. Peer Review: Regulation No. 6

Preview Part 4	73
Overview	75
Summary of the Peer Review Process	83
How to Make a Referral	84
Frequently Asked Questions	85
Review Part 4	89

Part 5. Common Errors and Issues

Preview Part 5	91
Ethical Dilemmas	93
Discussion Questions	95
Common Errors Noted in Reports Submitted for Screening	121
Guide Notes to the Standards of Professional Appraisal Practice of the Appraisal Institute	130
Review Part 5	133

APPENDIX

The Appraisal Institute (Overview)	137
Appraisal Institute Historical Timeline	149
Trademark Usage Manual for the Appraisal Institute	153

Overview

Course Description

Business Practices and Ethics is a significant course in the Appraisal Institute's curriculum. Appraisers who belong to the Appraisal Institute must adhere to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, including various regulations, in an increasingly complex business environment. This course is designed to familiarize participants with the obligations of a professional appraiser and the obligations and benefits of belonging to the Appraisal Institute.

Interactive discussion questions and examples give participants the opportunity to review ethical rules and professional standards. The course also provides a venue for participants to share ideas about best business practices in light of the ethical requirements placed upon them as professionals and the ever-changing nature of the real property valuation business.

The course begins with a discussion of professional practice requirements and an overview of the Code of Professional Ethics of the Appraisal Institute. Discussion questions build on the principles explored in previous parts and in that manner illustrate how those principles are codified in the Appraisal Institute's standards and ethics documents. In addition, an overview of the organization's peer review process is provided along with a list of frequently asked questions and answers. The course concludes with a discussion of business practices and information about common reporting and methodology errors. Discussion questions on these topics allow ample opportunity for participants to explore the issues and share suggestions.

Learning Enhancements

The course has been designed with a variety of elements to enhance your learning experience.

- **Preview.** To give you a taste of what is to come, you will find a *Preview* page that begins each Part. Included on the *Preview* page is a brief overview of the content, learning objectives to consider as you move through the part, and learning tips that will assist you in understanding the information you're about to learn.
- **Learning Objectives.** Each learning objective covers essential information you need to know to fully understand the concepts in the course. Look them over before the Part begins so that you have a frame of reference as you move through the material. At the end of each Part, reread the objectives. Are you able to do what is stated? If not, this is the time to ask your instructor for help. Or review the concepts that you do not understand.

- **Examples, Problems, and Discussion Questions.** Supplementing the discussions, we've included examples, problems, and discussion questions to help you visualize and practice what you are learning.
- **Review.** Each Part concludes with a review. Included in the review are the learning objectives and key terms and concepts that have been covered. Also, we've provided recommended readings from textbooks that will reinforce what you have learned in class.
- **Quick Quizzes.** Throughout the material are short quizzes and questions to help you practice what you have learned. The instructor will go over these quizzes and provide the suggested solutions. Completing the true/false questions, fill-in-the-blanks, or multiple-choice questions without referring back to the material will tell you whether or not you really know the information that was covered in that Part. Be sure to ask questions if you need clarification on any of the issues presented.

USPAP References

All references to the Uniform Standards of Professional Appraisal Practice (USPAP) are taken from the 2014-2015 edition (Washington, D.C.: The Appraisal Foundation).

Classroom Guidelines

To make the course a positive experience for everyone attending, please follow these guidelines when class is in session.

- 100 attendance is required. No exceptions.
- Limit use of computers and wireless devices to classroom projects.
- Communicate with business associates during break time instead of class time.
- Put away reading materials such as newspapers and books that are not used in class.
- Please silence cell phones.
- Please do not record the lectures. Recordings are not permitted.
- Refrain from using *any* tobacco product in class.
- Refrain from ongoing conversations with those seated near you and other distracting behavior.

General Information

- **Breaks.** There will be two 10-minute breaks during the morning session and two 10-minute breaks during the afternoon session unless noted otherwise by the course sponsor. The lunch break is one hour.
- **Attendance sheets** will be distributed during class to verify your attendance during the morning and afternoon sessions.
- **Certificates of completion** will be mailed after completion of the course, and attendance during the entire course is required.

Course Materials

- Course Handbook
- Solutions Booklet
- Common Errors Supplement
- A link will be provided to the following materials during the registration process: Code of Professional Ethics of the Appraisal Institute, Standards of Valuation Practice (SVP), Certification Standard of the Appraisal Institute, Guide Notes to the Appraisal Institute Standards of Professional Appraisal Practice, and Appraisal Institute Summary of Regulation No. 6. These supplement the Course Handbook.

Note. As of January 1, 2015, the Appraisal Institute's Standards of Professional Appraisal Practice are composed of the

- Standards of Valuation Practice, promulgated by the Appraisal Institute, and the Certification Standard of the Appraisal Institute

or

- Applicable national or international standards and the Certification Standard of the Appraisal Institute

Recommended Textbooks

- *The Appraisal of Real Estate*, 14th ed., (Chicago: Appraisal Institute, 2013)
- *The Dictionary of Real Estate Appraisal*, 5th ed., (Chicago: Appraisal Institute, 2010)