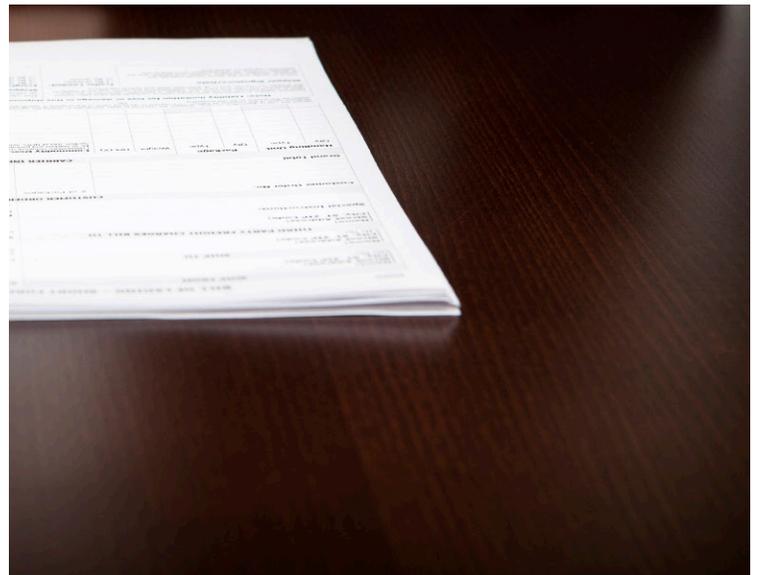


Guide Note 3

The Use of Form Appraisal Reports for Residential Property



Introduction

Most residential appraisal assignments require a report on one of the approved forms used in the secondary mortgage market or by the employee-relocation industry. Use of such forms does not lessen or change the appraiser's obligation to observe the requirements of the Standards of Professional Appraisal Practice. If a proposed appraisal assignment cannot

be completed in accordance with the appraisal development and reporting requirements of the Standards of Professional Appraisal Practice and the Certification Standard and Code of Professional Ethics of the Appraisal Institute, the assignment must not be accepted.

GUIDE NOTE 3

Basis for Proper Evaluation

When using any form report, or signing a form report as a reviewer, it is the responsibility of the appraiser and the reviewer to ensure that the appropriate methods and techniques have been properly employed. Appropriate addenda must be added when additional information is required to complete the appraisal report in accordance with Standard 2 of USPAP.

Highest and best use appears on most forms merely as a box to be checked because the use of the form itself is a statement of highest and best use. Unless a detailed explanation is added to clarify, it is inappropriate to use a single-family dwelling report form if the appraiser concludes that the highest and best use of the property is a different use.

Summary of Standard Practices

1. Consider the intended use, purpose, definitions, assumptions, conditions, and limitations that are inherent in the form report used for a residential appraisal (USPAP SR 1-2 (a) through (h)).
2. Sign an appraisal report as a reviewer only when accepting full responsibility for the contents of the report (USPAP SR 2-3 and Standard 3).
3. Analyze and report any prior sales of the property being appraised within three years of the date of the appraisal USPAP SR 2-2(a)(ix), 2-2(b)(x), and 2-2(c)(ix).

(Please Note: The purpose of the Guide Notes to the Standards of Professional Appraisal Practice is to provide Members, Candidates, Practicing Affiliates and Affiliates with guidance as to how the requirements of the Standards may apply in specific situations.)

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