

# Kirchmeyer Klips

"A publication for people in the mortgage industry"

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The main purpose of our website is for our existing clients to get 24/7 access to statuses on their open appraisals.

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January 2004

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Issue #65

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## Re-assigning an Appraisal from Client A to Client B

Changing the lender/client name on an appraisal is not as easy as typing over the original lender's name on the saved digital report and sending it to the new client. USPAP (Uniform Standards of Professional Appraisal Practice) prevents appraisers from doing so. Before we discuss why, let's look at an alternative not many of our clients are aware of.

If the original appraisal was prepared for a federally related institution (Client A), and the new Client B is a federally related institution, then no change is required on the appraisal. Client B can use the appraisal with Client A's name on it. The lender does not have to call the appraiser to get the appraisal report changed.

Let's look at an example: Client A hires KA (Kirchmeyer & Assoc) to complete an appraisal for a mortgage loan. Client A decides not to lend the money for any number of reasons. The borrower then goes to Client B with a copy of the appraisal. Client B calls KA and asks that the appraisal be done in their name. "Just change the lender to Client B and e-mail it to me...it will take you 2 seconds."

That would take us 2 seconds, but we cannot do it that way. USPAP notes that the identification of the client and the intended use are key elements in an appraisal assignment and they drive the appraiser's scope of work decision. The client must be determined at the time of assignment and cannot be modified after the assignment has been completed.

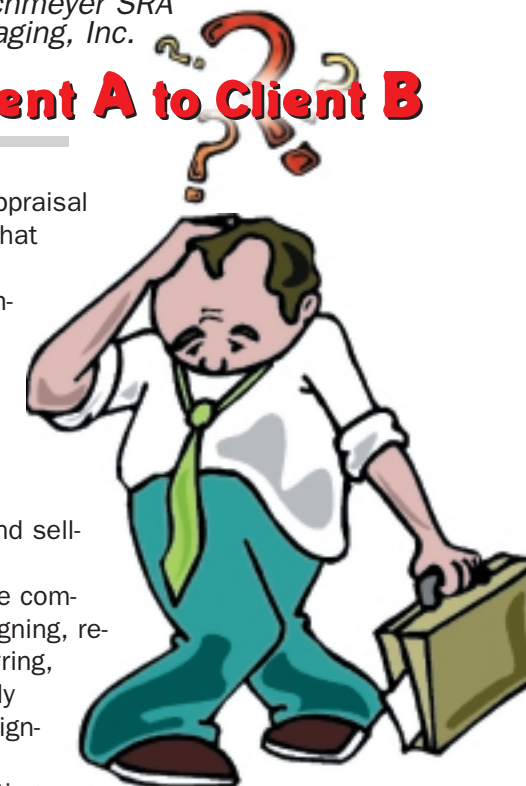
As a matter of good business practice, KA will typically call the previous client and request a release before accepting the new assignment. USPAP does not require this. An appraiser can accept the new assignment no matter how long from the original inspection

date the previous appraisal was completed or what the purpose was.

There are a few common sense exceptions to this rule such as appraising a property for litigation reasons (confidentiality) or for a prospective buyer and seller.

These requests are commonly called re-assigning, re-addressing, transferring, etc. They are actually considered new assignments. If the same appraiser is completing this new assignment, it can be completed as a retrospective appraisal (new order date is after previous inspection date) at a reduced fee. The fee will depend on the amount of work necessary to complete the 'new assignment'. It will also depend on what the client requires, which is always discussed with the client prior to accepting the order.

In conclusion, re-addressing an appraisal is not as simple as changing the lender on a completed appraisal and e-mailing the new client the same appraisal with their name on it instead of the original lender's name. The majority of these requests can be taken care of as long as we, the appraiser, follow the guidance of USPAP and complete the request as a new assignment.



# California files first do-not-call lawsuit

## Inman News Features

In Issue #62 of Kirchmeyer Klips (Oct 2003), we ran a news story about the mortgage industry and their concern over the new do-not-call and do-not-fax rules. Here is an important update.

The California Attorney General has filed a civil complaint against a home improvement company that placed commercial phone calls to the state's consumers who had registered their phone numbers on the national do-not-call list. The lawsuit is believed to be the first filed in the country against a company for phoning numbers on the Federal Trade Commission's registry, which went into effect last month.



Filed in U.S. District Court in San Francisco, the complaint alleges that Hayward, Calif.-based American Home Craft Inc., a licensed contractor, violated the federal Telephone Consumer Protection Act by placing telemarketing calls to California phone numbers listed on the FTC's Do Not Call Registry. The complaint also alleges American Home Craft violated state law by engaging in unfair competition.

The investigation by the Attorney General's office also revealed American Home Craft never attempted to purchase the do-not-call registry. Since September 1, the registry has been available for businesses to purchase so that they can remove from their internal marketing lists all phone numbers that are registered on the national list. Because businesses were given 30 days to scrub their lists of registered phone numbers, the federal law was scheduled to go into effect on October 1. However, a court order temporarily shut the program down. As a result, the Attorney General's office and the FTC are focusing on violations that were committed on or after October 17.

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**For information about the fines imposed on this company, awards to Californians affected, and to read this entire article in full, please visit [www.kirchmeyer.com](http://www.kirchmeyer.com) and click on Current KA News.**

# DID YOU KNOW?

## Q: Are appraisers required to analyze prior sales of the subject property being appraised?

A: Yes, per USPAP, the appraiser must analyze all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal; and analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.

## Q: What is a retrospective appraisal?

A: 99% of the time, an appraiser inspects a property and values it as of the day he or she inspected it. A retrospective appraisal is an opinion of value that is likely to have applied as of a specified historic date. A retrospective value opinion is most frequently sought in connection with appraisals for estate tax, condemnation, inheritance tax, and similar purposes. We often do these type of appraisals for insurance claims. For example, a house burns down and the insurance company offers the owner a settlement that he or she may not agree to. What was the property worth the day before the fire? Sometimes the appraiser doesn't step in until 6 months later and is asked to arrive at an opinion of market value pre-fire.

## Q: How long must appraisers retain their workfiles and reports?

A: Appraisers must retain their appraisal reports and all workfiles at least 5 years after completion of the assignment or at least 2 years after final

disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever expires last. These files do not have to be paper copies. Digital copies are acceptable.

## Q: How far does Kirchmeyer go for an appraisal?

A: We complete appraisals in all 50 states and all US territories such as the US Virgin Islands, Guam, etc. We have 4 brick and mortar offices throughout the country with staff appraisers and in all other areas, we use only the highest qualified subcontractor appraisers. We approve the appraiser, monitor their license, E&O, quality and service so that we can provide you, the

client, the quick turntimes and top quality you expect from us.

## Q: Why are appraisal fees always changing?

A: Actually, appraisal fees have remained almost the same for over the past 15 years! We have set fee schedules with most of our major clients but in some areas of the country, we must quote a different fee because of the location, type of property, lack of appraisers in an area, etc. Some areas of the country are busier than others so turntime estimates may also vary. What you expect for a turntime in Buffalo, NY may not be the norm in the mountains of Vermont.

How do appraisers define Rural-Suburban-Urban?

If you stand naked on the front porch and the neighbors can see you...  
*it's rural.*

If you stand naked on the front porch and the neighbors call the cops on you...  
*it's suburban.*

If you stand naked on the front porch and the neighbors ignore you...  
*it's urban.*

This seems to work in most instances we've come across.  
Of course there's always exceptions.

## Employee spotlight



Andrew Bastedo

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**POSITION:** Team Leader – Quality Control Dept.

**JOB DUTIES:** Andy's very important job is making sure our appraisals comply with USPAP and are of top quality before they are e-mailed to our clients. He corresponds daily with lenders and appraisers on a wide variety of report issues. Assisting other QC team members and staff with appraisal-related questions is also a priority.

When not at work, Andy enjoys:

Spending time with his wife  
Collecting baseball, football and basketball cards  
Remodeling his home  
Cross Country Skiing  
Playing softball in the summer

