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TO: Appraisal Standards Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005
<https://www.surveymonkey.com/r/ASBComments>

RE: Third Exposure Draft of Proposed Changes for the 2022-23 edition of USPAP

Ladies and Gentlemen-

The National Association of Appraisers (NAA) has reviewed the proposed changes for the 2022-23 edition of the Uniform Standards of Professional Appraisal Practice Standards issued October 1st, 2020, and respectfully submits the following comments for your consideration.

Section 1: New Requirement for including Inspections in Scope of Work Reporting

Given that the Scope of Work Rule's Disclosure section requires disclosure of research and any inspections, NAA believes it is unnecessary to expand the reporting Standards (e.g., Standards Rule 2-2(a)(viii) and corresponding sections) to the degree proposed in lines 1-10 of the Draft. However, we acknowledge the value of linking the requirements and propose less-cumbersome modification to Standards Rule 2-2(a)(viii) and corresponding sections, to recognize and enhance flexibility and responsibility in appraisal practice:

(viii) summarize the scope of work used to develop the appraisal, including but not limited to the extent of research and the extent of, and party(ies) performing, any inspection(s).

We understand the important of research and inspections, and their disclosure, but the Draft's proposed wording implies they are mutually exclusive, which is not the case. For example, the Draft's proposed reporting Standards might allow for no disclosure of how information was collected if an inspection occurred, which could result in the issuance of reports that were not clear or meaningful (routinely, appraisers collect additional information outside of an inspection).

Further, we believe that the certification element related to an inspection has lasted beyond its usefulness, considering the Scope of Work Rule's Disclosure section and the reporting Standards. Modifying the certification as proposed in the Draft (to simply refer the user back to the body of the report) adds no meaning to the certification and sets a faulty precedent of including no- or limited-meaning content in the certification.

Existing software and form pages (such as those that use a pre-printed check box to indicate an inspection) would not be endangered, since removing the required certification element would not prohibit true and correct statements (e.g., whether an inspection was performed) from being made in a report.

Section 2: Other Reporting Requirements for STANDARDS 2, 8, and 10

NAA generally supports the proposed changes in Section 2 of the exposure draft, however, we encourage the Board to revisit the topic of a single reporting option. The level of data provided under a single reporting standard should be tied to the intended use and the intended user and has no impact on appraisal development standards.

Section 3: Proposed Revision to Two Sentences of the PREAMBLE

NAA supports revisions to the PREAMBLE in order to emphasize the distinction between development and reporting.

Section 4: Proposed Changes to the Certification Language, Clarifications about Signing the Certification

Please see NAA comments in Section 1 above.

Section 5: Disclosure Obligations section of the SCOPE OF WORK RULE

NAA supports the proposed revision and rationale in the SCOPE OF WORK RULE.

Section 6: DEFINITIONS

NAA once again applauds the removal of the definition of MISLEADING and supports proposed changes to the remaining definitions in the third exposure draft.

Section 7: Other Edits to Improve Clarity of USPAP

NAA supports the rationale and proposed edits noted in Section 7 of the third exposure draft.

Section 8: Style Updates to Pronoun Usage

NAA has no objections to the administrative language changes proposed in Section 8.

NAA sincerely appreciates the opportunity to provide feedback on this exposure draft and your consideration of our input.

Sincerely,

Bryan Reynolds, MNAA
President, National Association of Appraisers