October 13, 2016

Margaret Hambleton, Chair
Appraisal Standards Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005

Re: Comments on 2nd Exposure Draft, 2018-2019 USPAP

The National Association of Appraisers applauds the efforts of the Appraisal Standards Board in studiously identifying areas within USPAP which may be clarified and/or modified and proposing thoughtful and clear amendments.

NAA also appreciates the opportunity to review the proposals and to provide comments on behalf of the membership. The NAA comments are submitted as attachment and it is respectfully requested that the Board give appropriate weight to these suggestions and finds them worthy of consideration.

Sincerely,

John T. Dingeman, MNAA
NAA President
Section 1
The NAA supports the proposed change to the definition of *Report* and the associated edits to the Ethics and Record Keeping Rules. We recognize the potential for abuse, but consider it marginal at best. The individual appraiser remains in control of the decision of when a draft report is warranted. Other communication can make this clear. An AO or a FAQ providing examples of when preliminary communication is ethical and when it is not will explain the issue for both appraisers and users of appraisal services. We especially like the new language at lines 73-76. Overall, this change benefits all stakeholders.

Section 2
The NAA supports these changes with some reservations. Some clarification should be made that Intended Use and Intended User, like the Scope of Work, are decisions made by the appraiser based on communication with the client. They are components of the first step of the Appraisal Process (Define the Problem). A professional appraiser must ensure that his/her Intended Use and Intended Users are reasonable in the context of the assignment. Like SOW, a client-generated Intended Use and/or Intended User(s) is/are only acceptable if it/they allow(s) development of credible assignment results.

- At line 104 we recommend removing the language, “during the assignment.”
- At lines 120 and 121, it should be clarified that Competency is required as of the *Report Date* rather than as of the *Effective Date*.

Section 3
The NAA supports these changes with one suggestion.

- At line 123, we recommend removing the “no reason to doubt” language. By definition, an assumption contains doubt.

Section 4
The NAA supports these changes with minor changes.

- At line 135, *(noun)* should be removed. It is not necessary.
- At lines 137-138, remove *(adjective)* of or pertaining to an opinion about the quality of another appraiser’s work that was performed as part of an appraisal or appraisal review assignment. We cannot think of a circumstance where Appraisal Review can be used as an adjective.
- At lines 314-319, this language is extraneous. Strike or move to line 300.

Section 5
The NAA supports the proposed changes with one suggestion.

- At lines 519-521. Use of Market Value would not represent a Jurisdictional Exception, because the USPAP does not specify the use of any specific definition of value.

Section 6
The NAA supports these changes.
Section 7
The NAA supports these changes.

Section 8
The NAA supports these changes. We appreciate the decision to maintain and update AO 18 and adding AO 37.

- Lines 1220-1222 lack relevance within the context of this AO.
- Line 1377. In order to avoid confusion with the three approaches to value, we recommend changing approaches to tool or methodology.
- Lines 1380-1383. While accurate, it seems strange to have these issues appear in the summary when they are not addressed in the body of the AO.

Section 9
The NAA supports these changes.

Section 10
The NAA supports these changes.

Section 11
The NAA supports these changes.