



American Society of Appraisers

**Principles of Appraisal Practice
and
Code of Ethics**

[v072523]

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FOREWORD

In a Society, which not only permits but also encourages the private ownership of productive property and one, which also engages in large and multitudinous public works, there appears, on every hand, a necessity for the appraisal of property. In fact, property appraisals are used throughout the economic, governmental, legal, and social activities of such a society.

As the vocation of property appraisal has developed during past decades from a business occupation into a profession, certain concepts have emerged and become clear. The word "property" is now given to physical things and also to the legal rights of ownership of tangible or intangible entities. Appraising is now considered to encompass three classes of operations, namely,

- The estimation of the cost of producing or replacing physical property,
- The forecasting of the monetary earning power of certain classes of property,
- The valuation or determination of the worth of property.

Because of the specialized knowledge and abilities required of the appraiser which are not possessed by the layperson, there has now come to be established a fiduciary relationship between him/her and those who are the intended users of his/her findings.

The American Society of Appraisers ("Society") occupies a unique position among professional appraisal societies in that it recognizes and is concerned with all classes of property: real, personal, tangible, and intangible, including real estate, machinery and equipment, buildings and other structures, furnishings, works of art, natural resources, public utilities, gems and jewelry, investment securities, and so forth. It is also unique in that it recognizes the threefold character of the appraisal function.

The necessity for a set of authoritative principles and a code of professional ethics, broad enough to cover all classes of property as well as the complexities of the various appraisal procedures, is a pressing one. Previous statements of principles have dealt almost exclusively with real estate. Existing codes of ethics are, in large measure, couched in such general moralistic terms that they are impractical for specific application.

Violation of any provision or rule of the Code should not give rise to a civil cause of action and should not create any presumption or evidence that a legal duty has been breached nor should it create any special relationship between the appraiser or any other person. This Code is designed to provide guidance to appraisers and to provide a structure for regulating conduct of members of the Society through disciplinary actions. Violations of the Code are not designed or intended to be the basis of any civil liability.

To meet the need for a comprehensive set of guidance and for a specific code of ethics, the Society has prepared and presents herewith *The Principles of Appraisal Practice and Code of Ethics* of the American Society of Appraisers. All members and candidates of the Society, designated or not, are obligated to follow the guidance contained in this document. This document shall be used in conjunction with the Society's *Constitution, Bylaws and Administrative Rules*, as amended from time to time.

American Society of Appraisers

Principles of Appraisal Practice and Code of Ethics

Revised July 25, 2023

Revised November 18, 2020

Revised June 2015

Revised April 2010

Revised January 2010

Revised January 1994

Authorized June 1968

1 Introduction

1.1 Membership Composition of the American Society of Appraisers

The American Society of Appraisers is a professional organization of individuals. Each of its members who has demonstrated, to the satisfaction of the Society, that he/she is qualified to appraise one or more of the existing kinds of property, has been granted the right to use the identification and appropriate designation: “Member of the American Society of Appraisers”; Accredited Member, Accredited Senior Appraiser, and Fellow Accredited Senior Appraiser as authorized by the Board of Governors.

1.2 Definition of “Appraisal Practice” and “Property”

1.21 The term appraisal practice, as defined by the Society, applies to any of the following operations, singly and/or in combination, these operations being executed within a framework of general principles of technical procedure and personal conduct:

- Develop a credible opinion of the value of property on the basis of research and analysis according to current professional methodology
- Forecasting of the earning power of property;
- Estimation of the cost of property;
- Production of a new property
- Replacement of an existing property by purchase or production of an equivalent property;
- Reproduction of an existing property by purchase or production of an identical property.
- Determining non-monetary benefits or characteristics that contribute to value.
- The rendering of judgments as to age, remaining life, condition, quality, or authenticity of physical property, amenities; an estimate of the amount of a natural resource, population increase, nature of market, rate of absorption, etc.

1.3 Purpose of Promulgating the Principles of Appraisal Practice and Code of Ethics

The Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers are promulgated to:

1.31 Inform those who use the services of appraisers what constitutes competent and ethical appraisal practice;

1.32 Serve as a guide to its own members in achieving competency in appraisal practice and in adhering to ethical standards;

1.33 Aid in the accomplishment of the mandate of the Society, which includes:

- Fostering appraisal education,
- Improvement and development of appraisal techniques,
- Encouragement of sound professional practices.
- Establishment of criteria of sound performance for use of employers of staff appraisers,
- Enforcement of ethical conduct and practice by its members;

1.34 Provide means, auxiliary to those used in examining applicants for admission to the grades of Member, Senior Member, and Fellow of the Society, for judging their skill, competence, and understanding of ethical principles;

1.35 Epitomize those appraisal practices that experience has found to be effective in protecting the public against exploitation.

2 OBJECTIVES OF APPRAISAL WORK

2.1 Various Kinds of Objectives of Appraisal Work

An appraisal is undertaken for one or more of several objectives, namely: to develop an opinion of value of a property; to estimate the cost of producing, acquiring, altering, or completing a property; to estimate the monetary amount of damages to a property; and to forecast the monetary earning power of a property. In specific instances, the work may have additional objectives, such as: the formulation of conclusions and recommendations or the presentations of alternatives (and their consequences) for the client's actions.

2.2 Objective Character of the Results of an Appraisal Undertaking

The primary objective of a monetary appraisal is development of a numerical result, either as a range or most probable point magnitude—the dollar amount of a value, the dollar amount of an estimated cost, and the dollar amount of an estimated earning power. This numerical result must be developed objectively and without bias. It is unrelated to the desires, wishes, or needs of the client who engages the appraiser to perform the work.

3 Appraiser's Primary Duty and Responsibility

The appraiser's duty and responsibility, in each subject case, is twofold.

3.1 Appraiser's Obligation to Develop and Describe the Appropriate Type of Value or Estimated Cost

Since there are several types of value and several types of cost estimates, each of which has a legitimate place as the end point of the appraisal assignment, it is the appraiser's obligation to ascertain which one of these is pertinent to the particular assignment. For example, if the appraiser is performing an appraisal for estate tax purposes, the standard / type of value is fair market value based on the Code of Federal Regulations. Frequently, the standard / type of value is determined by law. Other times, it may be determined on the basis of the client's instructions. Ultimately, the selection of the appropriate standard / type of value or estimated cost is the appraiser's sole responsibility. It is his/her obligation fully to explain and describe what is meant by the particular value or cost estimate which he/she has developed, in order to eliminate misunderstanding and to prevent unwitting or deliberate misapplication. For example, an appraisal assignment which calls for the development of the replacement cost of a merchant's inventory of goods, for insurance coverage, would not be properly discharged by an appraisal of its retail market value; and an assignment which calls for the development of the current market value of a multi-tenant office building leasehold estate, would not be properly discharged by a development of the depreciated new cost of replacement of the improvements.

3.2 Appraiser's Obligation to Develop a Value Conclusion and Opinions with Whatever Degree of Accuracy Required for the Appraisal Assignment

It is the appraiser's obligation to develop the appropriate and applicable credible conclusion and opinions with as high a degree of accuracy as the particular objectives of the appraisal assignment necessitate.

3.3 Appraiser's Obligation to Avoid Giving a False Conclusion and Opinions

The appraiser has every obligation to avoid providing a false value conclusion and opinions. The value conclusion and opinions of an appraisal may be false for one of two reasons: they could be false because they are a grossly inaccurate estimate of the appropriate type of value or cost estimate, or they could be false, even though numerically accurate, because they are an estimate of an inappropriate type of value or cost estimate.

Comment: There are instances that may arise where the appraiser performs research about a property and others perform different research and reach a different conclusion about the value. It is important to note that as long as the appraiser has followed generally accepted valuation standards and procedures, and documents his/her work accordingly, he/she will be considered to be in compliance with this section of this document, if all else is equal.

3.4 Appraiser's Obligation to Attain Competency and to Practice Ethically

In order to meet his/her obligations, the appraiser must be competent in his/her field. This competency is attained by education, training, study, practice, and experience. He/she must also recognize, understand, and abide by those ethical principles

3.5 Professional Character of Appraisal Practice

The members of the Society are engaged in a professional activity. A profession is based on an organized body of specific knowledge, not possessed by laypersons. It is of such a character that it requires education and training and considerable expenditure of time and effort to acquire it and to become adept in its application. An appraiser's client relies on the appraiser's professional knowledge, judgment and abilities to whatever extent may be necessary to accomplish the assignment.

3.6 Appraisers' Responsibility to Third Parties

The appraisal report must clearly state all intended users, including any third parties, who shall be able to rely on the findings and conclusions in the appraisal report.

4—Appraiser’s Obligation to His / Her Client

The appraiser's primary obligation to his/her client is to reach complete, accurate, and credible conclusions and numerical results regardless of the client's wishes or instructions in this regard. The relationship between client and appraiser is not one of principal and agent. However, the appraiser's obligation to his/her client goes somewhat beyond this primary obligation. These secondary obligations are set forth in the following sections.

4.1 Confidential Character of an Appraisal Engagement

The fact that an appraiser has been employed to make an appraisal is a confidential matter. In some instances, the very fact of employment may be information that a client, whether private or a public agency, prefers for valid reasons to keep confidential. Knowledge by outsiders of the fact of employment of an appraiser may jeopardize a client's proposed enterprise or transaction. Therefore, it is imperative that the client be made aware that the *Uniform Standards of Professional Appraisal Practice* (USPAP) requires full disclosure by the appraiser, both to the new client prior to the acceptance of an assignment and within the certification of the appraisal report of his/her involvement in any capacity with the subject property within the past three years.

Comment: Members of the Society, in following appropriate professional standards, are obligated to keep confidential all matters relating to the appraisal assignment for a set period of time, unless ordered by a court of competent and appropriate jurisdiction or made available for peer review.

4.2 Appraiser’s Obligation to Give Competent Service

It is not proper for an appraiser to accept an assignment to make an appraisal of property of a type he is not qualified to appraise or in a field outside his Society membership classification, unless (a) he/she fully acquaints the client with the limitations of his/her qualifications or (b) he/she associates himself/herself with another appraiser or appraisers who possess the required qualifications.

As a corollary to the above principle, the Society declares that it is unethical for an appraiser to claim or imply that he/she has professional qualifications, which he/she does not possess, or to state his qualifications in a form, which may be subject to erroneous interpretation (See Sec. 7.8)

Comment: An important part of providing competent service to a client is to fulfill the obligations associated with an assignment on a timely basis. Clients need to be made aware of delays or reasons an appraisal is not or cannot be completed within the agreed upon time frame. Should the client agree to use another appraiser to complete the assignment, the appraiser should make appropriate arrangements to assist in the transition to another appraiser and attempt to reach a reasonable agreement with the client regarding fees.

4.3 Appraiser’s Obligation to Giving Testimony

When an appraiser is engaged by one of the parties in a controversy, it is the appraiser's obligation to present the data, analysis, and value without bias, regardless of the effect of such unbiased presentation on his/her client's case. (Also, see Sec. 7.5)

Comment: Frequently, an appraiser may be called upon to provide rebuttal services in a litigation assignment. It is perfectly acceptable for the appraiser to rebut the work product of another appraiser, as long as it is done in a manner that is objective, honest, and supported. It is not acceptable to comment about the appraiser, only the work product.

4.4 Appraiser's Obligation to Document Appraisal Testimony

When an appraiser accepts an assignment to perform an appraisal assignment, or to testify as to value of property before a court of law, regulatory authority or such other judicial/ quasi-judicial forum, the appraiser shall document and substantiate all conclusions reached regardless of whether a written or oral report is provided as part of the assignment.

Comment: Testimony is frequently required as part of a litigation or regulatory hearing. This is considered to be an oral report that may or may not be preceded by a written report. In certain legal proceeding, the appraiser may be asked by the client's legal counsel to not write a report. The adversarial system provides an adequate mechanism to allow for cross-examination of the appraiser. Therefore, in those situations, the rules of the jurisdiction will determine whether or not the appraiser must provide a written report. However, whether or not a written report is provided, the appraiser must document his/her files with all of the necessary support to backup the conclusions reached. Although a report may not have to be prepared for these types of assignments, the appraiser is required to follow all other standards regarding the development of his/her opinions and conclusions.

4.5 Appraiser's Obligation Relative to Serving More than One Client in the Same Matter

When two or more potential clients seek an appraiser's services with respect to the same property or with respect to the same legal action, the appraiser may not properly serve more than one, except with the consent of all parties.

Comment: It is good practice for the appraiser to have both clients sign a conflict waiver as part of the written contract for services to avoid a problem later on. The appraiser should be careful not to allow services to be rendered that place the appraiser in a situation where that service will assist one client at the expense of another client. For example, an accountant/appraiser that performs certain forensic accounting procedures as part of the appraisal to uncover unreported income based on one client's allegations will put the appraiser in a position against the party that the unreported income allegations are against.

4.6 Agreements and Contracts for Appraisal Services

It is good practice to have a written contract between the appraiser and client, covering objectives and scope of work, time of delivery of report, and amount of fees. In certain circumstances, it may be desirable to include in the appraisal service contract a statement covering the objective character of appraisal findings and a statement that the appraiser cannot act as an advocate or negotiator.

5—Appraiser’s Obligation to Other Appraisers and to the Society

5.1 Protection of Professional Reputation of Other Appraisers

It is unethical for an appraiser to injure, or attempt to injure, by false or malicious statements or by innuendo the professional reputation or prospects of any appraiser.

5.2 Appraiser’s Obligation Relative to Society’s Disciplinary Actions

A member of the Society, having knowledge of an act by another member, which, in his/her opinion, is in violation of the ethical principles incorporated in the *Principles of Appraisal Practice and Code of Ethics* of the Society, has the obligation to report the matter in accordance with the procedure specified in the Constitution, Bylaws and Administrative Rules.

It is the appraiser's obligation to cooperate with the Society and its officers in all matters, including investigation, censure, discipline, or dismissal of members who are charged with violation of the *Principles of Appraisal Practice and Code of Ethics* of the Society.

6—Appraisal Methods and Practices

6.1 Various Types of Value

The Society recognizes that different kinds of property and appraisal assignments may have different types of value depending on the facts and circumstances of the property at a particular point in time. Good professional practice requires that the appraiser describe in sufficient detail, in each case, the nature and meaning of the specific value that he or she is concluding.

Comment: It is good practice for the appraiser to include the standard/type/basis of value and its definition in the appraisal contract with the client. It is not unusual for the standard/type/basis of value to be changed in certain types of assignments requiring the appraiser to perform additional services for which he/she will expect to be paid. By having the standard/type/basis of value in the contract, such a change would require a change to the contract providing the appraiser with the opportunity to modify the fee for additional time spent. It will also avoid a misunderstanding with the client later on.

6.2 Selection of Appraisal Method

Decisions relating to the scope of work are the sole responsibility of the appraiser in accordance with current professional standards.

6.3 Contingent and Limiting Conditions Affecting an Appraisal

The credibility of the appraiser's conclusions may be contingent upon the validity of the appraiser's outside sources. It is proper for the appraiser to rely upon and use such material provided (1) he/she states in his/her report that he/she has done so, (2) he/she stands ready to make his/her sources and/or the material itself available for any required verification, and (3) he/she does not pass to others the responsibility for matters that are, or should be, within the scope of his/her own professional knowledge.

If an appraiser is supplied with information that he/she knows or suspects is incorrect, it is considered unacceptable to merely use the information and try to hide behind a limiting condition.

It is considered to be the obligation of the appraiser to make certain that other appraisals that may be relied upon in the performance of his/her appraisal services are consistent with the intended use of the report.

This section is not intended to make the appraiser responsible for another person's work product.

6.4 An Appraisal Prepared using a Hypothetical Condition

An appraisal prepared using a hypothetical condition is based on assumed conditions which are contrary to fact or which are improbable of realization or consummation. There are legitimate uses for appraisals prepared using a hypothetical condition, providing (1) the value is clearly labeled as hypothetical (2) the legitimate purpose for which the appraisal was made is stated, and (3) the conditions which were assumed contrary to fact are set forth.

6.5 Appraisals in Which Access to Pertinent Data is Denied; Appraisals prepared using Extraordinary Assumptions

Situations may occur in which data that the appraiser considers pertinent to the making of a valid appraisal are in existence but access to them is denied to the appraiser, either by the client or some other party. The appraiser should decide if he/she should:

1. Place a scope of work restriction paragraph in the appraisal highlighting the fact that he/she was restricted from obtaining certain records that could alter his/her opinion;
2. Determine a possible work-around for the missing documentation;
3. Resign from the assignment.

If the scope of work is so limited that the appraiser cannot reach a credible conclusion, he/she must decline or withdraw from the assignment.

Comment: It is good practice to include a voluntary withdrawal provision in the appraisal-services contract in the event that the appraiser decides to resign from the assignment. The appraiser wants to be able to resign, if need be, without consequences.

6.6 Ranges of Value or Estimated Cost and Reliability Estimates

Some appraisal assignments call for the development of a probable range of value or estimated cost, either with or without a collateral statement of the most probable figure within that range. The conclusion of the opinion of value for some appraisal assignments may be a range of value or estimate of cost.

6.7 Values or Estimated Costs under Different Hypotheses

The objective of an appraisal assignment may be the conclusion of different values or different cost estimates based on different hypotheses. It is entirely within the scope of good appraisal practice to give such differing numerical results, provided the appraiser adheres to the principles set forth in Sec. 3.1 and Sec. 6.5.

6.8 Inspection, Investigation, Analysis, and Description of Subject Property

The valuation of a property is a procedure based on an analysis of all the characteristics of the property which contribute to or detract from its value; good appraisal practice requires that the appraiser's inspection, investigation, and study be thorough enough to uncover all of the pertinent characteristics.

Good appraisal practice requires that the description of the property, tangible or intangible, which is the subject of a valuation, cover adequately (a) identification of the property (b) statement of the legal rights and restrictions comprised in the ownership, and (c) the characteristics of the property which contribute to or detract from its value, including its physical condition

In general, the legal rights of the ownership of chattels are obvious and need not be stated; but, in the case of real property, statements of zoning restrictions, building codes, easements, leases, etc., are essential elements of the description. It is understood, however, that the legal rights of

the ownership of an interest in real property are matters of legal, not appraisal, opinion, and that the appraiser discharges his obligations in this regard by stating the sources of these data. (See Sec. 6.4) In the case of intangible properties (patents, contracts, franchises, etc.) the documentary provisions not only define what the property is, they also set forth the legal rights and descriptions.

6.9 Collaboration Between Appraisers and Utilization of the Services of Members of Other Professions

Collaboration between appraisers is desirable, in some situations, to expedite the completion of work and, in other situations, to obtain the benefits of combined judgment or combined data. Such collaboration is entirely proper providing all the collaborators sign a joint report. If there are dissenting opinions, these dissenting opinions are required to be made a part of the report.

In some cases, the nature of the appraisal assignment calls for special professional knowledge and abilities in addition to those possessed by the appraiser. In such an instance, it is both necessary and proper for the appraiser to employ other appraisers and/or members of other professions to obtain data and derive conclusions relative to specific parts of the work. The principal appraiser builds his final conclusions, in part, on these contributions, taking responsibility for the final result but subject to the validity of the underlying or constituent contributions. (See Sec. 6.4)

Comment: Business appraisers frequently rely on appraisers from other disciplines to value the underlying tangible assets of a business. This is not only considered to be normal, but it is preferable. If the underlying assets of a business appraisal are significant, it may be necessary to have the underlying assets separately appraised.

7—Unethical and Unprofessional Appraisal Practices

The principles of appraisal practice given in Sec. 6 relate to the primary objective of an appraisal assignment, namely the development of the appropriate value conclusion with that degree of accuracy required by the attendant circumstances, whereas the principles given in this section (Sec. 7) relate to the establishment and maintenance of the confidence of clients and other interested parties in the validity of the results of appraisal assignments.

7.1 Contingency Fees

It is considered unethical for an appraiser to accept an appraisal assignment for which compensation is contingent upon: 1) the value conclusion or outcome of an appraisal assignment (including a court settlement); or 2) an outcome specified by a client, etc.

7.2 Percentage Fees

Professional fees based on a percentage of value are unethical unless there is a juridical exception.

7.3 Disinterested Appraisals

An appraiser shall disclose any present or contemplated interest in the properties or properties appraised. This includes any relationships with family members, related parties and / or entities may have in the property appraised.

However, if a prospective client, after full disclosure by the appraiser of his/her present or contemplated future interest in the subject property, still desires to have the appraiser do the work, the latter may properly accept the engagement provided he/she discloses the nature and extent of his/her interest in his/her appraisal report.

Comment: This is considered another situation that should be contained in the appraisal-service contract with the client to avoid any misunderstanding at a later date. The appraiser does not want to be placed in the situation where the client fails to acknowledge at a later date that the appraiser informed the client of the lack of independence or conflict.

7.4 Responsibility Connected with Signatures to Appraisal Reports

The client or intended user of an appraisal report, before placing reliance on its conclusions, is entitled to assume that the party signing (by hand or electronically) the report is responsible for the findings, either because he/she did the work himself/herself or because the work was done under his/her supervision.

In cases where two or more appraisers are employed to prepare a joint report, the client or intended user is entitled to assume that, if all of them sign it, they are jointly and severally responsible for the validity of all of the findings therein; and, if all do not sign, he/she has a right to know what the dissenting opinions are, if any.

It is unethical (a) to misrepresent who performed an appraisal by appending the signature of any person who neither did the work himself/herself nor had the work done under his/her supervision, (b) in the case of a joint report to omit any signatures or any dissenting opinions, (c) in case two or more appraisers have collaborated in an appraisal undertaking, for them, or any of them, to issue separate appraisal reports, and (d) in case two or more appraisers have

been engaged by a single client to make independent appraisals of the same property, for them to collaborate or consult with one another or make use of each other's findings or conclusions..

An appraisal firm or corporation (this can also be a partnership, limited liability company, etc.) may properly use a corporate signature (by hand or electronically) with the signature of a responsible officer thereof. But the person who actually did the appraisal for the corporation must either sign the required certification contained in the appraisal report or the report must acknowledge the person(s) who actually were materially responsible for the appraisal.

7.5 Advocacy

It is unethical for an appraiser to act as an advocate for anything or anyone other than his/her own value conclusion, regardless of the circumstance or situation as the appraiser and appraisal will lack credibility.

7.6 Unconsidered Opinions and Preliminary Reports

If an appraiser gives an opinion as to the value, earning power, or estimated cost of a property without having ascertained and weighed all of the pertinent facts, such opinion, except by an extraordinary coincidence, will be inaccurate. The giving of such offhand opinions tends to belittle the importance of inspection, investigation, and analysis in appraisal procedure and lessens the confidence with which the results of good appraisal practice are received, and therefore the Society declares the giving of hasty and unconsidered opinions to be unprofessional.

If an appraiser makes a preliminary report without including a statement to the effect that it is preliminary and that the figures given are subject to refinement or change when the final report is completed, there is the possibility that some user of the report, being under the impression that it is a final and completed report, will accord the figures a degree of accuracy and reliability they do not possess. The results of such misplaced confidence could be damaging to the reputation of professional appraisers, generally, as well as of the appraiser concerned. To obviate this possibility, the Society declares it to be unprofessional appraisal practice to omit a proper limiting and qualifying statement in a preliminary report.

7.7 Advertising and Solicitation

It is not unethical to advertise the availability of appraisal services. It is unethical to use any inaccurate, misleading, false or deceptive claim, promise or representation in connection with any advertisement. Any advertising of professional appraisal services shall be truthful and in accordance with the Administrative Rule I. It is unethical to do the following:

- Misrepresent in any way one's connection or affiliation with the ASA or any other organization;
- Misrepresent one's background, education, training or expertise;
- Misrepresent services available or an appraiser's prior or current service to any client;
- Misrepresent the identity of any client in any public disclosure (except when required by court order) or for the purpose of advertising, without the express written permission of such client;
- Represent, guarantee or imply that a particular appraisal, estimate of value or result of

- an engagement will be tailored or adjusted to any particular use or conclusion; and
- Use any professional Designation without having successfully completed the requirements for use of such Designation, including such testing, certification, and recertification requirements as applicable.

7.8 Use of Membership Designations

The Constitution, Bylaws and Administrative Rules of the Society establish three professional grades of membership, namely, Member, Senior Member, and Fellow. (An Affiliate or Candidate does not hold a professional grade of membership in the Society.) The designation "AM", meaning Accredited Member, may be used in the grade of a Member. The designation "ASA", meaning Accredited Senior Appraiser, may be used only in the grade of Senior Member, except those Senior Members certified in the classification of Real Property Residential (1-4 Units) who use the designation "ASA Residential." The designation "FASA" may be used only by Fellows. Society declares that it is unethical for a member to claim or imply that he/she holds a higher degree of membership than he/she has attained.

7.9 Non-Discrimination

While providing any valuation or consulting services, individual members shall not, either partially or completely, base their conclusion(s) nor the manner in which they provide such service, on the race, color, religion, creed, gender, gender expression, age, national origin, disability, marital status, sexual orientation, familial status, employment status or military status of the client nor any other service-related party as prohibited by law.

8—Appraisal Reports

The standards for all disciplines preparing appraisal reports shall be in accordance with the current professional standards unless required by law, regulation or agreement.

8.1 Appraisers Responsibility to Communicate Each Analysis, Opinion and Conclusion in a Manner that is not Misleading

Administrative Rule IV, Section 1, states 1. Members practicing in the United States, individually and collectively, shall observe the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by The Appraisal Foundation. 2. Members practicing outside the United States shall observe either USPAP, International Valuation Standards (IVS) as promulgated by the International Valuation Standards Council (IVSC), or a comparable set of country-specific standards (e.g., the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) as promulgated by Appraisal Institute of Canada).

USPAP and CUSPAP require that each report include a signed certification. Such certifications may not be required under other standards, such as IVS. Nonetheless, Members preparing reports under a standard other than USPAP or CUSPAP are required to state in each report, "I hereby certify that, to the best of my knowledge and belief, the statements of fact contained in this report are true and correct, and this report has been prepared in conformity with the [applicable standards that were followed] and the *Principles of Appraisal Practice and Code of Ethics* of the American Society of Appraisers."

Comment: For instance, a Member preparing a report under IVS would state, "I hereby certify that, to the best of my knowledge and belief, the statements of fact contained in this report are true and correct, and this report has been prepared in conformity with the *International Valuation Standards* promulgated by the International Valuation Standards Committee and the *Principles of Appraisal Practice and Code of Ethics* of the American Society of Appraisers."

Discipline specific standards shall be followed by all members of the Society that work in that specific discipline.

8.2 Mandatory Recreditation Statement

All Designated appraisers shall state in each report "The American Society of Appraisers has a mandatory recreditation program for all of its Designated Members. 'I am' or 'I am not' in compliance with that program."

9—Cause for Disciplinary Action by the American Society of Appraisers

Disciplinary action against the members of the Society is taken in the event of violations of specific provisions of the American Society of Appraisers' *Constitution, Bylaws and Administrative Rules* or of its *Principles of Appraisal Practice and the Code of Ethics* incorporated therein. Such actions are under the jurisdiction of the International President, the International Ethics Committee, and the Board of Governors. Violations fall under six categories:

Principles of Appraisal Practice and Code of Ethics

1. Deviations from good appraisal practice
2. Failure to fulfill obligations and responsibilities
3. Unprofessional conduct
4. Unethical conduct
5. Conviction in any judicial tribunal of a) any felony or b) any misdemeanor for which the maximum penalty is three (3) years in jail or more regardless of the actual sentence imposed or c) any misdemeanor involving honesty or veracity, i.e., involving theft or false statement regardless of the actual sentence imposed.
6. Any unlawful, illegal or immoral conduct (even if not convicted in a judicial tribunal) which would bring disrepute to the appraisal profession or to the American Society of Appraisers.

After due investigation, the Board of Governors may take action in the form of suggestion, censure, suspension, or expulsion. The expelled member will be required to surrender his/her Certificate, membership pin, and other evidences of his/her membership after its termination.