

# ASA MTS CANDIDATE REPORT REVIEW CHECKLIST

## *Basic Report Requirements and General Report Quality*

### INSTRUCTIONS

This checklist offers convenient criteria to help Candidates evaluate the MTS appraisal report they submit to the Board of Examiners as part of the ASA advancement procedure. The examiner will use the checklist to review the Candidate's report work product. We believe that this checklist provides reasonable guidelines of the standard elements that should be in an acceptable appraisal report.

In order to successfully meet the report review criteria, one appraisal report must be submitted. *Candidates whose employers' policies do not allow them to write complete narrative appraisal reports, may submit demonstration reports that are based on actual appraisal assignments.* These "demonstration reports" must be identified as such and include an explanation as to which portions of the submitted report differs from what was received by the client and why. Additionally, a demonstration report must meet all requirements of an actual report.

Not all components on the checklist are required or appropriate for every appraisal report. This checklist is applicable **only** to the ASA advancement process and is **not** intended to be used for any other purpose. For purposes of demonstrating their appraisal expertise, Candidates should select appraisals that address as many items on this checklist as possible. If an item is applicable to a report, but not included (such as a Jurisdictional Exception), the Candidate should submit a detailed explanation under separate cover. Additionally, insurance reports will need to use depreciated replacement, not replacement cost only because as stated in the MTS Accreditation Guide, "pricing is not necessarily appraising". Furthermore, if assets schedules are the listings relied upon for the appraisal and a limited description summary conclusion is all that is reported, a sample of the assets lists with adjustments should be provided.

The commentary section at the end of the checklist is a place where you may provide additional information on issues of importance which you would like the examiner(s) to be aware of as he/she reviews your report. This checklist was developed in accordance with **Standard 8** of the **Uniform Standards of Professional Appraisal Practice (USPAP)**. The items are referenced [see bracket] to the corresponding subsections of USPAP. Please note that certain items are identified as "pass/fail" items. For ASA accreditation purposes, any report that fails to pass one of these items will be immediately rejected regardless of the quality of the rest of the report.

# CANDIDATE CHECKLIST

Report  
Page

## 1.0 IDENTIFICATION

- |   |   |       |  |
|---|---|-------|--|
| — | — | _____ | 1.1 <b>Pass/Fail</b> – Identity of client and intended users by name or type [8.2i]  |
| — | — | _____ | 1.2 <b>Pass/Fail</b> – Property to be appraised [8.2iii]   |
| — | — | _____ | 1.3 <b>Significant</b> – Rights or interest in the property to be appraised (e.g. free and clear, leasehold, fractional) [8.2iv] |
| — | — | _____ | 1.4 <b>Material</b> – Basic company description of products and/or services  |

## 2.0 STATEMENT OF OBJECTIVES

- |   |   |       |  |
|---|---|-------|--|
| — | — | _____ | 2.1 <b>Pass/Fail</b> - Describe the scope of work, i.e., the approach(es) used, research and analyses performed etc.[8.2vii] |
| — | — | _____ | 2.2 <b>Pass/Fail</b> – Effective valuation date [8.2vi]  |
| — | — | _____ | 2.3 <b>Pass/Fail</b> – Date report prepared [8.2vi]  |
| — | — | _____ | 2.4 <b>Pass/Fail</b> – Purpose clearly stated [8.2ii]  |
| — | — | _____ | 2.5 <b>Pass/Fail</b> – Definition and source or authority for the value provided [8.2v]                                      |
| — | — | _____ | 2.6 <b>Significant</b> – Premise of value appropriate for the stated use of the appraisal [8.2]                              |

## 3.0 APPRAISAL METHODOLOGY

- |   |   |       |  |
|---|---|-------|--|
| — | — | _____ | 3.1 <b>Significant</b> – Identification of any sources used as the basis for the appraisal (e.g., Depreciation schedules, lease exhibits, asset lists) |
| — | — | _____ | 3.2 <b>Material</b> – Details of any site visits   |

- — — 3.3 **Significant** – Discussion about the condition of the Assets
- — — 3.4 **Pass/Fail** – Income approach described and explained [8.2viii]
- — — 3.5 **Pass/Fail** – Market approach described and explained [8.2viii].
- — — 3.6 **Pass/Fail** – Cost approach described and explained [8.2viii]
- — — 3.7 **Critical** – Explanation for not using an approach [8.2viii]
- — — 3.8 **Significant** – Are the approaches used appropriate for the type of property and for the stated purpose of the report?

**4.0 APPRAISER’S QUALIFICATIONS**

- — — 4.1 **Critical** – Demonstrated experience and professional involvement
- — — 4.2 **Significant** – Professional Qualifications or Curriculum Vitae

**5.0 APPRAISER’S CERTIFICATION [8.3]**

- — — 5.1 **Pass/Fail** –Appraiser’s signed statement of disinterest [8.2vii]
- — — 5.2 **Pass/Fail** – Performed in conformance with USPAP
- — — 5.3 **Pass/Fail** – Includes statement that compensation was not contingent on value reported or on any predetermined value
- — — 5.4 **Pass/Fail** – Includes statement that no person other than Those identified had any significant professional input [8.2vii]

— — \_\_\_\_\_ 5.5 **Pass/Fail** – Includes statement that, to the best of the appraiser’s knowledge, all statements are true and correct

— — \_\_\_\_\_ 5.6 **Pass/Fail**- The subject assets have been appraised in the prior three (3) years.

**6.0 STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

— — \_\_\_\_\_ 6.1 **Pass/Fail** – Statement included that the opinion of value is **only** for the stated valuation date [8.2vi, 8.2viii]

— — \_\_\_\_\_ 6.2 **Pass/Fail** – Statement included that the opinion of value is **only** for the stated purpose [8.2vi, 8.2viii]

— — \_\_\_\_\_ 6.3 **Material** – Statement included listing reliance on data supplied by others without independent verification

— — \_\_\_\_\_ 6.4 **Significant** – Are the listed assumptions and limiting conditions appropriate for the engagement?

— — \_\_\_\_\_ 6.5 **Significant** – Where applicable, state all extraordinary assumptions and hypothetical conditions and how their use might affect the results of the assignment [8.2x]

**7.0 OVERALL**

— — \_\_\_\_\_ 7.1 **Critical** – Is the report understandable to the reader?

— — \_\_\_\_\_ 7.2 **Significant & Critical**– Is there replicability? Could another competent appraiser follow the thought process leading to the conclusion (not necessarily agree, but be able to understand how it was formed). Does the report logically provide convincing support for the conclusion(s) reached?

— — \_\_\_\_\_ 7.3 **Significant** – Is the appraisal methodology appropriate for the purpose of the appraisal?

— — \_\_\_\_\_ 7.4 **Material** – Is the report internally consistent (e.g., nothing in one place that seems to contradict something somewhere else)?

— — \_\_\_\_\_ 7.5 **Significant** – No obvious omissions were found in the Report

