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October 17, 2016

Ms. Margaret Hambleton, Chair
Appraisal Standards Board
The Appraisal Foundation

Dear Ms. Hambleton:

Re: Exposure Draft No. 2 for USPAP 2018-2019

On behalf of the Personal Property Committee, I welcome this opportunity to review this exposure draft and to provide here some comments with respect to the changes proposed in this exposure draft for USPAP 2018-2019. My comments are as follows:

Section 1: The clarification of definition of written report and oral report is clear and concise. The proposed changes with respect to preliminary or draft communications and completed appraisal reports provides specific and clear guidance to both appraisers and their clients. These proposed changes confirm that the development of an appraisal does not change whether it is a written or oral report.

I support the proposed changes with respect to the Record Keeping Rule as it affords clarity as well as necessary protection to the appraiser and any intended user, particularly in a litigious situation or assignment. The explicit requirements for the workfile are important for the appraiser to know and understand regardless of the type of report that is presented to the client (i.e. Appraisal Report, Restricted Appraisal Report and Oral Report).

Section 2: The suggested changes to the definitions of Assignment, Intended Use and Intended User will provide appraisers with a certain amount of flexibility when changes are made by the client, who may or may not have an appreciation what these changes may have on the assignment.

As well, the proposed changes in language with respect to Competency are appropriate and clear.

Section 3: Within our experience, the greatest confusion amongst appraisers lies with these two definitions “assumptions” and “extraordinary assumption”. The proposed changes bring welcomed clarity that will assist appraisers in understanding the differences between these two important terms of “assumption” and “extraordinary assumption”.

Section 4: I support the proposed changes to Standard 3 and to dividing it into two standards that recognizes respectively the development and communication of an appraisal review report. It is important that this particular valuation service is subject to the same rigour as that of the other appraisal disciplines.

Section 5: Personal property appraisers will refer to Standard 6 when valuing a large quantity of items, such as an artist’s estate, archives, photographic prints and negatives, etc. The decision to split this standard into two standards (development and communication) will be most welcomed by those appraisers who seek such guidance. And while Standard 6 refers to both Real Property as well as Personal Property appraisers, please note the emphasis with these changes remains with the real property appraisers.

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Section 6: The proposed removal of the term “market value” is a welcomed suggestion. For many personal property appraisers, such a term was often confusing. This particular change, I believe, more closely reflects the practice of our members, where they are retained to conclude a number of different types of value, including market value.

There is one aspect of this proposed change that I wish to caution the AQB about. During the course of an assignment, an appraiser will certainly request information such as “agreements of sale, third party offers, validated offers, and any other such documentation that he/she wishes to have), however obtaining such information or documentation during the normal course of business is not always possible. Many such sources are independent third parties who refuse to share such information, or may only provide it verbally. May I suggest that the inclusion of the words “where available” ‘in the normal course of business’ will assist appraisers as well as recognize the realities of soliciting such information.

Section 7: The proposed change respecting signatures in the Certification for Standard 8 codifies practice within the community, whereby more than one appraiser with specific area of expertise will sign off on an assignment that includes many property types. This change also speaks to the ability of appraisers to participate in large complex assignments as well emphasizing the competency requirement for each assignment and each appraiser.

Section 8: We appreciate that AO37 specifically refers to the use by real property appraisers of computer generated models and other market data analyses, however personal property appraisers may also want to seek such guidance as it pertains to them regarding the use of such tools.

Section 9: There may be some confusion as to how one reads the new proposed chart of valuation services and appraisal practice in AO21. It may be useful to clarify that the chart is read vertically and not horizontally.

Section 10: The committee supports the proposed changes to AO31.

On behalf of the Personal Property Committee, I appreciate this opportunity to respond to these proposed changes for USPAP 2018-2019. If there are any further questions or need for clarification please do not hesitate to let me know.

Yours sincerely,



Edith Yeomans, FASA
Chair, Personal Property Committee



Susan Golashovsky, ASA
International President