

# THE IOWA APPRAISER

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MAY 2020

IOWA DIVISION OF BANKING  
IOWA REAL ESTATE APPRAISER EXAMINING BOARD

## A Letter From The Editor

The last few months have been a whirlwind. I hope everyone and their family and friends are safe and sound. I know it's been a rough few months, especially for all the appraisers in Iowa. Not only are you worried about your health and safety in general terms, but you also have the added burden of safety and compliance concerns regarding interior inspections. And to top it all off, the amount of work needing to be completed is astronomical!

The Board's office stayed open, although visitor traffic was halted for the most part. Many of the staff have been diligently working from home and only going into the office once or twice a week. Hopefully you didn't see an interruption to our service or responses to your inquiries.

The Board held its first electronic meeting, via Zoom, on March 26, 2020. It was significantly better than a standard conference call and gave us a

chance to still see everyone. The April 30, 2020, Board Meeting was also held via Zoom. Thank you to all the public attendees and licensees who took time out of your day and joined one of the meetings.

James (Jim) Pooley, Vice Chair, ended his term with the Board on April 30. Jim has been an important part of the Board and served on many of the Board's committees, most notably, the Work Product Committee, where he shared his expertise and best practices with those getting their original certifications. I know I enjoyed working with Jim and wish him well in his career and future endeavors.

Jordan Maus, a certified general real property appraiser (license number CG03083), replaced Jim Pooley and began his term with the Board as of today. Jordan is based out of Davenport, Iowa. I know the Board and I look forward to

collaborating with Jordan throughout his term(s).

In March, I was busy creating video tutorials on the licensing system (DataPro). The videos can be found at the bottom of the Board's Home Page ([website](#)) or directly on our YouTube page by clicking [here](#). Two in particular might be helpful to those who already use the system: one is regarding an overview of the system and the other one shows you how to find your license card. This will be especially important since renewals are just around the corner.

Speaking of renewals, those who are on the even year cycle, typically last names beginning with the letters A-K, will be required to renew by June 30, 2020. Read the FAQ section on page 4 for more information and potential continuing education extension usage.

—Brandy March, CPM, MPA  
Executive Officer

**IDOB**anking  
Iowa Division of

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## Contact Information

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## Welcome New Appraisers Since February 1, 2020

### ASSOCIATE APPRAISER

Andersen, Nicholas AR03771  
Meyer, Jeffrey AG03772  
Miller, Allison AG03753  
Nowlin, Michelle AR03749  
O'Mara-Kelley, Jessica AR03770  
Ries, Allison AR03751  
Wellington, Cody AR03764

### INITIAL CERTIFICATION

Gettel, M. (Mary) CR03578  
Smith, Elliot CG03449

### RECIPROCITY

Bauer, Jordan CG03765  
Bohling, Jonathan CG03768  
Burgoyne, David CG03760  
Cox, Alton CR03761  
Graber, James CG03759

Grossa, Bradley CG03752  
Hamilton, Thomas CG03750  
Hector, Sean CG03755  
Kearley, Kenneth CR03762  
Kepchar, Andrew CG03747  
McNeilly, Joseph CG03757  
Middendorf, Sheila CR03758  
Miller, Michael CG03769  
Newman, Keith CG03766  
Olson, Mark CG03748  
Plock, Richard CG03754  
Rowles, Royce CG03767  
Russell, Michael CR03763  
Timmerman, Melissa CR03756

### REINSTATEMENTS/REACTIVATIONS

Wageman, Douglas CG02653

## Welcome AMC Registrants Since February 1, 2020

Fastapp Inc. 00121  
Incenter Appraisal Management LLC 00122



## Word From The Board



### A Message from Jim Pooley:

Serving on the Real Estate Appraiser Examining Board has been a very positive experience, and something I would like to do again. Our board is comprised of great people with diverse experience and perspectives. Sometimes, the issues we deal with and decisions we make are not easy, which is a testament to how important this board is to our profession. Protecting the public's best interest is fundamental. At the same time, supporting the best interest of the professional appraisers we serve is highly important too. It has been a pleasure to work with this group. I have learned a lot of good techniques from many of the appraisals I have reviewed. Discipline matters can be a challenge, but again something we all learn from.

The AARO conference provided a glimpse into the large scale perspective of the appraisal profession and the ever-changing challenges we face. Perhaps the most meaningful experiences are those where a candidate for licensure has surpassed all the requirements, and they get their wings. I will miss this group of people, but I am stepping down knowing I helped some people along the way. Thank you!

### COVID-19 Update:

The Board appointed a COVID-19 committee at its March 26, 2020, Board meeting. Members of this committee include Dan Fuhrmeister, Amanda Luscombe, and Shauna Gehring. The Committee is tasked with ensuring that appraisers have the most up-to-date information and access to changes within the industry as a result of COVID-19. With this in mind, the Board sent out guidance and information to all licensees regarding recent news, updates, and Board actions related to the COVID-19 pandemic in April. Any relevant news related to COVID-19, and its effect on an appraiser's practice, will be posted to the Board's home page of the website at: [www.idob.state.ia.us/reap](http://www.idob.state.ia.us/reap). Q&As are still being issued by The Appraisal Foundation regarding interior inspections, the most recent being published on April 24, 2020.

To recap the email sent out in April, new (temporary) guidance was issued by the GSEs. For instance, Fannie & Freddie Mac recently announced unprecedented changes to some appraisals. These include changing some products from 1004 interior appraisals to 2055 Exterior appraisals and the "new" 1004 Desktop version of a desktop appraisal in an effort to reduce contact in homes. The appraiser is still responsible for making sure there is enough information to develop a credible appraisal report. Appraisers cannot modify assignments or reports without specific authorization from the lender or client. Also, some loans may still require interior inspections. Appraisers **can** choose to do, or not do, assignments under the inspection guidelines, and per directives from your local community, state or federal government regarding travel and shelter-in-place orders. Some appraisers may not be able to do interior inspections at this time due to health reasons of their own or the health of occupants in the home. Appraisers need to be in communication with their clients about any health related, or scope of work related, issues with these assignments. As many states are planning to return to business as usual, the Board would like to remind appraisers across Iowa to be safe and follow CDC guidelines for COVID-19.

We encourage you to go to the links on the Board's website, if you have not done so already, and read about these new products and changes due to COVID-19. If you have questions, please feel free to reach out to the Board and we will try to help.

COVID-19 Committee

## Future Board Meetings

Board meeting times are subject to change. The public is welcome to attend at the Board office located at: 200 East Grand Ave, Suite 350 in Des Moines, IA 50309. Agendas can be found on the Board's website at: <https://www.idob.state.ia.us/REAP/> by clicking on "About the Board," "Board Meeting Schedule, Agendas and Minutes," and the year you wish to review.

Tuesday, May 26, 2020 at 9:30 am

Tuesday, June 23, 2020 at 12:00 pm

Tuesday, July 28, 2020 at 12:00 pm

## FAQ (Frequently Asked Questions) Renewals & COVID-19



### Questions Answers

**Q: When do the 2020 renewals start?**

A: The 2020 renewals will begin on Saturday, May 16, 2020.

**Q: Is there a limit on how many continuing education (CE) courses can be completed online?**

A: No, there is no limit. In Iowa, an appraiser may take all of their CE courses online, in-person or a combination of both. In fact, at this time, due to COVID-19, the Board is encouraging appraisers to complete any remaining CE requirements via distance learning.

**Q: Will there be an extension to the renewal deadline?**

A: No, renewal applications must still be submitted between May 16 and June 30, 2020. A registration or certification that expires on June 30, 2020, will lapse on July 1, 2020, if the licensee does not submit a complete renewal application prior to June 30.

**Q: I heard the Board might extend the date for which continuing education (CE) must be completed this renewal period. Is this true?**

A: Yes, granted certain criteria are met (refer to the [Proclamation Guidance](#) issued on April 6, 2020). 1) You had a COVID-19 related circumstance that prohibited you from obtaining the required CE prior to June 30, 2020, and you maintained documentation justifying the need (email stating a classroom course you were scheduled to complete was cancelled or a note from a physician documenting your incapacitation or similar circumstance). 2) You submitted your renewal application before the June 30, 2020 deadline. 3) You sent an email to the Board's Executive Officer at: [brandy.march@iowa.gov](mailto:brandy.march@iowa.gov) stating you are using the 90-Day Allowance. **NOTE:** Any CE taken during the 90-Day Allowance, which counts towards your 2020 renewal, may not be used towards your 2022 renewal.

**Q: Are there any extra continuing education requirements for people who submit a late renewal between July 1 and July 30?**

A: Yes, appraisers who renew between of July 1 and July 30, 2020, must show proof of 42 hours of continuing education. Additionally, the appraiser's license is considered lapsed from July 1 to the date the late renewal was fully processed. Therefore, the appraiser may not be eligible to appraise certain properties (such as an FRT) and cannot hold themselves out as an Iowa certified or registered appraiser during this time.

**Q: I need to complete a background check, but all the fingerprinting locations are closed? Do I have to wait to get my license?**

A: No, Governor Kim Reynolds issued a Proclamation of Disaster Emergency which provides relief by suspending (not waiving) various regulatory requirements. Refer to the [Proclamation Guidance](#) issued on April 6, 2020. If you are seeking your initial license and are required to undergo a background check and cannot obtain your fingerprints, you may still submit your application but are asked to include the following information: 1) a list of all the cities/states you've lived in since the age of 18. 2) An affidavit attesting to any and all prior criminal convictions. 3) Understand that you must submit, within 30 days of the expiration of the Proclamation, all fees, forms, waivers, and other documents necessary for the Board to complete the state and national background check. 4) Understand that you may be subject to disciplinary action, including revocation, if it is discovered that information provided was false, misleading, or calls into question public trust and safety.

**Q: What exactly is a late renewal?**

A: A late renewal is an application that was submitted within 30 days of the date the license lapsed. Instead of being required to reinstate or reactive your license, an appraiser may choose to submit a late renewal. Because the renewal was not submitted on time, there are some extra requirements the appraiser must comply with such as showing proof of 42 continuing education hours (instead of the normal 28) and paying a late renewal fee (25% of the license fee).



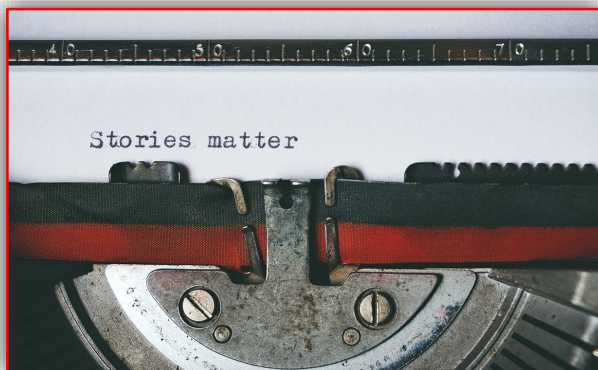


### [Drone Photography Q&A with Scott Anderson](#)

In an article by **realquantum**, Scott Anderson, a certified general appraiser who provides services through DataSource Appraisal and “aerial imaging services through Regent Aerial Imaging” in parts of Iowa and Illinois, answers questions about drone usage. Learn about the benefits to using a drone and obtain helpful tips in this write-up.

### [Getting Familiar with Drive-By and Desktop Appraisals](#)

In an article published in the Appraisal Buzz on March 30, 2020, Josh Walitt, Ernie Durbin, and Bob Murphy, who host a variety of webinars, provide insight and speak on drive-by appraisals. They offer tips on how to maintain compliance, especially in light of the pandemic and what this may mean for the future.



### [Bryan Reynolds on the New ANSI Square Footage Standard](#)

Bryan Reynolds, a certified USPAP instructor and member of the ANSI 2020 Consensus Committee, featured an article in the Appraisal Buzz on March 16, 2020, regarding the new ANSI Square Footage Standard. Reynolds talks about the different ways appraisers measure and the most commonly missed standards such as bay windows and sloped ceilings.

### [8 Common Violations Made by Appraisers](#)

Dan Bradley, Director of Online Appraisal Curriculum for McKissock Learning, posted an article with McKissock Learning on January 18, 2019, and it was republished by the Appraisal Buzz on February 3, 2020. The eight most common violations made by appraisers include unsupported site value, inappropriate sales and failure to disclose appraisal assistance to name a few.

### [Appraisal Institute Response to IAAO White Paper](#)

On March 31, 2020, the Appraisal Institute submitted a letter to Amy Rasmussen, President of IAAO in a response to IAAO's published white paper titled, “Setting the Record Straight on Fee Simple.” In this letter, the AI voiced concerns stating the paper was “conceptually flawed and factually inaccurate.”

## **Submit A Story**

We'd love to hear from you. If you have a story to submit, or are aware of something going on in the profession, let us know. Maybe you have an interesting story that pertains to the profession or one that would benefit our readers. Email Brandy March at: [brandy.march@iowa.gov](mailto:brandy.march@iowa.gov) with the subject line, Story Submission. Your story may be published in the next newsletter.

## Discipline (February 1, 2020 - April 30, 2020)

Since February 1, 2020, the Board has received ten (10) new complaints and has closed six (6) cases.

There were no public disciplinary actions taken which includes consent orders, suspensions or voluntary surrenders in lieu of discipline during this period. You can find existing consent orders on the Board's website at: <https://www.idob.state.ia.us/REAP/> and clicking on "Disciplinary Index" on the left side of the screen and performing a search by an individual's last name or by case number.



### Did You know...

The Appraisal Subcommittee (ASC) distributes a daily report to all state administrators on disciplinary actions taken on an appraiser. This report lists: the appraiser's name; license number of the state that issued the discipline; type of discipline; credentials held in other states, including that state's license number, even if it's no longer active. Iowa utilizes this report, along with other measures, to ensure that appraisers conform with Iowa Administrative Rules and Statutes.

The Board rules can be found at: <https://www.legis.iowa.gov/docs/iac/agency/193F.pdf>. Chapter seven (7) outlines the grounds pursuant to which disciplinary action may be instituted against certified and associate appraisers.

A licensee must report any revocation, suspension, or other disciplinary action taken by a licensing authority, in Iowa or any other jurisdiction, to the Board within 30 days of the final action. Because it says any licensing authority, it is not restricted to discipline on your appraisal licensee only and would include discipline to other licenses you may hold such as a salesperson, broker, architect or the like.

## Spotlight Interview— Jared Cuddeback (CG02773)

Meet Jared Cuddeback, a certified general real property appraiser, CG02773, in the Des Moines metro. Jared performs appraisal review services with Situs RERC. Jared started his appraisal career in 1999, right out of college. Jared likes to ask his peers why they entered the profession. He says his answer is the same as what he hears the most, which is that it was the first place to hire him. Being a review appraiser allows Jared to learn as well as teach. He says he's fortunate in that he gets to see a lot of different product in a variety of markets, which provides him with a great deal of learning opportunities. He says he's lucky enough to be able to share this knowledge with the company's tremendous, and still growing, staff. He plans to continue to learn and teach for a long time.

When asked what major changes he's seen since becoming an appraiser, Jared stated, "the increased availability of data, as well as technological advances, have certainly made the appraisal process more efficient; however, these advantages have substantially reduced appraisal fees." He went on to say that when he first started in the industry a typical fee for a CBD office building was around \$15,000. Today, he says it is more likely to be in the \$5,500 range. Although he never experienced it first hand, he has been told that in the 1980's the fees were \$40,000 or more for similar assignments. He also thinks that increased competition within the industry has also helped lead to fee erosion.

Jared enjoys working with different property types, appraisers, and asset managers. He says each property type is different and provides new learning opportunities. He likes to tell his less experienced coworkers that the appraisal business has a long learning curve, and while it's easy to become frustrated, things will eventually work out and start to click.

Jared graduated from the University of Northern Iowa real estate program. He is currently, actively involved on UNI's advisory council. Jared's parents met while they attended the University of Northern Iowa, and just like them, Jared and his wife met at UNI when they were both students. Jared is hopeful his daughter, Mia (age 12), and his son, Jay (age 10), will attend UNI when they are older. Jared is an avid college sports fan and he enjoys hunting when he can find the time.



Shown from left to right: Jared, his daughter, Mia, his son, Jay, and his wife, Beth.

## Compliance Corner (AO 2)

*This communication by the Appraisal Standards Board (ASB) does not establish new standards or interpret existing standards. Advisory Opinions are issued to illustrate the applicability of appraisal standards in specific situations and to offer advice from the ASB for the resolution of appraisal issues and problems.*

**SUBJECT: Inspection of Subject Property**

**APPLICATION: Real Property, Personal Property**

**THE ISSUE:**

For real property and personal property appraisal assignments, USPAP requires the report to contain a certification indicating whether the subject property was personally inspected by the appraiser(s).

- What is the purpose of inspecting the subject property?
- What constitutes a personal inspection?
- Does USPAP mandate a minimum level of property inspection?
- What are my obligations if I rely upon an inspection of the property performed by someone else?
- What are the disclosure obligations relating to inspection?

**ADVICE FROM THE ASB ON THE ISSUE:**

**Relevant USPAP & Advisory References:**

- DEFINITIONS, specifically the following:
  - PERSONAL INSPECTION: a physical observation performed to assist in identifying relevant property characteristics in a valuation service.  
  
*Comment:* An appraiser's inspection is typically limited to those things readily observable without the use of special testing or equipment. Appraisals of some types of property, such as gems and jewelry, may require the use of specialized equipment. An inspection by an appraiser is not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, home inspector, or art conservator).
- RELEVANT CHARACTERISTICS: features that may affect a property's value or marketability such as legal, economic, or physical characteristics.
- Standards Rules 1-2(e) and 7-2(e)
- Standards Rules 2-3 and 8-3
- SCOPE OF WORK RULE
- Advisory Opinion 23, *Identifying the Relevant Characteristics of the Subject Property in a Real Property Appraisal Assignment*

**Purpose of an Inspection**

The primary reason for inspecting the subject property is to gather information about the characteristics of the property that are relevant to its value.<sup>1</sup>

**What Is a Personal Inspection?**

While there are other ways to gather information on the subject property's relevant characteristics, in many cases the personal observations of the appraiser are the primary source of information regarding the subject property.

These personal observations can be assisted by tools, and as technology evolves, so too will the tools available to an appraiser. For example, the use of unmanned aerial vehicles, or drones, now allows appraisers to view much more of the subject or comparables and with greater detail. Drones are tools that can be used to amplify vision like binoculars or a jeweler's loupe.

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<sup>1</sup> See Advisory Opinion 23, *Identifying the Relevant Characteristics of the Subject Property in a Real Property Appraisal Assignment*.



## Compliance Corner (AO 2) Continued

The use of a drone may be a critical tool for some appraisers who, for example, value large acreage properties. However, just as viewing photographs of a house does not constitute a personal inspection by the appraiser, neither does viewing recordings of aerial photography. In order for a real property appraiser to include the statement, "I have made a personal inspection of the subject property" in the certification, the appraiser must have physically visited the subject property.

### **Minimum Level of Inspection**

An inspection is not required by USPAP, but one is often conducted. While an inspection is not required, appraisal reports for real and personal property must contain a signed certification that clearly states whether the appraiser has or has not personally inspected the subject property. This is further discussed under the [Disclosure Requirements](#) section which follows.

The extent of the inspection process is an aspect of the scope of work, and may vary based on assignment conditions and the intended use of the assignment results.<sup>2</sup> It is the appraiser's responsibility to determine the appropriate scope of work, including the degree of inspection necessary to produce credible assignment results given the intended use.

Every assignment is subject to assignment conditions that may limit the inspection of the subject property. Regardless of the level of detail, it is always possible to perform an inspection that is more thorough. The appraiser's inspection commonly is limited to those things readily observable without the use of special testing or equipment.

An inspection conducted by an appraiser is usually not the equivalent of an inspection by an inspection professional (e.g., a structural engineer, home inspector, or art conservator).

Regardless of how the information is gathered, it must be sufficient for the development of relevant analyses, such as highest and best use, the application of the approaches, etc.

An appraiser may use any combination of a property inspection, documents, such as a legal description, address, map reference, copy of a survey or map, property sketch, photographs, or other information to identify the relevant characteristics of the subject property. For some assignments, it may be necessary to rely on information provided by other professionals. In such cases the appraiser must comply with USPAP requirements related to reliance on work done by others.

There are many circumstances that influence the extent of the appraiser's property inspection. In some assignments, the client may request that the appraiser perform an exterior-only inspection from the street or perform no inspection of the subject property (i.e., a "desktop appraisal"). There are situations where inspection of the subject property is not possible; for example, if the improvements have been destroyed, removed, or not yet built. In some cases, the appraiser is denied access to the property for legal, personal safety, or other reasons. In such cases, the appraiser must use other means to gather information about the relevant characteristics of the subject property in order to provide credible assignment results.

### **Relying on an Inspection Performed by Someone Else**

In some cases, the client may provide the appraiser with the results of an inspection performed by a third party, or the appraiser may hire a third party to perform the inspection.

Whether the inspection is performed by the appraiser, another appraiser, or a third-party inspector, an appraiser must ensure that the degree of inspection is sufficient for the appraiser to understand the subject property's relevant characteristics, so the appraiser can develop a credible appraisal. Therefore, in cases when the appraiser relies upon a third-party inspector's report, it may be necessary to obtain additional information and/or examine other documents in order to understand the relevant characteristics of the property.

In all cases, when adequate information about relevant characteristics is not available through a personal inspection or from sources the appraiser reasonably believes are reliable, the appraiser must:

- modify the assignment conditions to expand the scope of work to include gathering the necessary information;
- use an extraordinary assumption about such uncertain information, if credible assignment results can still be developed; or
- withdraw from the assignment.

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2 See Advisory Opinion 28, *Scope of Work Decision, Performance, and Disclosure*

## Compliance Corner (AO 2) Continued

### Disclosure Requirements

Appraisal reports for real and personal property must contain a signed certification indicating whether the appraiser has or has not personally inspected the subject property. All appraisal reports must also contain sufficient information to enable the intended users to understand the extent of the inspection that was performed.

If the appraiser relies on inspection information from another appraiser (e.g., photographs, aerial footage, inventory, etc.), and the information constitutes significant appraisal assistance, the inspector must be identified in the Certification as having provided significant appraisal assistance. Further, the extent of the assistance must be indicated within the report.

Because of the variability of inspections, the appraisal report should clearly communicate the degree of the inspection for the report to be meaningful.<sup>3</sup>

### Illustrations

1. I have been asked to appraise a single-unit property based on an exterior-only inspection from the street. What are my development and reporting obligations?

If an appraiser's observations are limited to an exterior-only inspection from the street, then the appraiser must gather information on relevant characteristics from other data sources and/or use extraordinary assumptions.<sup>4</sup> The data sources used are often the same sources used to gather information on comparable sales. For example, the size of the property might be obtained from public records, and other information might be obtained from interior photographs included in a listing of the property for sale, or information from the appraiser's own files.

The report must disclose the extent of the property inspection in a manner that is clear to the intended users. For example, in this case it would probably be insufficient to merely state that the property was inspected. The report must make clear that the appraisal was based on an "exterior only" inspection from the street and state the sources used to identify the relevant characteristics other than those observed during the inspection.

2. A client has asked me to appraise a Rolex wristwatch. I will not be provided access to the watch. However, I have been given the serial number, a copy of a certificate of authenticity, and several recent photographs. Can I develop an appraisal based solely on this information?

The key question is whether the information provided will enable the appraiser to comply with Standards Rule 7-2(e), which requires the appraiser to "identify, from sources the appraiser reasonably believes to be reliable, the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal." It is up to the appraiser to know whether the serial number, certificate of authenticity, and recent photographs are sufficient to identify these characteristics or if an in-person and/or professional specialist inspection is needed. In some cases, the answer may depend upon the assignment conditions.

For example, if the intended use is an insurance claim after a client's house has burned down –damaging or destroying the Rolex watch, then this limited information may be all that is available. In that scenario, the question becomes whether the provided information can be presumed to accurately identify the relevant characteristics of the watch. If there is a reasonable basis for this assumption and if the appraiser judges that credible assignment results can be developed, the appraiser may decide to make an extraordinary assumption. The extraordinary assumption will require proper disclosure.

For other intended users and under less dire assignment conditions, the appraiser will need more information to develop a credible appraisal when appraising a Rolex watch. This is because certificates of authenticity and Photographs of Rolex watches are often misleading.

3. A client has asked me to perform an appraisal, but instead of requiring me to physically inspect the subject, they will provide me with the results of an inspection of the property done by someone else. Does USPAP allow this?

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3 See Standards Rules 2-2(a)(viii), 2-2(b)(x), 8-2(a)(viii), and 8-2(b)(x).

4 See Standards Rules 2-2(a)(xiii), 2-2(b)(xv), 8-2(a)(xiii), and 8-2(b)(xv).

## Compliance Corner (AO 2) Continued

Yes, USPAP does not require an appraiser to inspect the subject per the SCOPE OF WORK RULE. However, while an inspection is not required, appraisal reports for real and personal property must contain a signed certification that clearly states whether the appraiser personally inspected the subject.

Standards Rules 1-2(e) and 7-2(e) require an appraiser to identify, from sources the appraiser reasonably believes to be reliable, the characteristics of the property that are relevant to the type and definition of value and the intended use of the appraisal, including its legal and economic characteristics. In a real property appraisal assignment, an appraiser may use any combination of a property inspection, documents, such as a legal description, address, map reference, copy of a survey or map, property sketch, photographs, or other information to identify the relevant characteristics of the subject property. In a personal property appraisal, an appraiser may use any combination of property inspection, documents, or other information to identify the relevant characteristics of the subject property.

Standards Rules 1-1(b) and 7-1(b) require that an appraiser not commit a substantial error or omission or commission that significantly affects an appraisal. Therefore, the appraiser has to have a reasonable basis to believe the information contained in the inspection report provided by the client is credible, or must seek additional information, which could include interviewing the inspector or gathering data from other sources. If uncertainties remain, but the appraiser can still develop credible assignment results, the appraiser may need to use an extraordinary assumption regarding the decision to rely on the information contained in the third-party inspection report. An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use. If an appraiser determines that the only way to meet these criteria is by personally inspecting the property, he or she must either discuss changing the scope of work with the client, or withdraw from the assignment.<sup>5</sup>

4. I have been contacted by a property owner who is being transferred by his company to another city. The owner indicated that while he might want a "detailed appraisal" later, right now he only needs a rough idea of the value of the residence to begin negotiations related to relocation. The owner has asked me to perform a "desktop" appraisal (i.e., an appraisal with no inspection of the property). I believe that, given this intended use, credible assignment results can be developed without an inspection. Is this permitted under USPAP?

Yes, this is permitted if sufficient information regarding the relevant characteristics of the property is available. Such information could be obtained from public records, previous listings of the property for sale, appraiser's files, etc. If use of extraordinary assumptions related to various relevant characteristics is necessary, then one must comply with the requirements for their use.

**AO 2 is published by the Appraisal Standards Board of The Appraisal Foundation.**

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**5 See SCOPE OF WORK RULE.**

## Appraisal Management Company Bond Claims

An Appraisal Management Company (AMC) registered in Iowa is required to be covered by a \$25,000 surety bond per Iowa Code 543E.19. An action on the surety bond shall only relate to liabilities, damages, losses or claims arising out of the appraisal management services performed by the AMC involving real estate located in Iowa. The bond provides that a person having a claim against an AMC may bring suit directly on the bond or the administrator may bring suit on behalf of such person.

In Iowa, it is recommended that the person having a claim against an AMC bring suit directly on the bond. A claimant may contact the Executive Officer at 515-725-9025 or via email at [AMCSupervision@iowa.gov](mailto:AMCSupervision@iowa.gov) to obtain bond information of an AMC.

The Iowa Division of Banking will make bond information readily available to claimants when aware of adverse circumstances with an AMC. At this time, we are not aware of any adverse circumstances with an AMC.

## APPRAISER RENEWALS

Renewal post cards will be mailed soon. Renewals open up on May 16, 2020, and run through June 30, 2020. If you do not renew by July 1, 2020, your registration will lapse. A lapsed registration can still be renewed during the late renewal period starting on July 1, 2020, and running through July 30, 2020 granted the appraiser 1) pays a late renewal fee and 2) shows proof of 14 extra hours of continuing education which cannot be counted towards the next renewal. Starting on July 31, 2020, any appraiser who has a lapsed registration must reinstate. You can direct your renewal questions to the Executive Officer, Brandy March, at 515-725-9025 or via email at: [RealEstateAppraiserBoard@iowa.gov](mailto:RealEstateAppraiserBoard@iowa.gov).

### Iowa Real Estate Appraiser Examining Board

## Renewal Notice

**Act now! Renewing your real estate appraiser credential is simple.**

The renewal window opens May 16<sup>th</sup>. Go to [www.idob.state.ia.us/reap](http://www.idob.state.ia.us/reap) and click on the red text, "Online Application Submissions" link from the home page. Log in, complete the renewal application (including the checklist), upload any required submissions and click submit for review. You will then be prompted to pay the renewal fee. Fees remain the same.

Credentials lapse on July 1. Late renewals will be accepted from July 1 to July 30 with additional requirements pursuant to Board rules (IAC 193F).

**Visit [www.idob.state.ia.us/reap](http://www.idob.state.ia.us/reap) and get started today.**

Phone: (515) 725-9022 x7  
E-mail: [RealEstateAppraiserBoard@iowa.gov](mailto:RealEstateAppraiserBoard@iowa.gov)  
Web: [idob.state.ia.us/reap](http://idob.state.ia.us/reap)

