

REVISIONS TO USPAP AND USPAP ADVISORY OPINIONS

After the publication of the 2016-17 edition of USPAP, a series of one discussion and three exposure drafts were released to obtain feedback on possible modifications for the 2018-19 edition. On February 3, 2017, the Appraisal Standards Board (ASB) adopted modifications for the 2018-19 edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP). These modifications include:

1. **Revising the definition of Report and edits to the ETHICS RULE and the RECORD KEEPING RULE** – The Board adopted proposed revisions in the Third Exposure Draft to clarify the definition of Report, as well as edits to the ETHICS RULE and the RECORD KEEPING RULE applicable to the communication of assignment results. As put forth in the Third Exposure Draft, the Board did not adopt revisions related to communications of assignments results prior to the completion of the assignment other than the ethical and record keeping requirements that appear in that section. Although there was support for specifically addressing draft reports, the Board also learned that there were significant unintended consequences that might occur with the adoption of any such requirements.
2. **Creating a definition of Assignment Conditions, revising the definitions of Assignment, Intended Use and Intended User, and related edits to the COMPETENCY RULE** – The Board created a definition of Assignment Conditions, a term that had only been previously referenced in the SCOPE OF WORK RULE. The Board also adopted revisions intended to clarify the definitions of Assignment, Intended Use, and Intended User, as well as making related edits to the COMPETENCY RULE to clarify an appraiser’s obligations prior to agreeing to perform an assignment. Although the Board did not revise the language “at the time of the assignment,” the Board did receive comments expressing concern with its meaning. Therefore, in the near future the Board intends to issue guidance to assist in clarifying the intent of that terminology.
3. **Removing the definition of Assumption and revising the definition of Extraordinary Assumption** – The Board deleted the definition of Assumption, as its use is not intended to differ from the generally accepted meaning of the word. The Board also adopted a revised definition of Extraordinary Assumption, with administrative edits, in an effort to clarify that term and its applicability.
4. **Revising the definition of Appraisal Review, and dividing STANDARD 3, *Appraisal Review*, into STANDARD 3, *Appraisal Review, Development* and STANDARD 4, *Appraisal Review, Reporting*** – The Board adopted changes proposed in the Third Exposure Draft to edit the definition of Appraisal Review to include its use as an adjective. The Board also adopted the proposed revisions to divide STANDARD 3, Appraisal Review, into STANDARD 3, Appraisal Review, Development and STANDARD 4, Appraisal Review, Reporting. The edits are intended to improve consistency with the other development and reporting standards.
5. **Dividing STANDARD 6, *Mass Appraisal*, into STANDARD 5, *Mass Appraisal, Development* and STANDARD 6, *Mass Appraisal, Reporting*** – The Board adopted the changes proposed in the Third Exposure Draft to divide STANDARD 6, Mass Appraisal, into STANDARD 5, Mass Appraisal, Development and STANDARD 6, Mass Appraisal, Reporting. The edits are intended to create greater consistency among the other development and reporting standards. For example, the term “describe” used in the reporting requirement of a mass appraisal was changed to “summarize” to be more consistent with the requirements of an Appraisal Report.
6. **Removing the term Market Value from STANDARDS 7 and 8** – The Board adopted revisions to Standards Rules 7-2(c), 7-5, 8-2(a)(v), 8-2(a)(viii) and 8-2(b)(viii) as proposed in the Third Exposure Draft. The Board adopted removal of the term market value from the personal property development and reporting standards, in order to clarify that certain requirements are not limited to market value assignments but are required whenever necessary for credible assignment results.
7. **Revision to the personal property certification requirements in Standards Rule 8-3** – The Board adopted revisions to the personal property certification in Standards Rule 8-3 as proposed in the Third Exposure Draft, to allow personal property appraisers, in assignments involving different types of specialties, to sign the certification without making them accountable for the assignment results of items which they did not appraise.

8. **Revision to illustration in Advisory Opinion 21, *USPAP Compliance*** – The Board adopted the addition of a new graphic in Advisory Opinion 21, *USPAP Compliance*, as proposed in the Third Exposure Draft, and it will replace the chart *beneath* the longstanding “ovals.” The new chart better illustrates the relationship between Valuation Services and Appraisal Practice.
9. **Creation of Advisory Opinion 37, *Computer Assisted Valuation Tools*** – The Board created Advisory Opinion 37, *Computer Assisted Valuation Tools*, as proposed in the Third Exposure Draft. The new Advisory Opinion addresses an appraiser’s obligations when relying upon adjustments, trend analyses, or other information generated by software or various online services.
10. **Revisions to Advisory Opinion 31, *Assignments Involving More than One Appraiser*** – The Board adopted revisions to Advisory Opinion 31, *Assignments Involving More than One Appraiser*, as proposed in the Third Exposure Draft, to help clarify guidance related to significant appraisal assistance.
11. **Revisions to Advisory Opinion 1, *Sales History*** – The Board adopted revisions to Advisory Opinion 1, *Sales History*, as proposed in the Third Exposure Draft (with deletion of lines 1749-1752), to help clarify guidance related to an appraiser’s proper analysis and reporting related to a subject property’s prior and pending sales and current listings.
12. **Revisions to Advisory Opinion 32, *Ad Valorem Property Tax Appraisal and Mass Appraisal Assignments*** – The Board adopted revisions to Advisory Opinion 32, *Ad Valorem Property Tax Appraisal and Mass Appraisal Assignments*, as proposed in the Third Exposure Draft, to reflect the adopted changes to STANDARDS 5 and 6.

Administrative edits were also made to USPAP and all guidance material, including the *USPAP Advisory Opinions* and *USPAP Frequently Asked Questions*, for conformity and consistency. The details of the changes to the 2018-19 edition of USPAP can be read on The Appraisal Foundation’s website, www.appraisalfoundation.org in a document entitled *2017 Summary of Actions Related to Proposed USPAP Changes*.