



APPRAISER AND MANAGEMENT COMPANY **STATEMENT OF PRINCIPLES**

In recognition of the importance of preserving the integrity of the mortgage lending process for the benefit of the general public and the parties involved, we subscribe to the following framework for development of a statement and handbook outlining principles for the management of the appraisal process by third party appraisal management companies. This statement identifies business related principles we believe appraisal management companies should adopt and advocate. The principles are intended to promote mutually beneficial business relationships between management companies and professional appraisers. Adherence to these principles will help ensure that quality appraisals are prepared by competent appraisers for financial institutions and other clients in a timely manner.

By agreeing to promote these principles and display this statement, appraisal management companies commit to the following principles.

1. An independent appraisal process is a necessary and important part of the mortgage finance system and we adhere to the highest ethical standards in providing appraisals performed by competent appraisers free of improper influence.
2. Appraisers must be compensated by appraisal management companies at a rate that is customary and reasonable in the market area of the property being appraised. If surveys are used to establish what has been customary and reasonable compensation, they shall be conducted by an independent third-party using statistically valid methodologies.
3. We support full disclosure of all appraisal related fees, including the separate disclosure of administrative fees, to consumers, clients and users of our services.
4. We acknowledge that each appraisal assignment is different and that sufficient time and compensation reflecting the uniqueness and complexity of the assignment are necessary for the development and delivery of a quality appraisal.
5. Competent professional appraisers are required to ensure a safe and sound system of mortgage finance and effective consumer protection. An individual's affiliation with or designation by professional appraisal associations is preferred beyond minimum certification and license requirements.
6. We support a reasonable and fair dispute resolution process and procedures for resolving issues that might arise between appraisers and appraisal management companies as a necessary component of a sound business relationship.
7. An appraisal and an appraisal review require experience, geographic and market competence and must comply with the Uniform Standards of Professional Appraisal Practice. Use of professional appraisers with local market expertise is mandatory.

8. Appraisal reviews shall be prepared by competent professional appraisers. Formal requests for reconsideration of value shall be based on verifiable information and data.

9. We support continuing professional education as a necessary requirement and encourage consistent participation in programs through incentives and promotion.

10. We affirm that local market data, concessions, and other relevant information regarding the sale, utility or marketability of a subject property or comparable property must be made available and be considered.

11. We support periodic audits for compliance with generally accepted appraisal standards and state and federal requirements.

12. The process for inclusion and exclusion of appraisal professionals, and the policies and costs associated with being part of an appraiser panel, should be clearly disclosed in writing and should involve a reasonable and fair dispute resolution process.

13. To maintain and ensure the confidentiality and security of data, modification of appraisal reports and the use of an appraiser's digital signature is prohibited for any purpose other than those expressly authorized by the appraiser.

14. We commit to reporting all violations of law and standards by any party involved to the appropriate agency and authority.

15. We support appraiser licensure and adherence to the Uniform Standards of Professional Appraisal Practice for all real estate valuation services provided for compensation.

16. We commit to engaging non-appraiser real estate service providers only for services within the scope of their license.

By agreeing to promote these principles and display this statement, members of the Appraisal Institute, American Society of Appraisers, American Society of Farm Managers & Rural Appraisers, and the National Association of Independent Fee Appraisers commit to the following principles:

1. To maintain an independent appraisal process by adhering to USPAP and Ethics
2. By accepting assignments with geographical competence
3. Exhibiting and promoting true professionalism in appraisal business manners
4. Encouraging meaningful data to be provided for the appraisal development
5. Adhering to fairness during a formal reconsideration of value
6. Maintaining good public relations for the appraisal management company