

## **CHANGES TO 2014-2015 USPAP**

On January 1, 2014 the new version of USPAP will become effective. You will be responsible for those changes regardless of when you last took your USPAP class. This is what changed and how they will affect us:

### **DEFINITIONS**

“Assignment Results” - clarifies that all opinions included in an appraisal are subject to USPAP. Your opinions of authenticity, condition, ownership (and other such opinions) are required to be developed and reported with the same methodology and held to the same ethical requirements, including confidentiality, as an opinion of value.

“Scope of Work” - clarifies the concept of Scope of Work as only being applicable in an appraisal or appraisal review assignments. This revision helps one to understand the Scope of Work Rule, which only applies in appraisal and appraisal review assignments. Other valuation assignments appraisers perform (e.g., condition assessments, market analyses, etc.) are not subject to the requirements of the Scope of Work Rule.

### **PREAMBLE**

The Preamble was reorganized showing the various components of USPAP and how they apply to our appraisal practice. A section was added to clarify when USPAP obligations prevail in appraisal assignments and appraisal review assignments. With this new clarification, there should be no ambiguity when a USPAP appraisal is required.

### **RULES**

#### **“Conduct”**

The disclosure of the three-year exposure is required in every written appraisal or appraisal review assignment, even if it is a revised appraisal. A verbal appraisal would only require the initial disclosure.

#### **“Competency”**

The appraiser’s competency requirements were clarified to include that the appraiser must act competently in a given assignment. Although this has always been implicit in “Competency”, it is now clearly stated.

### **STANDARDS**

#### **Standards 2 and 8**

We now only have 2 report options when writing our reports:

The Appraisal Report

The Restricted Appraisal Report

The terms Self-contained, Summary, and Restricted Use are no longer valid USPAP terms.

It is the appraiser’s decision to include as much or as little detail and information in the appraisal report based on the use of the report.

#### **Standard 3**

Four dates are required to be in an appraisal review report:

Date of the work under review

The original effective date of the opinions or conclusions in the work under review

The current effective date of the appraisal

The current date of the appraisal review report

#### **Standards 4 and 5 - Real Property Appraisal Consulting**

Retired! No longer part of USPAP.

### **ADVISORY OPINIONS**

Advisory Opinions 11 and 12 were changed to reflect the new appraisal report options: Appraisal Report and Restricted Appraisal Report.