



## IT'S ALL THE APPRAISER'S FAULT...

...or is it?

THIS appraiser has many faults, but the R.E. market isn't one of them!

I present you with some thoughts on R.E. Appraising as I perceive it after 20+ years of experience, appraising mostly for "mortgage lending purposes". Please don't take these thoughts as any kind of "gospel" or "legal advice" since I'm not qualified to provide either. They're just my musings on some of the considerations we, as appraisers, have to contend with that seem to often lead to misunderstandings when interacting with loan officers and/or underwriters.

For your APPRAISAL needs, I invite you to send me your requests, either by fax or by e-mail:

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**N.B. #1:** The use of "you", "client", "mortgage broker", "loan officer", "underwriter" and "appraiser" is for general illustration purposes and is not intended to be addressing or referencing the individual reader or a specific entity!  
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C.O.D.

Should be Cash At Door - it really isn't cash-on-delivery. It's confused me for years, why we call it that. C.A.D. seems much more appropriate. Is it really worse to call something "cad" over "cod"? Not exactly high ranking, either one, on the "respect scale".

So - why C.O.D./C.A.D.? Because we "H.A.'s" are such nice guys. Pretty much! It is a courtesy to YOU, our client. It still puzzles me why the client (you) isn't the one to collect the appraisal fee from the borrower. You shop us, you engage us, you get the receipt. But - to have immediate funds in MY pocket is great. I have never had a borrower's check bounce - yet! Not even when values were less than expected. But - it is not unusual to have the borrower try to negotiate the fee down! I hate to be rude, so I always take the time to explain the "chain of command" to the borrower. Sometimes I wonder. I wonder if my client (you) realizes that s/he owes me the fee - not the borrower? Sometimes I wonder. I wonder if my client (you) realizes that s/he owes me the fee WHETHER THE "DEAL" GOES THROUGH OR NOT?

Hmmmmm.

I wonder, too, if "overdue after XXX" means anything on my invoice? It sure seems to where MY bills are concerned (including the subscription services I need in order to do MY JOB FOR YOU).

"Time is of the essence." - Yes, for YOU to get the appraisal done; yes, for ME to get paid. C.O.D./C.A.D. eliminates the time element from my concern above. I have to assume that your time element is being satisfied by the arrangements we made when you ordered the appraisal. When you order C.O.D./C.A.D., the expected fee is confirmed and agreed to - make sure the borrower is aware of that amount.

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## CREDIBLE AND NOT MISLEADING.

Well - DUH!

That is pretty much what it boils down to in order to keep the appraiser license! All the other laws, rules and regulations do ultimately affect whether the appraisal and its report are credible and not misleading. Disclosures regarding competency or limitations to scope of work, the intended use and similar issues are vital to the report not being misleading. If, with those disclosures, the report makes sense, then it would most likely also be considered credible. If not, then more explanations have to be included - until it makes sense. It could involve a different set of comparables, or just additional comparables, too. And all that may not even ultimately affect the appraised value!

Is the report credible? - Yes.

Is the report misleading? - No.

Sounds like a fine appraisal report to me - BUT watch out for the "creative writers".

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