

## Issue 27 – Update or Recertification?

# The SAMCO Bulletin Board



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## Update or Recertification?

A client e-mailed me the other day with a very valid question that most lenders and even many appraisers do not understand. To answer the client, I went straight to USPAP for clarification. The e-mail is below in its entirety. The names of the client and appraisal firm as well as dates have been removed.

Hi John,

I have an appraisal which was done by (Appraiser's Name) on approximately (Date – 14 months ago). I am requesting a re-certification of this appraisal if that is possible. If it is not possible, I will have no other choice than to order a completely new appraisal.

Can you advise if the re-certification can be done?

Thanks.

(Client's Name)

(Client),

This is where having your 2014-2015 USPAP edition close by is helpful. The Advisory Opinions and Frequently Asked Questions are clear, concise, and easy to understand. The answer to the question above can be 'cut and pasted' for a response. Simple!

Advisory Opinion 3 (AO-3) and FAQ 203 and 204 are short and to the point. Here is an excerpt from FAQ 204:

An update is a new appraisal assignment involving a property that was previously appraised. An update is subject to the same USPAP requirements as any other appraisal assignment.

A recertification of value is performed to confirm whether or not the conditions of a prior assignment have been met. One example of a recertification of value is a final inspection. When an appraiser is asked to complete a final inspection, the appraiser is confirming that conditions established in an assignment have, or have not, been met.

Final inspections are commonly used in the case of proposed construction where an appraisal is completed subject to completion per plans and specifications.

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