

# LINCOLN APPRAISAL<sup>®</sup> & SETTLEMENT SERVICES

The Home of Experienced Nationwide Leadership

Dear Appraiser Partners,

All of us at Lincoln Appraisal & Settlement Services would like to take this opportunity to thank our appraiser partners for your diligent efforts on behalf of our mutual clients. We would like to provide you with "best practices" that will ensure reports meet quality standards which are set by our clients.

To briefly acquaint you with the Quality Assurance process at LASS; when reports are uploaded to the website they undergo a quality assurance analysis by our team of experienced licensed/certified appraisers. Requests for modifications are sent to you typically with a reference to the specific order instruction as well as a note that the report has not been delivered to the client.

Once a report is invoiced and delivered to the client, it is sometimes returned by the client for further revision or clarification. We refer to that as a "POST COMPLETION" request. These requests are handled by our Post Completion team. Post Completion requests typically begin with a comment that the request was received from the client....this is an indication that the report has been delivered and now the client is asking for additional information.

We look forward to working with you!

Here are some "best practices" that we hope will help reduce post completion requests.

- When responding to a Post Completion request, please do so on a dated addendum page with a numerically itemized response.
- **DEEDS:** Specific order instructions will relate which clients require a copy of the deed included in the appraisal report. Reading the deed is not just a best practice, it is necessary to answer questions regarding property rights appraised and if there are noted easements or other restrictive covenants.
- **ZONING COMPLIANCE:** In order to answer this question correctly the appraiser MUST reflect the actual dimensions of the subject site AND the specific Zoning description (minimum site size & frontage).
- **ADDRESS FORMAT:** All reports must contain the following address format on an addendum:  
"Ordered Address" - as it appears on the order  
"Legal Address" - as it appears on deed OR Tax bill  
"USPS Address" - this must be what is reflected on the report to be UAD complaint.

Any discrepancies between these addresses must be commented on. All three addresses must include city, state and zip code in addition to the street address

- **SALES COMPARISON APPROACH summary comments**

An explanation of each adjustment( not just stating what adjustment was made); details on any sale not included (such as one located on subject street);reasoning for any date/time parameters that are exceeded; net/gross adjustment percentages must be visible and comment made for any 15/25% adjustment exceeded. Although FNMA does not require this our clients still want these comments made in reports.

- **ANALYSIS of PRIOR SALE:** In addition to reporting any prior sale of the subject within 3 years, an **analysis** of any value differential is required as well as disclosure of the purpose of the transfer if it was not an arm's length transaction (for example: change of name, sheriff's deed, family transfer, etc).
- **PERMITS/LEGAL USE:** Second kitchens, accessory units, in-law apartments, and recent renovations/additions must be fully researched to confirm legality and issuance of appropriate permits. If a permit is required and appraiser is unable to confirm if obtained, report should be completed "subject to" the homeowner providing appropriate documentation from the **Building Department**. Please include the name and phone number of any individual contacted. The Tax **Assessor** is **NOT** an acceptable source of verification. Please refer to Client Specific Instructions on your assignment.
- **Condominium 1073 Form and the Project Site Section:**  
All reports must reflect the subject complex actual site size and unit density. The actual density based on total site size and total number of units is required. Example: the subject complex is located on 10AC and offers 20 units, the density is 2 units per AC.(divide the # of units by the AC)

**Some Housekeeping issues:**

- Instructions for each assignment are on the **Appraisal Assignment Notice** email you receive and on which you either Accept OR Decline the assignment. **IF YOU DO NOTHING ELSE SUGGESTED IN THIS COMMUNICATION PLEASE DO THIS...READ THE INSTRUCTIONS!**
- At the bottom of that same email notification you will see the field "Eligible Licensees" which lists the name of the appraiser the order is assigned to. The appraiser named is the only one who should be completing the assignment.
- Communication/Order Status: it is imperative that orders be updated on the website. If there are delays we need know so we can inform the client. If there are

issues surrounding the assignment (such as the second story was fire damaged) please don't wait until the due date to inform us. Communication is key to good customer service.

### **An Emerging Issue – Solar Panels**

As more energy efficient homes enter the marketplace appraisers are being tasked with determining the impact on value, if any, that some of the energy efficient features may have. Solar panels are a particularly hot item in this regard. One way to assess contribution to value of **owned** solar panels is utilizing the PVValue.com website. Following is a list of information that the appraiser must obtain from the homeowner in order to utilize the PVValue.com website.

1. Copy of electric bill
2. Panel KW size
3. Warranty of Panels
4. Age of Panels
5. Derate factor
6. Energy production KWH per array
7. Inverter Size watts
8. Age of inverter
9. Inverter warranty
10. Incentives; A.) Federal Tax Credits B.) State Tax Credits C.) Local tax Credits
11. Estimate of savings from installer