

LINCOLN APPRAISAL & SETTLEMENT SERVICES

The Home of Experienced Nationwide Leadership

BEST PRACTICE UPDATES

Dear Appraiser Partners,

All of us at Lincoln Appraisal & Settlement Services would like to take this opportunity to thank you 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. We look forward to working with you!

TD Bank Condo/Co-op Policy change as of 11/1/2018:

TD Bank Policy Change: Appraisers, please note that TD Bank has revised its policy on Condo and Co-op Questionnaire's. TD is requiring the appraiser to obtain the necessary information for the Condo/Co-op Project Data, without a questionnaire. This information, for the most part, is available through public record /condo docs. For cooperative units please contact the management company for building information. If this info cannot be obtained after a diligent effort, please contact Lincoln Appraisal for guidance.

Exhibits/photos:

- If the subject property offers a water front/view amenity, include a photo of the view from the subject property and a close up photo of the waterfrontage.
- Kitchens: photo should include all appliances
- Bathrooms: Photos should include all fixtures.

SALES CONTRACTS: Prior to proceeding with a purchase assignment please confirm a fully executed sales contract or a fully executed offer to purchase is available for review.

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). In many areas ecode360.com and municode.com are useful websites for obtaining zoning information.

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 how each adjustment was determined (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.

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, please review the client specific instructions under the documents tab for guidance on how to proceed. Please include the name and phone number of any individual you contacted at the local **Building Department**. The Tax Assessor is **NOT** an acceptable source of verification.

External Obsolescence: The definition of external obsolescence is an element of depreciation, a defect usually incurable caused by sources outside the site. Some examples of external obsolescence are: a busy road, commercial building, a landfill, rail road tracks, or high voltage wires. Even if an element is common to an area (example: property located within close proximity to a railroad station) and is market accepted it's still external obsolescence.

Oil Tanks: Appraisers are not experts in the field of environmental issues and oil tanks can leak over time, their oil can pollute soil and also leach into underground water. As a result consider adding the following comments:

- **Above Ground Oil Tanks:** This appraisal is based on the extraordinary assumption the tank is not currently leaking (photo of tank is required); if information to the contrary becomes available subsequent to the effective date of this appraisal the appraiser reserves the right to amend the findings.
- **Underground Oil Tanks:** Complete the report based on the extraordinary assumption the underground tank is not leaking and the subsurface soil is free of contamination; if information to the contrary becomes available the appraiser reserves the right to amend the findings.

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).

Housekeeping issues: If a **trainee/provisional appraiser** has assisted in any aspect of report completion a copy of their license must be included in the report, all trainee/provisional appraisers must be actively licensed.

Instructions for each assignment are on the **Engagement Letter** email you receive once you have accepted the assignment. **Please read the client 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 named appraiser is the only one who should be completing the assignment.

Communication/Order Status: Please update your orders 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 inform us immediately. **Revisions are due back to Lincoln Appraisal within 24 hrs of receipt.**

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