

Appraisal Subcommittee
Federal Financial Institutions Examination Council

April 26, 1996

Mr. W. David Snook, Chair
The Appraisal Standards Board
The Appraisal Foundation
1029 Vermont Ave. NW, Suite 900
Washington, DC 20005

Dear Mr. Snook:

This letter is in response to your April 2, 1996, ASB Discussion Draft for TAFAC of Proposed changes to the DEFINITIONS section of USPAP. While the ASC is only an observer at TAFAC meetings, we felt that the ASC staffs comments to this Discussion Draft might be useful..

We believe that the significant clarification proposed, that a consulting assignment involving an opinion of value should be reported under STANDARD 5, is timely. However, we believe that additional explanation of some of the terms will make the changes more easily understood.

- In order to clarify the difference between Appraisal and Consulting, we would suggest that the second paragraph of the Comment under the definition of Appraisal state that the written or oral report of an appraisal must conform to STANDARDS 2, 3, 6, 8 or 10.
- Since we believe that an appraiser should be employed as a consultant because of “**his or her actual or perceived status as an appraiser,**” we suggest ending the definition with “. . . **defined here as “Appraisal” or “Review.”**”
- Since there are appraisers and users of appraisal services who believe that the development of a value opinion under STANDARDS 1, 6, 7 or 9 requires that the appraiser do “**everything,**” we suggest adding to the second paragraph, “**and not as a separate APPRAISAL report for file documentation.**”

Additionally, because of the appraisers' tendency to over-react to the requirements of the appraisal development standards, it might be desirable to differentiate between the record keeping requirements of an appraisal and a consulting assignment.

Thank you again.

Sincerely,

Edwin W. Baker
Executive Director