

**Appraisal Subcommittee**  
*Federal Financial Institutions Examination Council*

March 13, 1996

Mr. W. David Snook, Chair  
The Appraisal Standards Board  
The Appraisal Foundation  
1029 Vermont Avenue N.W. Suite 900  
Washington, DC 20002

Dear Mr. Snook:

While the proposed Statement on "Intended Use" has been circulated in Draft to TAFAC and has not been fully exposed in its edited form, the ASC staff has reviewed the proposed revisions and provides the following comments.

It seems to us that the addition of Intended Use and Intended User to the Definitions section of USPAP makes it important for the ASB to review and possibly amend Statement 2-2 (c)(xi) to allow a Restricted Report to be relied upon by Intended Users as identified in the Report. We would also suggest reviewing AO-12 regarding the-Restricted Appraisal Report. We would hope that the language on page 118 of USPAP could be revised to state that the Restricted Appraisal Report may be useful when:

- only the client and intended users are expected to rely on the report; etc.

While we realize that this Statement contains much flexibility, the last sentence of the first paragraph of Page 3 (of the Edits Omitted version) states that "an appraiser **must** identify the intended users of the report by asking the client prior to accepting the assignment." (Emphasis added) We would suggest that "Before accepting the assignment, the appraiser must ask the client if there are other intended users of the report and if the client identifies other intended users, they must be identified in the report."

Thank you again.

Sincerely,

Edwin W. Baker  
Executive Director