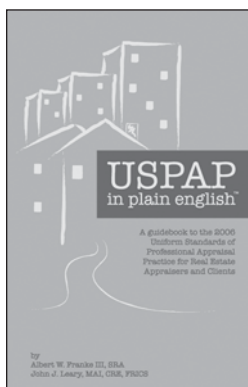


RECOMMENDED READING

# USPAP in Plain English

By John J. Leary, CRE, FRICS, and Albert W. Franke III (2006, Elm City Clarion Associates LLC, New Haven, Conn., 65 pages)

REVIEWED BY MICHAEL Y. CANNON CRE



AUTHORS JOHN J. LEARY, CRE, FRICS, AND ALBERT W. FRANKE III are highly qualified to produce this resource, which is easy to read and summarizes, in outline format, the 2006 edition of the Uniform Standards of Professional Appraisal Practice as defined by the U.S.-based Appraisal Foundation.

Leary is an MAI designated member of the Appraisal Institute, and president of a firm that provides counseling and valuation services relating to dispute resolutions and appraisal reviews in the northeastern U.S. In addition, he served as vice chair and chair of the Appraisal Foundation's Appraisal Standards Board from 1989 to 1994.

Franke is an SRA designated member of the Appraisal Institute and past member of the Appraisal Institute's National Board of Directors. He is president of a firm that provides appraisal and litigation support services throughout Connecticut.

The authors state plainly what is expected by practicing appraisers' understanding and interpretation of USPAP rules and standards. This resource book clearly explains the intended use of an appraiser's assignment, but addresses only USPAP standards 1 and 2, which relate to real property appraisal, analysis and opinion. The authors did not address appraisal consulting (standard 3), mass appraisal (standards 4 and 5), personal property appraisals

(standards 7 and 8) or business valuations (standards 9 and 10).

The book outlines new or changed definitions, addressing definitions for appraisal, appraiser's peers and scope of work, and identifies key areas of USPAP that changed, effective July 1, 2006, with emphasis geared toward residential appraisal work.

The major standard change in the "scope of work" rule shifts the responsibility back to the appraiser from the client or intended user, and benchmarks the appraiser's



## About the Reviewer

Michael Y. Cannon, CRE, is the managing director of Integra Realty Resources – South Florida. He is a practicing appraiser, market analyst and advisor with more than 40 years of experience. He has written several monographs and papers relating to appraisal theory and practice. Cannon provides consulting services for all facets of real estate analysis and investment, and has been qualified as an expert witness in various courts and mediation/arbitration disputes. His areas of expertise include ad valorem assessment analysis, land use, historic and fractional interests, and property valuation of urban and mixed-use developments. He holds MAI, SRA and ASA designations.

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value opinion to meet or exceed what other intended users would expect, and what would meet or exceed the level of work and credibility of the appraiser's peers for the type of appraisal assignment.

Leary and Franke stress very clearly that the appraisal process places the responsibility of appraisal with the appraiser. They also highlight that the appraiser is to obtain all relevant information from the client before the preparation of the appraisal in order to minimize hypothetical conditions and assumptions so that the intended user can rely on the appraiser's value opinion.

The authors identify 11 content items required for a credible report, and emphasize that the appraiser's work file should be well organized and contain all supporting information and data that the appraiser uses.

In summary, the USPAP 2006 edition re-emphasizes and cautions the appraiser to report and understand the intended use of an appraisal, and who the intended users are—and to use only appropriate scope of work and reporting formats; i.e., an appraisal form may not be the proper reporting format if the intended use differs from the intended use stated in the appraisal form.

*USPAP in Plain English* is an appropriate resource for not only the appraiser, but also for the user of residential appraisal services. ■