

Local Official ACV Appraisal Checklist (USPAP 2020-23)

See 2nd page for supporting citations & explanations.

There should be only one “No” (for item 8).

Assignment Elements & Assignment Conditions

Y N

1			Is it clear that the appraiser understands the appraisal’s intended use?
2			Is the floodplain administrator or local community identified as an intended user?
3			Is there an appropriate ACV definition?
4			Is the appraisal effective date (date of value) correct for the assignment?
5			Is the appraiser state certified/licensed and certifying conformance to USPAP?

Pertinent Facts (Accuracy & Consistency)

Y N

6			Is the building appraised as it was before the start of work, or as it was before damage?
7			Are exterior & interior images consistent with the building description & quality rating?
8			Are there misrepresentations, untrue statements, or incorrect building descriptions?

Appraisal Process (Methodology & Reasonableness)

Y N

9			Was “reproduction cost” estimated? (cost to build a duplicate or replica of the building)
10			Was the cost estimate developed using a recognized cost estimating service?
11			Was depreciation based on the building actual age, and a forecast of physical life?
12			Does the depreciation estimate consider the age of the roof cover and any neglect?

Report Documentation (Adequacy)

Y N

13			Does the report contain enough images to understand the building?
14			Is the cost estimate supported by a detailed cost report?
15			Is there adequate support for the depreciation estimate? (logical, reasonable analysis)

Appraisal Report Accepted ____ or Rejected ____

Reasoning:

USPAP = the Uniform Standards of Professional Appraisal Practice; applies to all state-certified appraisers

SR = a USPAP Standards Rule; Standards Rules are binding

Assignment Elements & Assignment Conditions

1-5. The USPAP Scope or Work Rule requires appraisers to identify the appraisal problem to be solved including the intended use, the client and other intended users, the type and definition of value, the appraisal effective date, and any assignment conditions. 50 Percent Rule appraisal assignment conditions established in Section 3.4.2 of the SI/SD Desk Reference are:

- The appraisal intended use and the local floodplain administrator as a principal intended user.
- The appraisal effective date. When work is an improvement, the building value is estimated before the start of construction of the improvement. When work is the repair of damage, the building value is estimated before the damage occurred.
- The definition of ACV. *“The cost to replace a building on the same parcel with a new building of like-kind and quality, minus depreciation due to age, use, and neglect”.*
- Call for a state-certified appraiser conforming with USPAP.

Credible assignment results [appraisal reports] require support by relevant evidence and logic. The credibility of assignment results is always measured in the context of the intended use.

Pertinent Facts

6-8. USPAP SR 2-1(a) requires appraisers to, *“clearly and accurately set forth the appraisal in a manner that will not be misleading”*. The appraisal report must contain accurate descriptions of the building supported by images or other documentation consistent with the appraisal effective date and the intended use.

Appraisal Process

9-12. USPAP SR 2-2 (a)(x) requires appraisers to, *“provide sufficient information to indicate that the appraiser complied with the requirements of Standard 1 by”*:

- (1) *summarizing the appraisal methods and techniques employed.*
- (5) *summarizing the information analyzed and the reasoning that supports the analyses, opinions, and conclusions, including reconciliation of the data and approaches.*

The ACV Guidebook for Appraisers and Floodplain Administrators offers a detailed analysis of ACV appraisal methodology. The guidebook, the latest version of this checklist, and tools for developing reliable physical depreciation estimates are available free of charge at www.floodpointusa.com.

Report Documentation

13-15. USPAP SR 2-1 requires that each appraisal report:

- (b) *“contain sufficient information to enable the intended user(s) of the appraisal to understand the report properly.”*
- (c) *“clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.”*