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 402-471-9015

2016-2017 USPAP STANDARD 3 COMPLIANCE REVIEW REPORT

For use on appraisal reports dated January 1, 2016 to December 31, 2017
 If additional space is required, add supplemental pages

REVIEW REPORT INFORMATION

In accepting and performing this assignment, you agree to maintain confidentiality concerning the appraisal report, work file, and your conclusions. This assignment does not include the authority to contact the appraiser(s). The Nebraska Real Property Appraiser Board requests that you complete this assignment in an unbiased manner, or return the report and work file immediately.

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| Client: | Nebraska Real Property Appraiser Board |
| Intended Use: | <input type="checkbox"/> To assist the Nebraska Real Property Appraiser Board with the evaluation of an applicant's qualifications for credentialing OR <input type="checkbox"/> To determine if compliance with the Uniform Standards of Professional Appraisal Practice exists within the subject appraisal report. The Board may pursue disciplinary action. |
| Purpose of Review: | To assist the Nebraska Real Property Appraiser Board with the evaluation of a compliance investigation or inquiry. |
| Intended User: | Nebraska Real Property Appraiser Board |
| Appraiser(s) on Subject Report Under Review: | |
| Applicant/Investigation Number: | |
| Date Assigned: | |
| Due Date: | |
| Review Appraiser: | |
| Business Name: | |
| Business Address: | |
| Telephone Number: | |

SCOPE OF REVIEW REPORT

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|---|---|
| <p>Identify scope of work necessary to produce credible assignment results in accordance with the Scope of Work Rule: You are not to contact the appraiser(s) in question, nor provide an opinion of value</p> | <input type="checkbox"/> Desk Compliance Report <input type="checkbox"/> Appraisal Report <input type="checkbox"/> Subject Investigation <input type="checkbox"/> Date Verification <input type="checkbox"/> Field Compliance Report <input type="checkbox"/> Work File <input type="checkbox"/> Comparable Inspection <input type="checkbox"/> Additional Research (Contact office before proceeding) |
| <p>Primary Sources:</p> | |
| <p>Secondary Sources:</p> | |

STANDARD 3 REVIEW INSTRUCTIONS

1. Complete the Board approved Standard 3 Compliance Review Report in its entirety. In completing this report, you must state specific issues of compliance with the Uniform Standards of Professional Appraisal Practice, and reference the proper USPAP Standard Rule number. Supplemental addenda may be added to the Standard 3 Compliance Review Report if deemed appropriate and necessary. All comments must be complete, concise, and detailed. If additional space is needed for your response, please attach a separate sheet with continued response. Reference USPAP Standards Rule number related to the response.
2. If a question is not applicable, please enter N/A where appropriate.
3. The USPAP Standard 3 Review Form is a fillable PDF; all comments are to be typed. Hand written comments will not be accepted.
4. Sign the certification and provide any appropriate limiting conditions.
5. Submit the Standard 3 Compliance Review Report to the Board's office. The office prefers PDF files in email for reviews which may be emailed to nrpab.compliance@nebraska.gov for compliance reviews, or nrpab.credentialing@nebraska.gov for applicant reviews. You may also fax reviews to 402-471-9017, or mail to the following address:

Nebraska Real Property Appraiser Board
 PO Box 94963
 Lincoln, NE 68509-4963

STANDARD 3 REVIEWER AFFIDAVIT

Please check **one** of the boxes below which reflects your ability to complete the assignment. Then sign, date, and return this document to the Nebraska Real Property Appraiser Board's office. You should maintain an executed copy of this form for your records.

By checking this box, you are affirming your ability to complete the assignment in accordance with Nebraska statutes, the Uniform Standards of Professional Appraisal Practice, and the statements below. I certify that I possess the competency to complete the assignment offered to me by the Nebraska Real Property Appraiser Board.

I furthermore confirm that I am knowledgeable and competent in the version of Uniform Standards of Professional Appraisal Practice ("USPAP") relevant to the subject report of this assignment.

I certify that I have no personal, professional, or other relationship which may impair my ability to perform my duties impartially, independently, and objectively, and am therefore able to complete this assignment honestly and without bias.

I attest that I have not had any disciplinary action taken against my credential within the last two years; I furthermore attest that I am not currently under investigation in Nebraska or any other jurisdiction.

I understand that I may or may not be required to testify in formal hearing proceedings, and am willing and able to provide such testimony if required of me.

I confirm that I have writing abilities necessary to communicate effectively, concisely, and objectively within my report, with Board staff and the investigating Board member, and as an expert witness if required of me. I further understand that I am able to review the appraisal report, not the appraiser whose work I am reviewing. I acknowledge that inflammatory language is not an acceptable method of communicating my opinion.

I understand that, in accordance with the Confidentiality provisions of the Ethics Rule of USPAP, all information regarding this appraiser/investigation/assignment is considered to be confidential.

By checking this box, you are disclosing your inability to complete the assignment in accordance with the requirements established. Please return all documents, including this form, immediately to the Nebraska Real Property Appraiser Board's office.

I certify that I am unable to complete the assignment, for any reason, in accordance with the requirements of the Nebraska Real Property Appraiser Board, Nebraska statutes, and/or Uniform Standards of Professional Appraisal Practice.

I CERTIFY THAT THE STATEMENTS MADE IN THIS FORM AND ALL ATTACHMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT I HAVE NOT SUPPRESSED ANY INFORMATION THAT MIGHT HAVE A BEARING ON THE APPLICATION/INVESTIGATION.

Appraiser Signature

Credential Number

Date

REVIEW REPORT INFORMATION

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|---|--|
| <p>Identify the work under review and the characteristics of that work relevant to the intended use and purpose of this review:</p> | |
| <p>Identify any ownership interest in the subject property under review:</p> | |
| <p>Identify the date of the work under review and the effective date of the opinions or conclusions in the work:</p> | |
| <p>Identify the appraiser who completed the work under review, unless the identity is withheld by the client:</p> | |
| <p>Identify the physical, legal, and economic characteristics of the property, property type(s), or market area in the work under review:</p> | |
| <p>Identify the date of this Standard 3 Compliance Review Report:</p> | |
| <p>Identify any extraordinary assumptions and/or hypothetical conditions necessary in the review assignment, and identify if and/or how their use may affect the assignment results:</p> | |

APPRAISAL REPORT REVIEW

Ethics Rule: *An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics. An appraiser must comply with USPAP when obligated by law or regulation, or by agreement with the client or intended users. In addition to these requirements, an individual should comply any time that individual represents that he or she is performing the service as an appraiser.*

Does the appraisal report reveal any apparent noncompliance with the USPAP Ethics Rule?

Yes No

Reviewer's Explanation:

Record Keeping Rule: *An appraiser must prepare a work file for each appraisal or appraisal review assignment. A work file must be in existence prior to the issuance of any report. A written summary of an oral report must be added to the work file within a reasonable time after the issuance of the oral report. An appraiser must retain the work file for a period of at least five years after preparation or at least two years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment. An appraiser must have custody of the work file, or make appropriate work file retention, access, and retrieval arrangements with the party having custody of the work file.*

Does the appraisal report reveal any apparent noncompliance with the USPAP Record Keeping Rule?

Yes No

Reviewer's Explanation:

Competency Rule: *An appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment. The appraiser must determine, prior to accepting an assignment, that he or she can perform the assignment competently. A competent appraiser has the ability to properly identify the problem to be addressed, has the knowledge and experience to complete the assignment competently, and has recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment. If the appraiser determines he or she is not competent prior to accepting an assignment, the appraiser must disclose the lack of knowledge and/or experience to the client before accepting the assignment, take all steps necessary or appropriate to complete the assignment competently, and describe, in the report, the lack of knowledge and/or experience and the steps taken to complete the assignment competently. When facts or conditions are discovered during the course of an assignment that cause an appraiser to determine, at that time, that he or she lacks the required knowledge and experience to complete the assignment competently, the appraiser must notify the client, and take all steps necessary or appropriate to complete the assignment competently, and describe, in the report, the lack of knowledge and/or experience and the steps taken to complete the assignment competently.*

Does the appraisal report reveal any apparent noncompliance with the USPAP Competency Rule?

Yes No

Reviewer's Explanation:

Scope of Work Rule: *For each appraisal and appraisal review assignment, an appraiser must identify the problem to be solved, determine and perform the scope of work necessary to develop credible assignment results, and disclose the scope of work in the report. An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results. An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use. An appraiser must not allow the intended use of an assignment or a client's objectives to cause the assignment results to be biased. The report must contain sufficient information to allow intended users to understand the scope of work performed.*

Does the appraisal report reveal any apparent noncompliance with the USPAP Scope of Work Rule?

Yes No

Reviewer's Explanation:

Jurisdictional Exception Rule: *If any applicable law or regulation precludes compliance with any part of USPAP, only that part of USPAP becomes void for that assignment. In an assignment involving a jurisdictional exception, an appraiser must identify the law or regulation that precludes compliance with USPAP, comply with that law or regulation, clearly and conspicuously disclose in the report the part of USPAP that is voided by that law or regulation, and cite in the report the law or regulation requiring this exception to USPAP compliance.*

Does the appraisal report reveal any apparent noncompliance with the USPAP Jurisdictional Exception Rule?

Yes No

Reviewer's Explanation:

STANDARD 2 – REPORTING:

Standards Rule 2-1 (a): *Does the report clearly and accurately set forth the appraisal in a manner that is not misleading?*

Yes No

Reviewer's Explanation:

Standards Rule 2-1 (b): *Does the report contain sufficient information to enable the intended users of the appraisal to understand the report properly?*

Yes No

Reviewer's Explanation:

Standards Rule 2-1 (c): *Does the report clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions that directly affect the appraisal and indicate their impact(s) on value?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2: *Each written real property appraisal report must be prepared under one of the following options and prominently state which option is used: Appraisal Report or Restricted Appraisal Report. If you are reviewing a Restricted Appraisal Report (2-2 (b)) please contact the Nebraska Real Property Board office before continuing with the review. Board staff will provide you with the appropriate Standard 3 Compliance Review Report pages in order for you to complete the review.*

Does the appraisal report prominently state which report option has been used: 2-2 (a) or 2-2 (b)?

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (i): *Does the report state the identity of the client and any intended users by name or type? (This includes Standards Rule 2-2 (b)).*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (ii): *Does the report state the intended use of the appraisal?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (iii): *Does the report summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (iv): *Is the real property interest appraised clearly stated?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (v): *Does the report state the type and definition of value and its source?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (vi): *Are the effective date of the appraisal and the date of the report clearly stated?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (vii): *Has the appraiser provided sufficient information based on the report option to clearly and accurately disclose to the client and any intended users of the appraisal the scope of work used to develop the appraisal?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (viii): *Does the report provide sufficient information based on the report option used to understand the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions? Does the report clearly disclose the exclusion of the approaches to value and the reasoning behind the exclusion?*

Comment: An appraisal report must include sufficient information to indicate that the appraiser complied with the requirements of Standard 1. When reporting an opinion of market value, a summary of the results of analyzing the subject sales, agreements of sales, options, and listing in accordance with Standards Rule 1-5 is required. If such information is unobtainable, a statement on the efforts undertaken by the appraiser to obtain the information is required. If such information is irrelevant, a statement acknowledging the existence of the information and citing its lack of relevance is required.

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (ix): *Does the report state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (x): *When an opinion of highest and best use was developed, is there sufficient information in the report to understand the support and rationale for that opinion?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (xi): *Does the report clearly and conspicuously state all extraordinary assumptions and hypothetical conditions, and state that their use might have affected the assignment results?*

Yes No

Reviewer's Explanation:

Standards Rule 2-2 (a) (xii): *Does the signed certification include all of the required statements in accordance with Standards Rule 2-3?*

Comment: A signed certification is an integral part of the appraisal report. An appraiser who signs any part of the appraisal report, including a letter of transmittal, must also sign this certification.

Yes No

Reviewer's Explanation:

Does the report include the required disclosure of prior services, including specifying what services have been provided within a 3-year period prior to accepting the assignment? Does the certification specify prior services performed, if any? Is the name of all persons providing any real property appraisal support included in the report?

Yes No

Reviewer's Explanation:

SUMMARY – LIST OF STANDARDS OF USPAP NOT MET IN REPORT

Include comments to support USPAP noncompliance.

BASIC ASSUMPTIONS AND LIMITING CONDITIONS

The submitted Standard 3 Compliance Review Report is subject to the underlying assumptions and limiting conditions qualifying the information it contains as follows:

1. Reviewer may or may not have inspected the subject property or comparable properties. If not, all information about the subject property was taken from the appraisal report and/or work file, and reviewer did not research any additional data, as agreed upon with the client based on the intended use unless otherwise noted.
2. Possession of this Standard 3 Compliance Review Report, or copy thereof, does not carry with it the right of publication. Disclosure of the contents of this report is governed by the Nebraska Real Property Appraiser Board.
3. The purpose of this Standard 3 Compliance Review Report is to determine compliance with USPAP in the subject appraisal report. This Standard 3 Compliance Review Report is intended solely for the internal use of the Nebraska Real Property Appraiser Board.
4. The contents of this Standard 3 Compliance Review Report shall not be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent of the Nebraska Real Property Appraiser Board.
5. The reviewer may be required to defend any analyses, conclusions, or opinions found in this Standard 3 Compliance Review Report.
6. Unless stated otherwise in this Standard 3 Compliance Review Report, the analyses, opinions, and conclusions in this report are based solely on the data, analyses, and conclusions contained in the appraisal report and/or the work file, if provided.
7. All analyses, opinions, and conclusions expressed by the reviewer are limited by the scope of the work process as defined in this Standard 3 Compliance Review Report.
8. Any analyses, conclusions, or opinions found in this Standard 3 Compliance Review Report apply only to the work specifically identified and described in this report.
9. The reviewer has made no legal survey. Therefore, reference to a sketch, plat, diagram, or previous survey appearing in this Standard 3 Compliance Review Report is only for the purpose of assisting the reader to visualize the property.
10. Reviewer assumes no responsibility for legal matters, either existing or pending, related to subject property and appraisal report.
11. The compensation received for this assignment is in no manner contingent upon the conclusion of this Standard 3 Compliance Review Report.
12. Reviewer Competency: The signatory of this compliance report is a fully qualified certified appraiser who has been involved in the valuation, review, and/or compliance analysis of similar properties. The education and experience in valuation review and compliance analysis of similar reports satisfies the Competency Rule of USPAP.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have performed no other **OR** the specified services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

If 'the specified' was selected, please provide information regarding prior services provided

- I have no (or the specified) present or prospective interest in the property that is the subject of the work under review and no (or the specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My analyses, opinions, and conclusions were developed, and this review report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have **OR** have not made a personal inspection of the subject of the work under review. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the subject of the work under review.)
- No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification. (If there are exceptions, the name of each individual providing appraisal, appraisal review, or appraisal consulting assistance must be stated.)



Signature

State Credential Number

Date