

539-3-.02 Standards for Developing and Reporting an Appraisal.

(1) In developing and reporting an appraisal of real property, an appraiser shall not:

- (a) perform any appraisal assignment beyond the scope of authority granted in the appraiser classification held;
- (b) fail to disclose clearly and accurately the appraiser classification and number granted to the appraiser by the state;
- (c) fail to employ correctly methods and techniques that are necessary to produce a credible appraisal. Unless the appraiser expressly provides a credible real estate appraisal justification in the appraisal report, the appraiser may not vary from the following guidelines:

1. appraisers reaching a conclusion of value for a real property must:

- a. Obtain all data used in every appraisal from a reliable source and verify that data from at least one additional reliable source. For purposes of this Chapter a reliable source shall be one typically utilized by appraisers in the area and includes, but is not limited to, a personal inspection by the appraiser; publicly filed records; property tax records; an appropriate local multiple listing service; and commercially available data based and publications reasonably relied upon by appraisers in the ordinary course of their business. An appraiser may also rely upon information obtained from real estate appraisers, brokers, closing attorneys, sellers, and buyers provided that the appraiser maintains (1) documentation of any information obtained from appraisers, brokers, closing attorneys, sellers, and buyers and (2) the name and telephone number and/or address of each source in the appraiser's file for at least five years;
- b. Obtain for the appraiser's file the Tax Assessor's 100% market value;
- c. identify and state in the appraisal report any list prices of the property if listed within the preceding year reported by reliable sources; and
- d. comment on the impact on the market value of the subject of foreclosure activity in the market area of the subject property.

2. appraisers utilizing the market approach for reaching a conclusion of value for a real property must:

- a. identify and describe the market area as a geographic location;
- b. select comparable properties that are the most recent sales and that reflect current market conditions for valuation of the subject property. Absent a credible real estate appraisal explanation for a different definition of most recent sales, most recent sales shall be within one year and in the market area. The most recent sales shall be presumed to be properties that have sold within the preceding year of the *effective* date of the appraisal;
- c. select comparable properties for valuation of a residential property that require the net total of any adjustments to the sales price of a comparable sale not to exceed 15% and the gross total of all adjustments (whether positive or negative) not to exceed 25%, absent a credible real estate appraisal explanation for differing adjustments;
- d. select comparable properties for valuation of a property that are located within the market area of the subject. Absent a credible real estate appraisal explanation for a different market area, the market area for residential properties shall be presumed to be comparable properties located first within the same subdivision as the subject and second located within one mile of the subject;

e. list in the appraisal report any sale of the subject property held within the preceding three (3) years of the appraisal's effective date including the date of sale and sales price. In addition, comment on or explain if any sale occurred within six (6) months of a previous sale within said three (3) year period when the sales price increased more than 25% of the previous sales price;

f. list in the appraisal report any sales of comparable properties used in said report held within the preceding one (1) year of the comparable properties last date of sale including the previous date of sale and sales prices. In addition, comment on or explain if any sale occurred within six (6) months of a previous sale within said one (1) year period when the sales price increased more than 25% of the previous sales price.

g. state the exposure time indicated by the market.

3. appraisers utilizing the cost approach for reaching a conclusion of value for a real property must include in the appraisal report the relevant replacement cost data from a source reasonably relied upon by appraisers in the ordinary course of their business. Said source must be identified by title on the appraisal report;

4. appraisers utilizing the income approach for reaching a conclusion of value for a real property shall identify in the appraisal report the source of any income data used in the appraisal report; identify any ownership or other interest which such source has in the subject property; and maintain in the appraiser's file for a period of five years written verification of such income data.

(d) commit a substantial error of omission or commission that significantly affects the appraisal;

(e) render appraisal services in a careless or negligent manner;

(f) communicate the appraiser's analyses, opinions, or advice in a manner that is misleading to the client;

(g) fail to include in a report of an appraisal sufficient information to enable the person(s) who are expected to receive or rely on the report to understand it properly;

(h) perform an independent appraisal assignment with partiality or an accommodation of personal interest;

(i) accept an independent appraisal assignment when the employment itself is contingent upon the appraiser's reporting a predetermined estimate, analysis, valuation, or opinion or where the fee to be paid is contingent upon the opinion, conclusions, analysis, or valuation reached or upon the consequences resulting from the appraisal assignment;

(j) perform any appraisal assignment without (1) disclosing any lack of knowledge and/or experience to the client before accepting the assignment; (2) taking all steps necessary to complete the assignment competently; (3) describing the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the appraisal report; and (4) having the client expressly identify any other persons or entities that the client expects to rely on the appraisal report;

(k) report the results of a real property appraisal without disclosing the nature, extent, and detail of the appraisal processes undertaken;

(l) fail to disclose clearly and accurately in the appraisal report any assumption or any limiting condition that directly affects the appraisal and to indicate its impact on value;

(m) fail to include in an appraisal report a certification that includes the following items in language substantially similar to the following:

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, unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report, and I have no (or the specified) personal interest or bias with respect to the parties involved.
- I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
- my engagement in this assignment or in any future assignment is not contingent upon developing or reporting predetermined results.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Georgia Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Georgia Real Estate Appraisers Board.
- I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs the report, this certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- no one provided significant professional assistance to the person signing this report. (If there are exceptions, the name of each individual providing significant professional assistance must be stated and the professional assistance provided must be disclosed.);
- (n) falsify any part of an appraisal report;
- (o) fail to maintain at all times direct control of the appraiser's signature and the method by which that signature is affixed to an appraisal report. An appraiser may grant permission to another to affix the appraiser's signature to an appraisal report provided that the permission is in writing, the permission extends to only one specific appraisal report, the writing identifies the report and the amount of the opinion of value, and the appraiser maintains a copy of the written permission in the appraiser's work file. An appraiser shall not grant blanket authority to another person to affix the appraiser's signature to an appraisal report or reports; and
- (p) use any uniform residential appraisal report form for reporting appraisal work for any purpose other than to report an appraisal.
- (q) Submit or transmit an appraisal report without taking reasonable steps to ensure that the report cannot be altered, modified or otherwise facilitate unlicensed appraisal activity as addressed in O.C.G.A. § 43-39A-24. Such unlicensed activity may include the alteration or modification of the report by the client, liaison of the recipient, or appraisal management company.
- (r) if paid by a third party, fail to include the fee paid for the appraisal assignment and; if ordered by an appraisal management company, the registration number of that appraisal management company.

- (2) An appraiser who signs a real property appraisal report prepared by another accepts full responsibility for the appraisal and the contents of the appraisal report.
- (3) An appraiser shall not disclose confidential information or the results of an appraisal assignment to anyone other than:
- (a) the client and persons specifically authorized by the client;
 - (b) state enforcement agencies and such third parties as may be authorized by due process of law; and
 - (c) a duly authorized professional peer review committee.
- (4) In developing and reporting an appraisal of real property in a non-federally related transaction; an appraiser must take reasonable steps to identify and report (a) the identity of the current owner of the property, (b) whether the property is listed for sale and identify and state in the appraisal report all list prices within the preceding year, (c) whether the property is under contract for sale, and (d) whether the property has sold within the last three years prior to the effective date of the appraisal.
- (5) While documenting compliance with the requirements of paragraph (4) above may be accomplished in a variety of ways, an appraiser who attaches to the appraisal report the following items, obtained contemporaneously with the appraisal, shall be deemed to have met the requirements of this rule:
- (a) a copy of the most recently recorded deed transferring ownership of the property or county tax records showing the name(s) of the property's current owner(s) of record,
 - (b) a copy of any existing listing agreement or documentation from a multiple listing service that reflects a listing period of the property and its owner(s); and
 - (c) a written statement signed by the party ordering the appraisal that such party has disclosed to the appraiser all pending agreements to sell the property of which it is aware and has supplied to the appraiser all written agreements to sell the property of which it is aware.
- (6) When a client of an appraiser requests an appraisal of a property that was the subject of an appraisal performed by that appraiser for a different client and intended user(s) with a new effective date and if the appraiser uses any data from the original appraisal in the appraisal for the new client, then, unless the appraiser expressly provides a credible real estate appraisal justification in the appraisal report, the appraiser must, at a minimum:
- (a) perform an inspection of the subject property sufficient in scope to provide a credible appraisal;
 - (b) re-verify any data from the first appraisal that is being re-used in the new appraisal;
 - (c) review the comparable sales that were used in the original appraisal and analyze any comparable sales that have occurred or on which information has become available since the date of the original; and
 - (d) identify the new client and intended user(s).

Authority O.C.G.A. Secs. 43-39A-8, 43-39A-13, 43-39A-18.