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### Use of Supplemental Listing Pages in Residential Appraisal Reports

Some appraisers are taking the position that if they include comparable listings using a Comparable Sales grid page, this would be misleading because listings are not yet sold, thus not “sales”, and therefore a violation of USPAP.

This belief is misguided. There are a few key points to consider, but ultimately, using Fannie Mae/Freddie Mac (Government Sponsored Enterprises, or GSEs) forms in a manner consistent with [GSE Selling Guides](#), [UAD Appendix D](#) and the instructions for using the Uniform Residential Appraisal Report (URAR) carries absolutely no risk of misleading Fannie Mae and Freddie Mac, the key intended users, or their lender-partners, the appraiser’s client.

This view suggests that the creators of the form don’t understand how to read what they created. Lenders represent and warrant to the GSEs that they have manufactured loans in compliance with the GSE instructions and policies. The forms are part of the contract between the lender and Fannie Mae or Freddie Mac. Therefore, the lender is obligated to understand the forms and their contents.

An appraiser may opt to use a page labeled *Comparable Contract Offerings* or *Comparable Listings* if they wish, but a few words of caution are in order.

First, for most lenders, the place they are going to look for these listings is the Sales Comparison grid because that is where the GSEs instruct the appraiser to put them (UAD Appendix D, Version 1.6, pages 22-23). Listings have appropriate labels and cannot be confused for closed sales when UAD responses are used correctly. If an appraiser’s goal is to not mislead the client, he or she needs to be aware of what the client expects for listings and needs to be certain they will find the listings if they are put somewhere other than the prescribed location.

Second, inclusion of a page or pages labeled *Comparable Contract Offerings* or *Comparable Listings* may be included as addenda to the report. However, these pages are not part of the URAR form set so just as with additional maps or photos; these will be supplemental to the main form. You may have some latitude about ordering the pages, but even though MISMO can read them, they will not be read as part of the main form.

Some appraisers continue to focus on misleading “*the reader*” of the report. Certainly every intended user is a likely reader of an appraisal report, but not every reader is an intended user. The appraiser’s obligations are to clients and intended users. Any other reader should seek clarification as needed from other sources. Standards Rule 2-1 (b) clearly states that the appraisal report must “contain sufficient information to enable the *intended users* of the appraisal to understand the report properly.”

Conclusion

Inclusion of current listings has been part of good appraisal practice for decades and precedes creation of separate Comparable Listing grids or pages. Using separate Comparable Listing grids can be good practice in some assignments, provided that doing so is consistent with the expectations of the intended users.

When intended users include Fannie Mae, Freddie Mac and their lender-partners, failing to adhere to their guidelines can lead to producing a misleading report. Additional addendums are often necessary and can add considerably to the ability of intended users to understand the report properly. When addendums are used, the appraiser must be certain that intended users will not struggle to find needed information or be confused by inconsistency with standard practices.

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