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Appraisal Institute unveils appraisal tips for consumers

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The Appraisal Institute recently released helpful tips for consumers, providing guidance for homeowners and buyers seeking to ensure their sales are completed in a timely manner.

As the nation's largest professional association of real estate appraisers, the Appraisal Institute created the helpful tips to let consumers know how to protect themselves and how to avoid unnecessary frustration when selling or buying a home. The document is available at: <http://www.appraisalinstitute.org/newsadvocacy/downloads/AIhelpfultipsforconsumers.pdf>.

"Too many consumers in this struggling real estate market face problems with appraisals when attempting to buy or sell a home," said Appraisal Institute president Joseph Magdziarz, MAI, SRA. "But rather than passively endure delays in closing a sale, homeowners and buyers can take proactive steps to avoid pitfalls."

The Appraisal Institute's tips encourage homeowners and buyers to:

- * Understand the role of appraisals.
- * Make sure their lender hires a qualified appraiser (such as a designated SRA, SRPA or MAI member of the Appraisal Institute).
- * Accompany the appraiser during the inspection of the property if possible.
- * Request a copy of the appraisal report from the lender.
- * Examine the appraisal report and ask questions.
- * Appeal the appraisal if appropriate.
- * Ask the lender to order a second appraisal by a qualified and designated appraiser.
- * File legitimate complaints with appropriate state board or professional appraisal organizations.

"Credible opinions of value can help to stabilize the real estate market," Magdziarz said. "Appraisals are especially important because they are an objective and unbiased source of information. Unlike others involved in real estate transactions, the appraiser is an independent professional who performs a service for a fee rather than for a commission."

Magdziarz noted that normal declines in the real estate market have led to increased caution by lenders. That caution has led to delays in completing some real estate transactions.

"Appraisers today are doing the same thorough, fact-based research and analysis they have always done," Magdziarz said. "Nothing has changed in that regard."

Magdziarz added that appraisers have been wrongly accused of prolonging the nation's real estate downturn by developing value opinions that are below proposed sale prices. Specifically, he said, they've been unfairly criticized for including comparable sales in the valuation process that provide opinions that are below the cost to build.

It serves neither the lender nor the consumer to enter into an upside-down mortgage, he noted. Some real estate agents, mortgage brokers and home builders have used the Home Valuation Code of Conduct and Interagency Appraisal and Evaluation Guidelines as a scapegoat for current

declines in the real estate market caused by the weak economy and the general oversupply of homes in the market, Magdziarz said.

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The Appraisal Institute is a global membership association of professional real estate appraisers, with more than 24,000 members and 91 chapters throughout the world. Its mission is to advance professionalism and ethics, global standards, methodologies, and practices through the professional development of property economics worldwide. Members of the Appraisal Institute may hold the prestigious MAI, SRPA and SRA designations. Learn more at www.appraisalinstitute.org.

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