

# What Consumers Should Know About the Appraisal Process and Filing a Complaint

## General Appraisal Information

An appraisal is an opinion of value prepared by a state licensed or certified appraiser that complies with the Uniform Standards of Professional Appraisal Practice (USPAP). USPAP is the generally recognized ethical and performance standards for the appraisal profession in the United States.

Appraisals are typically ordered by a lender or an Appraisal Management Company to help them decide how much money to loan on a property. In these instances, the lender is the appraiser's client - even though the buyer may be paying for the appraisal

To maintain the independence of the valuation process, federal banking regulations prohibit the lender (i.e. the appraiser's client) from allowing direct communication between the appraiser and the borrower. All communication regarding the appraisal must be channeled through the lender or its agent.

Appraisals can also be used for other purposes such as settling legal cases (e.g. divorce, estate matters.) In those the client is the person that entered into the agreement with the appraiser.

## Board's Authority Regarding Disciplinary Action

A real estate appraiser licensed in Maine must comply with generally accepted standards of professional appraisal practice and generally accepted ethical rules. The USPAP standards prohibit activity such as:

- *Any form of bias or advocacy*
- *Intentionally withholding or misrepresenting information relevant to the appraisal*
- *Lack of competence for the specific property assignment*
- *An error or series of errors that combine to reduce the credibility (as defined by USPAP) of the appraisal*
- *Completion of appraisals on properties beyond the permitted scope of the appraiser's license or certification*
- *Lack of due diligence in researching the market for comparable sales*

When a complaint is investigated, the Board determines whether the appraiser violated the Real Estate Appraisal Licensing and Certification Act or Rules, including USPAP standards. If the board does not find a violation of those standards or rules, the complaint is dismissed - although the board may include with the dismissal a letter of guidance to educate or reinforce the licensee's knowledge of matters raised in the complaint.

When a complaint is investigated and the Board finds that a licensee has violated Real Estate Appraisal Licensing and Certification Act or Rules, or USPAP standards, the Board's authority regarding disciplinary action is limited to the following:

- *Issue a warning, censure or reprimand to a licensee*

- *Suspend a license for up to 90 days per violation*
- *Revoke a license*
- *Impose a fine of up to \$1,500 per violation*
- *Impose remedial education and monitoring*
- *Impose conditions of probation on a licensee*

The Board does **not** have the authority to:

- *Award restitution to a buyer or seller*
- *Order appraisers to change any components of an appraisal (e.g. square footage, number bathrooms or comparable properties used to determine market value)*
- *Order an appraiser to change an appraisal valuation*
- *Give consumers a new value for their property or confirm if the appraiser's opinion of value is correct*
- *Act as an attorney or arbitrator to assist in legal matters*

Disciplinary action imposed on licensees is posted on the Board website. Click [here](#) to search for appraiser licensee discipline. Disciplinary action taken against real estate appraisers is also reported to the Appraiser Subcommittee and listed on the [national registry](#).

#### **Options Available to Consumers Who Don't Agree With An Appraised Value:**

Consumers seeking a reconsideration of the appraised value should contact their lender or loan officer. For civil or criminal actions contact an attorney. The Board cannot change or order an appraised value to be changed.

Click [here](#) to file a complaint online.