

COMMUNICATIONS BETWEEN APPRAISERS AND REAL ESTATE AGENTS

- Regulatory Background
- Different Roles
- Best Practices

REGULATORY BACKGROUND

- Dodd-Frank
 - Free from influence or pressure from “interested parties”
 - Use independent professional judgment in home valuation
 - Some examples of “interested parties” include: mortgage lender, mortgage broker, real estate broker, appraisal management company

DIFFERENT ROLES

- Real Estate Agent - Role to represent and act in the best interests of the client
- Appraiser – Role to be an independent third party and to come up with the best appraisal. Does not represent or serve any party's interest.

APPROPRIATE COMMUNICATION

- Provide appraiser with helpful and relevant information
 - Copy of the sales contract
 - Applicable comparable sales
 - Evidence of notable renovations
 - House maintenance records
- Provide information for appraiser's consideration

INAPPROPRIATE COMMUNICATION

- Appraiser shouldn't be told how to use information or to do an appraisal.
- Don't state the desired value for the property or the amount of the loan.
- Never try to intimidate or bribe an appraiser especially by promising work or threatening to take it away.

BEST PRACTICES

- The Real Estate Professional should be the one who lets the appraiser into the property.
- Be clear about your intent.
- Be a resource - good appraisals rely on good information.
- Do not boycott or publicly disparage an appraiser.
- Advise your client when they're selecting a lender.
- Always be professional and courteous.